

Environmental and Social Data Sheet

Overview

Project Name:	<i>CARUNA DISTRIBUTION NETWORK INVESTMENTS II</i>
Project Number:	<i>2018-0250</i>
Country:	<i>Finland</i>
Project Description:	The project consists of a multi-component investment programme in the electricity distribution network in the South Western and the Northern Finland in the period 2018-2019. The programme includes network reinforcements and refurbishments in high, medium and low voltage networks as well as the replacement of overhead lines with underground cables to increase resilience to extreme weather events such as storms and heavy snow and meet the regulatory requirements for continuity of supply.

EIA required: maybe

Project included in Carbon Footprint Exercise¹: no

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

Environmental and Social Assessment

The programme concerns mainly the replacement of approx. 9,000 km of medium and low voltage overhead lines with approx. 10,500 km of underground cables. The programme also includes new overhead and underground 110 kV network of approx. 80 km length as well as network refurbishments and reinforcements. The programme will enable the promoter to improve quality of service, to cater for demand growth and connect new users including renewable generation.

Environmental Assessment

Some programme schemes fall under Annex II of the Directive 2014/52/EU, amending the EIA Directive 2011/92/EU, leaving it to the competent authority to determine whether or not an Environmental Impact Assessment (EIA) is required. According to national legislation, an EIA is required either for schemes that concern overhead lines of voltage 220 kV or higher, or if it is deemed by the competent authority that the project is likely to have significant environmental impact taking into account the nature and the scope of the project as well as in relation to other projects. Projects are also screened with respect to the need for an appropriate assessment under the EU Habitats and Birds Directives.

¹ Only projects that meet the scope, 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.

Luxembourg, 30.11.2018

Overall, the environmental impacts of the programme are expected to be minor and related mainly to noise, vibration, dust, and traffic disruption during the construction, and electromagnetic fields (EMF) and nuisance during operation. Appropriate mitigation measures will be implemented to minimise impacts during construction and operation. Particular attention will be paid to contain the effect of noise, vibrations and traffic disruption during the construction works. Typical mitigation measures include special construction procedures to minimize damages, construction of facilities to contain oil leaking from transformers, special waste collection procedures and other.

Due to their technical characteristics, the promoter does not expect that the schemes of the Programme will require an EIA. Furthermore, it is the promoter's planning policy to avoid as much as possible crossing Natura 2000 sites and so it is expected that only a small number of schemes will be screened in for an Appropriate Assessment.

The environmental and social due diligence has followed the programme lending approach according to the EIB's procedures and standards, i.e. the due diligence focussed on the promoter's capacity and capability to implement the programme in line with EIB environmental and social standards and requirements. The Bank also reviewed an EIA for a scheme that the promoter implemented in the past and found it to be satisfactory. The environmental capacity of the promoter is deemed to be good; it has the experience and the capacity to appropriately manage the investment programme.

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the promoter including its organisation, processes and procedures, and deemed them to be good.

Based on the information available, and with appropriate conditions (see below) and monitoring, the programme is expected to be acceptable in environmental and social terms for Bank financing:

- The promoter undertakes to store and keep updated all EIA screening decisions concerning the programme schemes issued by the competent authority for nature and environment.
- The promoter undertakes not to allocate the Bank's funds to programme schemes that require an Environmental Impact Assessment (EIA) until the EIA and/or the biodiversity assessment have been finalised and approved by the competent authority. An electronic copy of the EIAs must be placed on the website of the promoter from the moment the EIAs are made available to the public and maintained until completion of reporting.
- The promoter undertakes to ensure that all programme schemes will undergo a biodiversity screening in accordance with the EU Habitats and Birds Directives. Should a component have a potential impact on a site of nature conservation, the undertaking is extended to inform the relevant authority and implement the procedures under Articles 6(3) and (4) of the Habitats Directive.
- The promoter undertakes to store and keep updated any documents that may be relevant for the programme and which support the compliance with the provisions under the EU Habitats and Birds Directives (Form A/B, or equivalent declaration by the competent authority) and shall, upon request, promptly deliver such documents to the Bank.