

## Environmental and Social Data Sheet

### Overview

Project Name:	BULGARIA EU FUNDS CO-FINANCING 2014-2020 (SPL)
Project Number:	2013-0545
Country:	Bulgaria
Project Description:	Structural Programme Loan (SPL) for the co-financing of EU Funds supporting investment schemes in Bulgaria during the programming period 2014-2020.
EIA required:	The project is a multi-scheme Framework Loan, some individual investments may require EIA
Project included in Carbon Footprint Exercise <sup>1</sup> :	No

### Environmental and Social Assessment

#### Environmental Assessment

The project will support the EU funds implementation in Bulgaria and, in its first phase, investments in the sectors of RDI, transport, energy, SMEs and environment, included in four Operational Programmes (OPs), namely OP Transport, OP Environment, OP Innovation and Competitiveness, and OP Regions in Growth. In more detail, the interventions will focus on the following areas: priority national roads, regional roads, railways, urban transport systems, water and waste water infrastructure, municipal solid waste management and other systems of environmental protection, RDI, SMEs, circular economy, energy efficiency and renewable energy, urban development.

Strategic Environmental Assessments, including appropriate assessments under Habitats Directive, if applicable, are compulsory for all Operational Programmes and the strategic environmental assessments have been carried out (including public consultation). The SEA process will be finalised in conjunction to the OPs and the Non-Technical Summary (NTS) will be attached to the OP published. Given the scope of this operation and sectors included, it is likely that some large infrastructure schemes are expected to fall under the EIA Directive, either under Annex I or Annex II.

Overall, the environmental and social impact is expected to be positive; the Structural Programme Loan is in line with the Europe 2020 Strategy, with the national sector strategies as well as with the requirements of the EU Directives and the Bulgarian Treaty of Accession to the EU. The following provides a summary of the intended environmental benefits of the OPs:

- The overall objective of the transport component under the OP-TTI of this operation is to develop a sustainable transport system in line with the thematic objective number 7

<sup>1</sup> Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

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of the European Strategy “Europe 2020” that is “promoting sustainable transport and removing bottlenecks in key network infrastructures”.

- The overall objective of the water sector component is improvement and development of water and wastewater infrastructure in Bulgaria in order to ensure that Bulgaria achieves compliance with the Urban Waste Water Directive 91/271/EEC, Water Framework Directive 2000/60/EC and Drinking Water Directive 98/83/EC.
- The key objectives of the solid waste management component of this operation are to reduce the fraction of Biodegradable Municipal Waste (BMW) put into landfills in line with the Landfill Directive 1999/31/EC and to increase the fraction of municipal waste subject to recovery, reuse and recycling consistent with the Waste Framework Directive 2008/98/EC, and in line with the waste hierarchy.
- The other environmental components will contribute to the overall improvement of the system of environmental protection, prevention of the natural risks/hazards and improvement of air quality. The operation will also support energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector.
- The component of the Operational Programme Innovation and Competitiveness will support private sector research, SMEs, shift towards resource efficiency in industry, increase in energy efficiency and renewable energy in enterprises.

Bulgaria, as an EU Member State, has harmonised its environmental legislation in line with the relevant EU Directives, the EIA Directive 2011/92/EU, the SEA Directive 2001/42/EC and the Habitats and Birds Directives 92/43/EEC and 2009/147/EC respectively.

According to the overview of the fulfilment of the ex-ante conditionalities (Annex 3 of the draft Partnership Agreement, version 4.1 January 2014) the EU Commission’s criteria for the “effective application of the Union environmental legislation related to EIA and SEA has already been met/fulfilled.

The experience from the previous programming period 2007-2013 showed that all projects falling under the EU EIA Directive and “screened in” for EIA were managed in line with the requirements under the Directive and the national legislative framework. The Bank received all necessary documents relating to the EIA process and concerned protected areas under Natura 2000. Notwithstanding, the Promoter’s institutional capacity to manage social and environmental risks within the framework of this operation, it is deemed that technical assistance and/or support in terms of capacity building is required. There is abundance of resources available under OPs to that effect.

## **Conclusions and Recommendations**

Given the nature of the operation and the monitoring requirements under the SEA, the EIA and nature protection measures put in place by the Competent Authorities in Bulgaria and the conditions below, the Structural Programme Loan is acceptable in environmental terms. The overall net environmental and social impact of the Structural Programme Loan is positive, with improved accessibility, safety, energy and resources efficiency and environment in general.

The Promoter will be required to act according to the provisions of the relevant EU Directives, including SEA (2001/42/EC), EIA (2011/92/EU amending 2001/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives as transposed into national law. For schemes requiring



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EIA, the Promoter will be requested to deliver the Non-Technical Summary (NTS) to the Bank prior to allocation. For schemes triggering Art. 4.7 of the Water Framework Directive (WFD) or having a potential impact on protected areas, including Natura 2000 sites, the Promoter must provide confirmation of compliance with the WFD and Habitats and Birds Directives prior to allocation. The Promoter shall store and keep all documentation relating to the sub-projects updated and available for review at the request of the Bank.

For large schemes in particular, where applicable, the Promoter shall submit to the Bank the full EIA and Non-Technical Summary of the EIA for publication on the Bank's website. The Promoter shall also submit Nature/Biodiversity Assessments or equivalent documents supporting the compliance with the EU Habitats and Birds Directives – Form A/B or equivalents.