

**Public**

## Environmental and Social Data Sheet

### Overview

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| Project Name:  | Madrid Social Housing   |
| Project Number:  | 20180337  |
| Country:   | Spain   |
| Project Description:   | The project involves the construction of new social housing units for rent; the energy efficiency and accessibility refurbishments of existing social housing units, falling under the Smart Finance for Smart Buildings (SFSB) initiative; and improvements to the urban environment in municipalities in the Madrid region. |
| EIA required:  | no  |
| Project included in Carbon Footprint Exercise <sup>1</sup> : | no  |

### Environmental and Social Assessment

#### Environmental Assessment

The investment loan will finance an investment programme with identified components comprising the construction of 612 new social housing units for rent; the refurbishment of 1337 existing social housing units; and improvements to the urban environment in municipalities in the Madrid region. The new developments will include 323 social housing units that will be nearly zero energy buildings (NZEBs). Both new and refurbished buildings intend to reduce the energy consumption levels of the buildings hence this project falls under the Smart Finance for Smart Buildings (SFSB) Initiative, a joint initiative of the EIB Group and the European Commission (EC) aiming at supporting Energy Efficiency investments in buildings. No EIA is required for any of the investment loan's components.

It is foreseen that the environmental impact of the housing schemes at the construction stage will be short-lived and reversible, and at a level deemed acceptable. Some of the expected negative effects include traffic, dust and noise during construction, which will be alleviated by appropriate site organisation and construction management. Pollutants from heating systems, industrial processes and waste management will be mitigated through the use of proven technologies and compliance with national legislation. In addition, effective mitigation measures will be put in place such as drainage systems, noise barriers, reinstatement of damaged vegetation with local species, etc.

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<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

The construction of new social housing units will meet high environmental standards and will contribute to improve the quality of the built environment. The refurbishment related investments are expected to generate significant energy efficiency benefits, therefore the project contributes to the Bank's Climate Action objectives. In addition to this, the project will contribute to maintaining and improving the quality of the urban environment.

### **Social Assessment, where applicable**

There is no self-standing social assessment for the project. However, the need for rented social housing in the area appears to be strong. The construction of new social housing units will significantly contribute to alleviating the shortages in the social housing supply and will help meeting the demand for additional social housing in the Madrid region. The rehabilitation of existing social housing units will accelerate the upgrading of the current housing stock. The investments will contribute to increasing the supply of social housing and will provide greater housing options for low-income groups.

In addition to this, some units will benefit from improved accessibility for elderly and disabled people with the installation of lifts. More generally, the project will promote urban regeneration, energy efficiency, and better social inclusion of lower income households.

Some of the project components might entail temporary relocation and even expropriation. The Spanish legislation envisages that the rights and interests of vulnerable groups are respected and any resettlement or expropriation is carried out in accordance with the applicable law. The EIB will be promptly notified if any resettlement or expropriation process takes place.

### **Public Consultation and Stakeholder Engagement**

Consultation process is embedded in the planning process (article 133.2 Law 39/2015 on the Common Administrative Process of the Public Administration and Order PRE/1590/2016 that gives instructions to enable public participation), therefore it is anticipated that the social housing components of this operation is subject to stakeholder engagement and public scrutiny.

## **Conclusions and Recommendations**

The Operation is expected to increase the supply of social housing and therefore to increase the market flexibility to respond to any social and affordable housing needs, particularly from those groups in lower than average income brackets. It is expected that the net environmental and social impact of the Operation will be positive. The provision of social and affordable housing will improve the quality of life of the most vulnerable groups of society and will promote greater social inclusion.

The Operation will contribute to improvements in the urban environment through rehabilitation and refurbishment measures, which will improve the quality of buildings and their energy consumption.

The promoter will be required that EU social requirements regarding the protection of vulnerable groups are put in place.

The promoter will also be required to act according to the provisions of the relevant EU Directives, including SEA (2001/42/EC), EIA (2014/52/EU amending 2011/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives and Water Framework Directive (2000/60/EC) as transposed into national law.

Final Energy Simulation or Energy Performance Certificates of the new Buildings and energy savings compared to initial design obtained in line with the EU Directive 2010/31/EU will be submitted to the Bank as soon as they are available.

In conclusion, the institutional capacity of the promoter to manage the environmental and social issues is deemed good. Therefore, given the nature of the operation and the procedures concerning EIA and nature protection put in place by the environmental competent authorities, subject to the conditions mentioned above, the project is acceptable in environmental and social terms. In view of the above findings and conditions, the operation is deemed satisfactory from an environmental and social compliance perspective.

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