

Luxembourg, 19/01/2024

Environmental and Social Data Sheet

Overview

Project Name:	<i>USTI NAD LABEM MUNICIPAL INFRASTRUCTURE II</i>
Project Number:	<i>2023-0252</i>
Country:	<i>Czech Republic</i>
Project Description:	Modernisation of municipal infrastructure of the City of Usti nad Labem.
EIA required:	This is a multi-scheme operation. Some of the schemes may require an EIA under Annex II of the EIA Directive.
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The proposed municipal framework loan („the Project“) will support eligible investment schemes in the City of Ústí nad Labem (“the City” or “Ústí nad Labem”), a city with about 90,000 inhabitants located in the North Bohemian region in the Czech Republic. Investments will be mainly related to urban development and modernisation of municipal infrastructure, and thus supporting implementation of the City’s urban development strategy defined until 2030 and other sectorial plans, well within the framework set by the spatial development plan. In particular, the Project is envisaged to support investments in public buildings, public infrastructure and public spaces; investments in energy efficiency and renewable energy; as well as investments in urban mobility. This is a multi-scheme framework loan operation, the Promoter has identified an indicative list of some 15 small schemes whose eligibility will be assessed in detail at allocation stage including compliance with the Paris Alignment criteria.

Some of the schemes may require an Environmental Impact Assessment (EIA) under Annex II of the EIA Directive (2014/52/EU amending 2011/92/EU), and in such cases the promoter will be required to act according to the provisions of the EIA Directive. Relevant EU Directives have been transposed into the national legislation (EIA Directive, SEA Directive, Birds and Habitat Directive, Energy Performance of Buildings Directive). The Czech environmental law is compliant with the EU Directives and all investments will be assessed by competent authorities with regards to its environmental impact (EIA as per Czech Act no. 100/2001 Col.) and potential impact on NATURA 2000 sites (as per Czech Act no. 114/1992 Col.). These environmental assessments form an integral part of the building permit process in the Czech Republic. All schemes are expected to be located in urbanized areas and not inside or near any Natura 2000 or other protected zones.

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, 19/01/2024

There is no climate adaptation strategy at regional level, however, climate risks are recognised in the Regional Development Strategy as well as in the Just Transition Plan adopted for Ústí nad Labem Region in the context of the Just Transition Mechanism in 2021-2027 period. This is particularly relevant as most of the investment schemes included in this EIB operation are supposed to be supported by JTM Plan, and thus contributing to the regional JTM objectives, including climate risk adaptation. Despite absence of a comprehensive local climate adaptation strategy, it is deemed that the Promoter is well aware of the climate vulnerabilities and risks and appropriate adaptation measures are embedded in the design of the City's investment programme and individual investment schemes.

The environmental objectives of the City's Development Strategy include several measures dedicated to achieving reduction of air pollution, aiming at carbon neutrality while affecting the city's energy systems, industry and transport. The energy efficiency schemes of the operation are adhering to this strategic objective resulting in significant social and environmental benefits particularly, improving the quality of air and thus the quality of life of the citizens.

At construction stage, the Project will increase noise levels, and will impact water and air quality. Adequate mitigating measures will be considered in the designs such as drainage systems, management of earthworks, reinstatement of damaged vegetation with local species and wildlife protection with underpasses. If felling of trees is required in any of the schemes, they will be protected in appropriate manner and tree clearance will be conducted outside the nesting season. Overall, the project's impact at the construction stage will be short-lived and reversible, at a level which is deemed acceptable. At operation, the urban road investment aims at enhanced safety as well as reducing noise and emissions from motor vehicles. Moreover, climate adaptation measures included in the investments, such as water reservoirs, use of permeable surfaces, green roofs and corridors, greenspaces, are expected to have a positive environmental impact for the City and improve the quality of life of the inhabitants. Investments will be eligible for EIB financing only if they are aligned with the Paris Agreement goals and principles as defined in the Climate Bank Roadmap (CBR). All building renovation and modernisation schemes are in line with the EU Directive on the Energy Performance of Buildings 2010/31/EU. Given all this, the Operation will have a positive overall impact. The EIB Project is expected to bring savings in operational costs and contributing to the reduction of local emissions through energy efficiency measures in public lighting and public amenities. Against this background, the project is expected to be aligned with the Bank's efforts in combatting Climate Change.

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. The operation is expected to increase the quality of public spaces and services available to the inhabitants. Investments related to the construction and reconstruction of pavements and pedestrian paths will decrease dependency on individual passenger cars, promote physical activity and enhance safety of citizens. Improved quality of social care facilities, schools, and recreational amenities will contribute to the overall quality of life and social inclusion. New capacities in public education and care facilities will provide for the targeted population in need and allow more parents to return to economic activity. Investments in social care facilities (e.g. nursing homes for elderly) will improve living conditions of the most vulnerable groups of local population.



Luxembourg, 19/01/2024

Public Consultation and Stakeholder Engagement

The individual investments are expected to form part of urban development plans for which public consultation has been carried out. This has been the case particularly for the City's Development Strategy until 2030 as well as other strategies and plan, thus ensuring a broad participation of stakeholders and the public opinion. The public consultation that has been carried out is expected to ensure the social acceptability of the plan and the reduction of conflicts in the implementation of adaptation actions.

Other Environmental and Social Aspects

The individual project building permits will stipulate monitoring of environmental requirements prior to, during, and post construction. In addition, road safety and particularly safety of cyclists and pedestrians is expected to improve, thanks to safety measures proposed in relation to road and cycling paths network.

Conclusions and Recommendations

The Promoter will 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. In projects where applicable, the Promoter will be requested to deliver the EIAs to the Bank before Bank funds are allocated. For Schemes having a potential impact on protected areas including Natura 2000 sites, the Promoter has to provide evidence of the compliance (including screening) with the Habitats and Birds Directives (if applicable) before the Bank funds are allocated. For schemes triggering art. 4.7 of the Water Framework Directive (WFD), the Promoter has to provide evidence of the compliance with the WFD before the Bank funds are allocated.

Upon the Bank's request, the Promoter 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.

The overall environmental and social impact of the Project is expected to be positive, with improved environment and citizens' quality of life, especially through improved quality of public infrastructure, amenities and spaces, and energy efficiency in public buildings (contributing also to climate change mitigation). Potential negative effects (e.g. dust and noise during construction) will be alleviated by implementing effective mitigation measures.

Therefore, given the nature of the operation and subject to the conditions stated above, the Project is acceptable for the Bank in environmental and social terms.