

**Public**

## Environmental and Social Data Sheet

### Overview

Project Name: UKRAINE RECOVERY PROGRAMME  
Project Number: 2019-0903  
Country: Ukraine  
Project Description: Second framework loan to support priority investments in the recovery of areas affected by the conflict in Eastern region of Ukraine and basic infrastructure needs of internally displaced population.

EIA required: No

This is multi-scheme Framework Loan operation. Most schemes, given the size and sectors, would not require an EIA as foreseen under the Ukrainian EIA legislation which transposes EU EIA directive 2011/92/EC as amended by Directive 2014/52/EC.

Project included in Carbon Footprint Exercise<sup>1</sup>: No

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

### Environmental and Social Assessment

#### Environmental Assessment

The overall anticipated environmental and social impacts of the operation are deemed to be positive, with an improved urban environment and improved living conditions for inhabitants in the areas where investments will take place.

The improvements of infrastructure included in this programme will cater to the recovery, reconstruction and rehabilitation of the affected region's municipal and social infrastructure and services. The Project includes energy efficiency measures in public buildings (schools, kindergartens, hospitals, social facilities, etc.)

Most schemes, given the size and sectors, would not require an EIA as foreseen under the Ukrainian EIA legislation, which transposes the EU EIA directive 2011/92/EC, as amended by Directive 2014/52/EC.

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<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

Luxembourg, 17<sup>th</sup> September 2020

Should any scheme included under this Framework Loan require an EIA Report, it would be subject to the Bank's standard review. The Promoter shall deliver to the Bank a confirmation that the schemes have no significant impact on protected areas, as documented in the EIA Reports where applicable.

### **Environmental Impact**

Given the relatively small size of the individual schemes and the nature of the sectors concerned, mainly reconstruction of damaged municipal infrastructure or destroyed buildings in urban territory the schemes are not expected to have significant environmental impacts.

For investments related to reconstruction and/or renovation of public buildings and municipal infrastructure there are a number of positive effects expected, including energy savings as a result of insulation of walls and roofs, changing of windows and other energy efficiency measures.

The traffic schemes, mainly repair of damaged traffic infrastructure, such as roads, streets, bridges, tunnels, etc. will in general improve mobility and promote normalisation of connectivity.

The reconstruction works will only have minor temporary negative impacts during the construction period due to construction noise and dust, etc. Once the works are completed, it is expected that the environmental impact will be positive.

### **Social Assessment**

The Project is expected to have overall significant positive social impacts. As of mid-April 2020, there are almost 1,447,000 registered Internally Displaced Persons (IDPs)<sup>2</sup> in Ukraine, over 1,000,000 are located in the eastern provinces of Ukraine under government control and closest to IDPs' original residences. IDPs have settled as well in the provinces surrounding the most eastern provinces and in larger urban centres throughout Ukraine.

The ongoing conflict in the East of Ukraine continues to have a heavy impact on public services and infrastructure, especially in the East and on the nationwide economy. The relationships between the host population and IDPs has suffered as a consequence of the increased pressure put on the public services (schools, kindergartens, health centres, hospitals, community centres) in certain instances exacerbating through acts of discrimination. The overall contextual risks may include, among other, risks related to the protection of vulnerable people, as well as protection of gender rights in project areas.

The Ukraine Recovery Programme will contribute to the improvement of public social infrastructure. The Promoter, through the Ministry of Social Policy is committed to provide equal access to the affected population, to the infrastructure financed through the project schemes - based on principles of non-discrimination and equality. Building on previous experience in the implementation and good practices of the Early Recovery Programme, the Promoter supported by an external Technical Assistance, will prepare and implement social management and stakeholder engagement plans, providing citizens with accessible information on available support structures provided by the Project and the national legal

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<sup>2</sup> UNHCR Registration of Internal Displacement, Source: Ministry of Social Policy (MoSP).

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framework. This engaging approach had proven to facilitate the integration of IDPs within the community they are currently residing in compliance with the national law on “ensuring the rights and freedoms of internally displaced persons” and in accordance with EIB and international standards, including the UN Guiding Principles on Internal Displacement.

The infrastructure works financed under the projects are not expected to cause any permanent involuntary displacement. In case of any economic or physical involuntary displacement caused by the Project, the Promoter will manage the process consistent with the requirements of EIB standards, therefore preparing resettlement documents, including stakeholder engagement and grievance mechanism.

The EIB will provide additional Technical Assistance for the identification, management and monitoring of environmental and social impacts and risks triggered by project schemes and financed under the Framework Loan at local level.

This process will be defined in an environmental and social management framework (ESMF), part of the operational manual. The ESMF will include resettlement, stakeholder engagement frameworks and a grievance mechanism.

### **Public Consultation and Stakeholder Engagement**

The Promoter has been gaining experience in the implementation of good practices on stakeholder engagement and carried out with the assistance of the TA. The Promoter is committed to carrying out continuous and systematic engagement with all relevant stakeholders, including the affected population, host communities, local civil society organisations, and other organisations operating at the project schemes locations. For this purpose and to uphold EIB Environmental and Social Standards, the Promoter will develop Social Management Plans (SMP) and Stakeholder Engagement Plans (SEP), as required in line with the ESMF.

The Financial Agreement will include social conditions as outlined below under Conclusions and Recommendations.

### **Labour Standards and Occupational Health**

Ukraine has ratified all ILO fundamental conventions. Occupational health safety, as well as labour related provisions will be included in the project operational manual. Including provisions in terms of contract related to equal opportunity, non-discrimination and against gender-based violence.

### **Other Environmental and Social Aspects**

The Promoter’s environmental and social capacity will be strengthened through qualified Environmental and Social staff in the Project Implementation Unit, and Technical Assistance for project schemes at local level.

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## Conclusions and Recommendations

Overall, the schemes under this operation are expected to generate a wide range of positive environmental and social benefits, despite some possible negative impacts during the construction period.

The Promoter will be required to act according to the provisions of the relevant EIA Directive as transposed into the National EIA legislation. In schemes requiring EIA, the Promoter will be requested to deliver the EIA Report to the Bank for publication on the Bank's website.

The Promoter shall not commit any EIB funds against schemes that require an EIA or biodiversity assessment according to EU, national and provincial law without, prior to commitment, receiving consent from the competent authority, and having the EIA process successfully completed, including information to and consultation with the public.

The Promoter will prepare an Environmental and Social Management Framework as part of its operational manual and in line with EIB standards, including i) screening criteria for standards triggers, ii) resettlement policy framework, iii) stakeholder engagement framework with grievance mechanism and iv) monitoring fiches. Each subsequent scheme will be screened and when needed, specific plans will be prepared, commensurate to the size and complexity of the impact identified.

The institutional capacity of the Promoter to manage the environmental and social issues is deemed satisfactory.

With the contractually binding safeguards mentioned in this document in place, the proposed framework project has the conditions to be implemented according to EU E&S standards and the operation is therefore considered acceptable for EIB finance from the social and environmental point of view.