



Luxembourg, 20.10.2022

## Environmental and Social Data Sheet

### Overview

Project Name:	<i>EAFRD CO-FINANCING EXTREMADURA</i>
Project Number:	2022-0210
Country:	<i>Spain</i>
Project Description:	<i>Co-financing investment schemes supported by European Agricultural Fund for Rural Development (EAFRD) in Extremadura within the Spanish Partnership Agreement 2014-2022 (with implementation until Dec-2025).</i>
EIA required:	yes  The Project is a multi-scheme Framework Loan; some individual underlying schemes may require an EIA.
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

The proposed operation will support the Spanish Autonomous Community of Extremadura in the implementation of its Rural Development Programme (RDP) under the European Agricultural Fund for Rural Development (EAFRD) for the extended 2014-2022 programming period. The Project will finance the region's contribution to the RDP, which includes the modernisation of some 9 200 farm holdings, as well as a total agricultural area of 869 000 ha benefitting from enhanced biodiversity, improved water management, better soil management and prevention of soil erosion. It also targets 365 000 ha of forest area subject to management contracts in support of biodiversity, more efficient water management and better soil management. The Project also includes investments in physical assets, as well as capacity building activities. Finally, 70% of the rural population is expected to benefit from enhanced local development and improved services and infrastructures. The RDP has been developed in line with the key international strategies on sustainable development, biodiversity, habitats and ecosystems, landscape and cultural heritage, as well as in line with 1997 Kyoto Protocol for Climate Change and 2004 Aarhus Agreement on environmental management. The integration of the environmental concerns into the RDP is ensured through the Strategic Environmental Assessment (SEA). Following the legislation in place for the latter, the environmental assessment of the RDP at programme level was presented in the Environmental Sustainability Report<sup>2</sup>, which was put to public consultation and then released in the form of the Environmental Report<sup>3</sup>. The conclusions of the latter were taken into account in the final version of the RDP approved by the European Commission (EC). Finally, an interim report on the recent development of the monitoring indicators defined during the SEA was published in 2019.<sup>4</sup>

<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.

<sup>2</sup> [Informe de Sostenibilidad Ambiental](#) of 19 August 2014.

<sup>3</sup> [Memoria Ambiental del Plan de Desarrollo Rural de Extremadura](#) of 15 April 2015.

<sup>4</sup> [Informe sobre la Evaluación Estratégica Ambiental](#) (26 de junio de 2019).



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Environmental sustainability, as well as climate change mitigation and adaptation constitute transversal objectives of the RDP. However, some physical works to implement the measures, might have short-term negative effects on the environment. The appropriate mechanisms are in place to avoid, reduce, minimise or compensate for these undesirable effects. A fundamental element of these mechanisms is the requirement that all investments with potential negative impacts on the environment be submitted to the Environmental Impact Assessment (EIA) procedure in accordance with the applicable legislation to be determined by the competent screening authority. The investment measures, which are likely to need an environmental impact assessment include investments in reforestation and the creation of new forest areas, investments in modernisation of farms, public irrigation infrastructures<sup>5</sup> and investments in food processing and marketing.

The Environmental Report lists many types of vulnerable geographical areas (e.g., Natura 2000, areas identified as being vulnerable for high nitrate concentrations, those in danger of soil erosion or desertification, places with issues of air pollution) where project authorisation will be subject to scrutiny. In any case, any sub-project that may affect Natura 2000 sites must, as a precondition for its eligibility (i) undergo an assessment of its environmental impact in accordance with the provisions of Law 42/2007, of 13 December 2007, on Natural Heritage and Biodiversity and other applicable provisions; and (ii) have a declaration of non-affectedness issued by the Regional Ministry for the Environment.

The Environmental Report refrains from prescribing a list of corrective measures at the level of the RDP. Rather, it considers environmental protection to be embedded into the objectives of the RDP as a horizontal principle.

All schemes must be implemented in compliance with the EU and national environmental legislation and all relevant key documents will be published in line with the EIB's Disclosure Policy.

### **Social Assessment, where applicable**

The Project promotes social inclusion, poverty reduction and sustainable economic development in rural areas. In addition, development of research, innovation, experimentation and technology transfer in agriculture, livestock and forestry generate knowledge and broader benefits for society at large. In case of agri-food SMEs, schemes under this Project will help smaller economic actors gain or maintain market shares, thus increasing competition. The selection criteria for a number of measures, such as knowledge transfer and investment in physical assets pay specific attention to young farmers and women farm holders and beneficiaries. The prioritisation comes in the form of a higher point score for female/young beneficiaries and/or by giving priority to the latter in situations where projects have the same total point score.<sup>6</sup>

All investments envisaged under the RDP are subject to applicable EU and national social regulations.

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

During the preparation of the RDP, public consultation and stakeholder engagement were conducted in line with the requirements of the Regulation (EU) No 240/2014 on the European code of conduct on partnership in the framework of the European Structural and Investment

<sup>5</sup> Investment in new irrigation systems expanding the agricultural area covered by irrigation is part of the RDP but remains outside the scope of the EIB operation.

<sup>6</sup> The latest version of the [selection criteria for RDP schemes](#) is published on CAE's EAFRD website.



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Funds. The public consultation on the Environmental Sustainability Report of the RDP's SEA started on 14 July 2014 and ran during 23 working days during which the environmental authority held meetings with a number of relevant public, private and NGO partners, affected by or involved in rural development in Extremadura. Public representation, information and consultation will also be required in programme-specific monitoring and awareness activities, such as through the socio-economic and environmental representation in the Monitoring Committee and through the rural network established in support of the RDP, as well as in the EIA process, in accordance with the EIA Directive, for sub-projects requiring an EIA. In addition, the RDP commits to incorporating the principle of equality into its monitoring and evaluation functions.

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

The Autonomous Community of Extremadura is considered to have the required experience for the implementation of the schemes according to the environmental and social requirements and to be able to monitor the proper implementation of the environmental mitigation measures, approved by the competent environmental authority.

## **Conclusions and Recommendations**

The following undertakings will be required for this project:

- 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, the Water Framework Directive 2000/60/EC and Habitats (92/43/EEC) and Birds (2009/147/EC) Directives, as applicable.
- The Promoter shall not commit any EIB funds against schemes that require an EIA or biodiversity assessment according to the EU acquis 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, if and when required by applicable EU legislation.
- When an EIA is required for schemes financed in the Project, the Promoter shall submit a copy of the EIA to the Bank for publication. The Promoter shall also store and maintain updated the relevant documents (including environmental studies related to the EIA, the Non-Technical Summaries of the EIAs, and Nature/Biodiversity Assessments or equivalent documents supporting the compliance with the EU Habitats and Birds Directives - Form A/B or equivalents) to be provided to the Bank upon request.
- In case the EIB requires such documentation, the Promoter shall provide all documents requested promptly. The Promoter shall verify the compliance of the schemes with the relevant and applicable rules of the European Union legislation, in particular in the field of environment.
- The Promoter shall only commit schemes for allocation to the EIB loan, which are Paris aligned as per the EIB Group Climate Bank Roadmap 2021-2025. In case of doubt whether an investment is Paris aligned, the Promoter shall consult the EIB to ensure Paris alignment of that investment.

Taking into account the contractual undertakings associated with the project as well as the capacity of the Promoter and the systems in place to manage environmental and social impacts and issues, the project is acceptable for the Bank's financing in environmental and social terms.