

Public

Environmental and Social Data Sheet

Overview

Project Name:	SPAIN URBAN INFRASTRUCTURE PROGRAMME LOAN
Project Number:	20200697
Country:	Spain
Project Description:	Programme Loan aimed at financing urban infrastructure investments in Spain
EIA required:	This is a multi-scheme Programme Loan operation. Some of the schemes may fall under Annex II of the EIA Directive and have to be screened in
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The operation consists of a Programme Loan (“PL”) designed to support multi-annual investment programmes by public promoters responsible for urban infrastructure in Spain. This support will be structured as Investment or Framework Loans (depending on the maturity of the underlying schemes), financing directly the promoters of the projects.

In the field of environmental protection, the State has the competence over the basic legislation, and the Autonomous Communities are competent to develop and adopt complementary rules if necessary. At the state level, the main authority with environmental competences is the Ministry for Ecological Transition and Demographic Challenge.

The main regulations that transpose the EU directives are, among others, Law 21/2013 on Environmental Assessment (establishing the basic framework for SEA and EIA procedures), the Royal Legislative Decree 1/2016 regarding Integrated Pollution Prevention and Control procedure, the Law 42/2007 on Natural and Biodiversity Heritage Law, and the Real Decree 840/2015.

The Ministry for Ecological Transition and Demographic Challenge is competent for projects, which are substantively in the competence of the State Administration and/or affect the territory of more than one Autonomous Community. Each Autonomous Community's

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.

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environmental authority (17 regions) is competent to conduct the EIA procedure, which affects its territory. The regional EIA Authority is designated by regulation inside the Environmental Authority.

Investment schemes to be financed are expected to include energy efficiency, urban redesign/redevelopment, cultural & sports infrastructure, urban transport networks, green areas and other urban infrastructure and services.

All projects to be supported will be in accordance with the applicable urban development strategies, National and Regional Water Management, Flood Management and Waste Management Plans. The relevant Strategic Environmental Assessment (SEA) is expected to have been carried out in line with the SEA Directive 2001/42/EC. Relevant EU Directives have been transposed into the national legislation (EIA Directive, Birds and Habitat Directive, Energy Performance of Buildings Directive).

Individual schemes have to obtain building permission, which takes into account the national environmental legislation. Building permits are issued by the relevant public local building authorities. The investments will comply with environmental standards and energy efficient (re)construction will lead to low energy consumption in the building stock. The Operation is also expected to contribute to climate action through mitigation measures.

Social Assessment

No separate social impact assessment has been carried out for the Project. However, in the context of this PL it is expected that the social impacts of the project will be overall positive, supporting the Bank's involvement. Municipalities define their urban regeneration strategies through the delimitation of urban renewal areas using different instruments. The sub-projects to be financed by this operation include the rehabilitation of public spaces, public buildings, as well as actions related to promotion of culture and economic activities, which are expected to result in an increased quality of life for residents as well as increased attractiveness for businesses and tourists.

Public Consultation and Stakeholder Engagement

The individual investments are expected to form part of urban development plans for which public consultation is carried out

Governance

There is plenty of evidence that Environmental and Social (E&S) criteria and related best practices have improved significantly in Spain in recent years, with many public and private urban promoters setting up dedicated teams dealing with environmental and social issues. For example, Green Procurement procedures are increasingly being embraced, incentivizing the purchase of services that are less harmful to environment and human health than competing products and services.

Conclusions and Recommendations

Prior to disbursement against any specific scheme, the Promoters will provide to the Bank the evidence that schemes comply with relevant provisions of the environmental EU Directives, including EIA (2014/52/EU amending 2011/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives as transposed into the national law. In addition, the Promoters will be requested to deliver EIAs (if applicable) to the Bank before the Bank funds are disbursed. Upon the Bank's request, the Promoters will be requested to provide selected Energy Performance Certificates obtained in line with the EU Directive 2010/31/EU during implementation or after completion of works.



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Overall, the net environmental impact is expected to be positive. In addition, the Operation should bring about social benefits by regenerating affected urban areas and helping to improve the quality of building stock as well as the quality of life of residents. The investments to be financed will significantly contribute to the improvement of the urban environment.

Based on similar recent loan operations in Spain, the institutional capacity of the majority of urban development promoters to manage the environmental and social issues is deemed good. Therefore, subject to the conditions described above, the project is acceptable for the Bank in environmental and social terms