

Environmental and Social Data Sheet

Overview

Project Name:	TURKU URBAN INFRASTRUCTURE
Project Number:	2016-0986
Country:	Finland
Project Description:	The project concerns financing of a four-year multi-sector investment programme of the City of Turku in the period 2017-2020. The project is expected to comprise small to medium sized schemes related to education, culture, social housing, energy, transport and other urban infrastructure.
EIA required:	This is multi-scheme Framework Loan operation. Some of the schemes may fall under Annex I or Annex II of the EIA Directive and have to be screened by the Competent Authority.
Project included in Carbon Footprint Exercise ¹ :	No

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

The operation is classified as a municipal framework loan to Turku, a city located on the southwest coast of Finland with about 188,000 inhabitants. The project is expected to comprise a number of small to medium sized schemes (with a cost below EUR 50m each) in the sectors of education, culture, social housing, energy, transport and other urban infrastructure.

All investment schemes will be located within the city boundaries and will support the implementation of the City's Development Strategy (called "Turku 2029").

Relevant environment EU Directives have been transposed into national legislation (SEA Directive, EIA Directive, Birds and Habitats Directives, Energy Performance of Buildings Directive). The competent Environmental Authority for the City of Turku is the Centre for Economic Development, Transport and the Environment (ELY Centre) of Southwest Finland, which is in charge of environment and natural resources in Finland. There are 15 ELY Centres in Finland, which act as contact authorities in impact assessments carried out in accordance with the Act on Environmental Impact Assessment Procedures, in line with the

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

requirements of the EIA Directive 2014/52/EU (amending 2011/92/EU) as transposed into the national legislation, and issue opinions in environmental impact assessments of plans and programmes (identifying and assessing impacts of a project, plan or programme on humans, nature, built environment and natural resources). The City itself has a well-established system of comprehensive multi-sector spatial development plans with integrated Strategic Environmental Assessment (in line with Directive 2001/42/EC).

For investments in construction, reconstruction and/or renovation of public buildings and municipal rental housing there are a number of positive effects expected, including energy savings in buildings owned by the municipalities as a result of insulation of walls and roofs, changing of windows and other energy efficiency measures.

The construction/reconstruction works are expected to have some minor negative impacts during the construction/implementation period. Once the works are completed, it is generally expected that the overall net environmental impact will be positive.

Biodiversity Issues

Although there are Natura 2000 sites (Habitats 92/43/EEC and Birds 2009/147/EC Directives) situated in the Turku region (within the city borders: Ruissalon lehdot, Pomponrahka; outside the city borders: Rauvolanlahti and Kurjenrahka), it has been assessed that none of the protected sites will be affected by any of the schemes in the operation. However, should any scheme have a potential significant impact on a protected site, the Promoter has to provide evidence of the compliance with the relevant Directives before the Bank funds are allocated.

Social Assessment

Although no separate social impact assessment has been carried out, it is deemed that the overall social impact of the framework loan will be positive. This assumption is based on the expected results of the programme representing new and rehabilitated public buildings (including schools and theatre); improvement of urban infrastructure (including public spaces, assisted living and affordable rental housing); urban transport schemes and energy enhancements (energy production and networks improvements).

Turku's population is growing but is also experiencing structural changes (aging, immigration) and is in need of attracting businesses. New or reconstructed public buildings, schools, cultural venues, assisted living, improved transport infrastructure as well as sustainable energy networks will serve to attain these goals since the quality of residents' everyday life and convenience of conducting business, social relations and routines, will increase due to the improved municipal infrastructure and services.

Climate Change

This framework loan has elements that support climate action through renewable resources in energy production, energy efficient public buildings and innovative public transport solutions.

Public Consultation and Stakeholder Engagement

Public consultation with local government units, public institutions and professionals bodies, as well as public participation, was carried out as part of the SEA process during the preparation of the City Master Plan. The current City Master Plan was adopted in 2009.

Conclusions and Recommendations

Given the scope of this operation and sectors included, it is likely that some infrastructure schemes will fall under the EIA Directive 2014/92/EU (amending 2011/92/EU), either under Annex I or Annex II. Should any scheme under this operation fall under Annex II and be "screened in" by the Competent Authority, or fall under Annex I, the Promoter shall deliver the EIAs to the Bank, if applicable, before the respective Bank funds are allocated. However, given the relatively small size of the individual schemes, the location, duration of the works

and the nature of the sectors concerned, most of the schemes are deemed unlikely to have significant environmental impacts.

The institutional capacity of the promoter to manage the environmental and social issues is deemed very good. Given the nature of the operation and the procedures concerning EIA, nature protection put in place by the competent authorities in Finland and the capacity of the Promoter, subject to the conditions mentioned above, the Framework Loan is acceptable in environmental and social terms.

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