

Environmental and Social Data Sheet

Overview

Project Name:	WALLONIA SOC HOUSING ENER EFF & FLOOD RESILIENCE
Project Number:	2021-0038
Country:	Belgium
Project Description:	Financing the Walloon Region's 2021-26 energy efficiency investment plan across the entire regional social housing sector, and the reconstruction of riverbanks and flood prevention infrastructure destroyed during the July 2021 floods.
EIA required:	Some of the underlying operations may require an EIA under Annex II (screen in) of the EIA Directive 2014/52/EU (amending (2011/92/EU)
Project included in Carbon Footprint Exercise ¹ :	yes

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

Environmental and Social Assessment

Environmental Assessment

The operation concerns a framework loan to the Walloon Region in Belgium, and has two components:

1. Improving the energy performance of existing buildings through deep energy renovations including, among others, the following measures: building shell insulation, improvement of HVAC (heat, ventilation, and air conditioning) systems, electric vehicle charging infrastructure, etc.
2. Reconstructing about 230km of riverbanks, dykes and walls destroyed during the July 2021 floods along Walloon rivers which are not used for navigation.

Consequently, the project will be implemented by two Promoters: the "Société Wallonne du Logement" (and the local social housing companies) for Component 1, and the "Direction des Cours d'Eau Non Navigables" (DCENN) for Component 2.

Component 1 of the operation will contribute to the EU energy and climate objectives and support the implementation of the EU Energy Performance of Buildings Directive (EPBD) and the Energy Efficiency Directive (EED).

The energy efficiency measures will contribute to reducing energy consumption and subsequent running costs of the buildings. Therefore, this component of the project will contribute to climate change mitigation with estimated yearly final energy savings of 541 GWh.

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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Given the location, scale and nature of the building renovation sub-projects, an EIA (Environmental Impact Assessment), as defined under the EIA Directive 2014/52/EU, amending the 2011/92/EU, is normally not required.

Temporary nuisance due to construction works (dust, noise) shall be mitigated through appropriate site organisation and construction management. 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 the reduction of air pollutants and GHG emissions.

Measures included under Component 2 will need to comply with the Water Framework Directive (2000/60/EC) and the Floods Directive (2007/60/EC). On April 28, 2016, the Walloon Government has approved the river basin management plans for the Walloon parts of the Rhine, Meuse, Scheldt and Seine basins (“Plans de gestion des districts hydrographiques”) which are subject to an evaluation in line with the Directive on Strategic Environmental Assessment (2001/42/EC).

Some of the reconstruction schemes within the programme might require an EIA and some will require an Appropriate Assessment for potential impacts on Natura 2000 areas.

Negative temporary effects on fauna and landscape are expected during construction and will be alleviated by implementing effective mitigation measures as required by the competent authority. Where possible, the works will favour ecologically based riverbank restoration activities in order to improve degraded waterways over hard engineering solutions. Overall the schemes under Component 2 are expected to have neutral or net positive environmental impacts in the long term.

The capacity of the Promoter to carry out an environmental assessment of projects in line with the Bank’s requirements and the national legislation has been appraised and is deemed satisfactory.

The project has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap.

EIB Carbon Footprint Exercise

For the purpose of the EIB Carbon Footprint, the Bank considered that before the project buildings are consuming mostly gas for heating, electricity and some diesel oil for heating. After the project, the consumption of existing building is significantly decreased, most of the oil heating is converted to other fuel and there a part of heating is provided by renewable energy as pellets or solar heated water. Reconstruction/new construction of destroyed buildings due to the flooding are considered neutral in terms of CO2 impacts.

The Project will generate net emissions savings of approximately 27,300 tonnes of CO2 equivalent per year. For the annual accounting purposes of the EIB Carbon Footprint, the Project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project costs.

Social Assessment

The investments under Component 1 will generate social benefits, in terms of supporting better health through improving indoor air quality, better quality of life and by providing affordable housing. The reconstruction works under Component 2 will improve flood protection for approximately 520,000 inhabitants.

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For both components, a minor nuisance to residents is possible during the construction works (noise, dust, visual impact, traffic routes, etc.). With appropriate stakeholder information, such impacts can be mitigated. The works for both components will also contribute to employment creation during construction.

Public Consultation and Stakeholder Engagement

Where required, consultations with affected communities and interested parties will take place in line with the requirements of the relevant Directives, such as for the 2nd cycle of Flood Risk Management Plans (2022 to 2027) which are submitted to public consultation from 3 May to 3 November 2021.

Paris Alignment

The main objectives of the project are energy efficiency in residential buildings and the reconstruction of flood prevention infrastructure. Funded activities are in line with the Wallonian regional adaptation strategy (PACE). Both components are Paris aligned according to the Climate Bank Roadmap.

Conclusions and Recommendations

Given the size and nature of the projects, any negative environmental impacts are expected to be mitigated.

All schemes covered by the programme will be subject to the Promoter complying with the following requirements:

- The Promoter will be required to act according to the provisions of the relevant EU Directives, including the EIA (2014/52/EC) amending the EIA Directive (2011/92/EC), Habitats (92/43/EEC), and Birds (2009/147/EC). The promoter undertakes not to allocate Bank funds to project components that require a full EIA until the EIA and the necessary appropriate assessment, if required, have been finalised and approved by the relevant competent authority. Once any EIA is finalised, the promoter will provide the Bank with an electronic copy of the EIA, for publication on the EIB website.
- The Promoter undertakes to provide to the Bank, if requested, any decisions issued by the competent authority that screen out project component and the main reasons for not requiring EIA with the reference to the relevant criteria listed in Annex III of the EIA Directive.
- To the extent possible, EIB will recommend to the Promoter to assess the feasibility of implementing nature based solutions in the respective allocation.

The Promoter is deemed to have sound environmental and social capabilities, well proven in the refurbishment, construction and operation of similar buildings. The project will contribute to climate change mitigation (i.e. energy efficiency) by decreasing the energy consumption of residential buildings in Belgium and to climate adaptation by increasing the resilience against floods.

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

Based on the above considerations, the Project is acceptable for the Bank in environmental and social terms.