

Environmental and Social Data Sheet

Overview

Project Name:	HYPO VORARLBERG COVID-19 ENHANCED SUPPORT FOR EE
Project Number:	20190901
Country:	Austria
Project Description:	Loan substitute operation in the form of a guarantee covering the mezzanine tranche on a granular SME portfolio originated by Hypo Vorarlberg, aimed at supporting the financing of new loans targeting the construction of new highly energy efficient buildings and energy efficiency investments in existing buildings.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no
Intermediated lending is not part of the Bank's CO ₂ footprint.	

Environmental and Social Assessment

The operation is related to improving the energy performance of new housing units and building refurbishments in built-up urban areas in Austria, particularly in the region of Vorarlberg during the period 2020-2023.

Environmental Assessment

Energy consumption for heating purposes in the buildings targeted by this project will be reduced while the use of renewable energies will be increased. The project is in line with the Bank's priority lending objectives for energy efficiency (EE) and renewable energy (RE) and supports the Climate Action objective (100%). The operation would contribute to EU energy objectives and energy efficiency projects, and support the implementation of the EU Energy Performance of Buildings Directive 2010/31/EU (EPBD).

Schemes allocated to the portfolio will satisfy the EIB's eligibility criteria for EE refurbishments of buildings or new construction of highly energy efficient buildings. The energy performance of the new buildings financed under this operation will exceed the minimum requirements of the Austrian legislation.

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

Luxembourg, 17.09.2020

Temporary nuisance due to construction works (dust, noise) will be mitigated through appropriate site organisation and construction management. Asbestos risk will be assessed and mitigated in line with regulatory requirements. Due to the nature of the investment very limited environmental impacts are expected. However, the cumulative impact of sub-projects could generate significant environmental benefits in terms of reduction of air pollutants and GHG emissions.

Given the scale, location and nature of the sub-projects in built-up urban areas an EIA, as defined under the EIA Directive 2014/52/EU, amending the 2011/92/EU, is normally not required. The capacity of the FI to carry out environmental assessment of projects in line with the Bank's requirements and the national legislation has been appraised and is deemed Satisfactory.

Social Assessment

The Project is expected to improve the living conditions for the tenants in the modernised buildings through better indoor air quality and the renewal of the facades. The attractiveness of these buildings will increase.

Where rented property is modernised, the refurbishment may also lead to an increase in rent limited by legal regulations and by the competitive rental market environment. The rent increase will be partially offset through the heating cost reductions, which are borne by the tenants.

The construction of highly energy efficient buildings and building refurbishments generates local economic activity and contributes to employment generation.

The investments will generate social benefits, in terms of supporting better health through improving indoor air quality and supporting employment generation.

Conclusions and Recommendations

During appraisal of the operations it was confirmed that the financial intermediary (FI) has fully understood the Bank's E&S requirements and is willing and capable to fully implement them. The following loan disbursement conditions and undertakings will be included in the FI legal documentation:

- The legal documentation to be concluded between the FI and the Bank shall include an obligation on the FI to ensure that all projects comply with national and European legislation (where applicable), as well as the Bank's Environmental and Social standards.

In view of the above findings and conditions, the operation is deemed satisfactory from an environmental and social compliance perspective.