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## Environmental and Social Data Sheet

### Overview

Project Name:	SOCIOECONOMIC TRANSITION OF WESTERN MACEDONIA
Project Number:	2022-0027
Country:	Greece
Project Description:	The Project is structured as a multi-sector Framework Loan in support of a Just Transition in Western Macedonia and is expected to fall under the Public Sector Loan Facility (PSLF, Pillar III of the Just Transition Mechanism). The Project comprises the schemes under the investment programme of the Western Macedonia Region (Dytiki Makedonia) aiming to support the implementation of the Territorial Just Transition Plan of the region.
EIA required:	This is a multi-scheme operation. Few of the schemes require an EIA under Annex II of the EIA Directive.
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

For the proposed operation, the Promoter (Western Macedonia Region) has presented a tentative pipeline of schemes, assessed on a preliminary basis as eligible and Paris Aligned, sufficient to absorb the entire loan amount with total estimated cost of approximately EUR 80m. The investment programme aims to tackle some of the social, economic, environmental and climate transition challenges described in the Territorial Just Transition Plan and the Regional Development Programme 2021-2025 of Western Macedonia. It is complementary to the National Just Transition Programme. Eligible schemes are in the sectors of energy efficiency (public buildings and street lighting), transport (roads), health care (primary health centres), culture and tourism (restoration of historical bridge and modernisation of ski facilities). The shares of planned investments should approximately reach 35% in EE, 27% in transport, 22% in health care, 8% in culture and the remaining 8% in tourism.

The investment programme will concentrate on the development needs of the region in its transition away from carbon intensive activities, arising from the climate neutrality objective, as described in the Just Transition Territorial Plan of Western Macedonia: Restructuring of the region's production system, support to human resources and communities affected by delignification, and mitigating the negative environmental, health and safety impacts of extraction and energy production from lignite combustion.

The current regional development strategy, called "Regional Development Programmes of Western Macedonia 2021-2025", sets the following objectives: (i) smart growth (R&D, digital

<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, 07.09.2022

transformation, innovation and entrepreneurship); (ii) green growth (circular economy, environmental protection, climate change); (iii) social development (health, employment, education/sport, social cohesion); (iv) development of infrastructure (networks, transport, logistics chain); and (v) strengthening the outward orientation of the region (culture, tourism, agri-food, industry). The Strategic Environmental Assessment (SEA)<sup>2</sup> is currently under approval. SEA reports are available to the public.

Apart from the general development strategy, there are also mid-term sector plans particularly in the area of transport, biodiversity and tourism, which describe in detail plans and intentions in terms of development, as well as investment needed.

In view of the nature of the projects involved in the operation, the application of Environmental Impact Assessment (EIA) procedures will be relevant for few of the tentatively proposed schemes<sup>3</sup>. The region's territory has protected areas defined as European Natura 2000 sites, which should not be affected by the schemes. In general, the proposed schemes are expected to have a limited temporary impact on the environment during the construction phase, usually through increased local traffic and noise, as well as construction and demolition waste generated. Furthermore, the Promoter has in place an actionable Strategy and Action Plan on Biodiversity.

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

The investment programme will contribute to a better-balanced territorial development, reducing inequalities between people and between places within the region. This will be achieved primarily by: (i) enhancing the economic diversification of the region in transition, (ii) upgrading of public health, cultural and tourism infrastructure and (iii) improvements enabling infrastructure and intra-regional connectivity with an impact on road safety. It will therefore improve living conditions in the region, as well as strengthen socio-economic prosperity. The investment programme is committed to respect principles of equal opportunities and non-discrimination (including gender equality).

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

"The Regional Development Programme of Western Macedonia 2021-2025" was subject to comprehensive public consultations. Individual schemes may also be subject to public consultation in line with the EIA law.

## **Conclusions and Recommendations**

The Project is a multi-scheme Framework Loan. The Promoter (Western Macedonia Region) 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), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives and Water Framework Directive (2000/60/EC) as transposed into national law. In all projects requiring an EIA, the Promoter shall keep the EIA and NTS on record, which shall be provided to the Bank upon request.

<sup>2</sup> The SEA was prepared in line with requirements of the Joint Ministerial Decision of the Ministry of the Environment, Regional Planning and Public Works/EYPE/οικ.107017/2006 (Government Gazette, Series II, No 1225/5-9-2006) on the assessment of the effects of certain plans and programmes on the environment in compliance with the provisions of Directive 2001/42/EC.

<sup>3</sup> For the tourism infrastructure project, a decision on the approval of Environmental Terms has been issued as per National Legislation and published on the Public Sector's Open data portal : <https://opendata.diavgeia.gov.gr/luminapi/api/search/export?q=organizationUid:%22100015996%22&fq=signerUid:%22117061%22&sort=recent&wt=xls>



Luxembourg, 07.09.2022

The overall institutional capacity of the Promoter to manage the environmental and social issues is deemed Good. Given the nature of the operation and the procedures concerning EIA and nature protection put in place by the competent authorities in Greece, subject to the conditions mentioned above, the loan is acceptable in environmental and social terms.