

Luxembourg, 25.08.2023

Environmental and Social Data Sheet

Overview

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| Project Name: | <i>CYPRUS EU FUNDS CO-FINANCING 2021-2027</i> |
| Project Number: | <i>2022-0231</i> |
| Country: | <i>Cyprus</i> |
| Project Description: | <i>Structural Programme Loan supporting the 2021-2027 selected operational programmes and priorities from the Partnership Agreement of the Republic of Cyprus</i> |
| EIA required: | yes |

The Project is a multi-scheme Structural Programme Loan (a type of Framework Loan); some individual underlying schemes may require an EIA.

Project included in Carbon Footprint Exercise¹: no

Environmental and Social Assessment

Environmental Assessment

The Project will support, through national contribution co-financing, priority multisector investments of the EU Cohesion Policy Funds Operational Programme THALIA for the 2021-2027 Programming period (OP), prepared under the Cypriot Partnership Agreement.

The shares of planned investments should reach approximately 35% in drinking water supply, 24% in digitalisation, and 21% in research development. The remaining 20% corresponds to investments in urban and regional development (9%), renewable energy sources (5%), sustainable urban transport infrastructure (4%), vocational education (1%), and SMEs support (1%).

The SEA of the OP contains assessment of the expected environmental effects arising from the implementation of the OP, as well as measures envisaged to prevent or reduce any possible negative effects on the environment.

All schemes must be implemented in compliance with the EU and national environmental legislation.

In accordance with Article 73 of Regulation (EU) 2021/1060², all planned investments falling within the scope of the EIA Directive will be subject to an environmental impact assessment or a screening procedure and due consideration will be given to the assessment of alternative solutions based on the requirements laid down in that Directive.

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.

² Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159–706).



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Furthermore, infrastructure investments under the Project, with an expected duration of at least five years, will be subject to climate proofing, which is a process aimed at avoiding the vulnerability of infrastructure to potential long-term climate impacts, while ensuring that the energy efficiency first principle is respected and that the level of greenhouse gas emissions from a project is consistent with the climate neutrality objective by 2050. The climate proofing is to be based on the Commission Notice 2021/C 373/01 on Technical Guidelines on the climate proofing of infrastructure in the period 2021-2027³ and, where appropriate, further relevant guidance.

The Project has been assessed for Paris alignment and is considered to be aligned with both low carbon and resilience goals against the policies set out in the Climate Bank Roadmap (Annex 2) and/or associated guidance and other relevant documents.

The DNSH (“do no significant harm”) principle is applied under the OP as set out in the Cypriot Partnership Agreement 2021-2027.

Finally, the funded activities are consistent with the national and regional adaptation strategies and other climate policy documents related to environment/biodiversity, water, energy, etc.

Social Assessment

The Charter of Fundamental Rights of the European Union and the United Nations Convention on Persons with Disabilities have been applied over all successive phases of the OP programming and in setting up the management structure. They shall also be applied during implementation – project selection, award, and in the monitoring and control functions. In addition, the investment schemes supported under all specific objectives of the OP shall comply with the principles of gender equality, inclusion and non-discrimination.

Public Consultation and Stakeholder Engagement

The public consultation during the SEA process of the OP has been carried out in line with the SEA Directive. Public consultation of the EIAs of the relevant underlying schemes, if any, will be carried out in line with the EIA Directive, as transposed into national law.

Conclusions and Recommendations

The following undertakings will be required for the Project:

- The Promoter is required to act according to the provisions of the relevant EU legislation, mainly SEA Directive (2001/42/EC), EIA Directive (2011/92/EU as amended by 2014/52/EU), Habitats Directive (92/43/EEC), Birds Directive (2009/147/EC) and Water Framework Directive (2000/60/EC), as transposed into national law.
- In case a scheme of costs of over EUR 25m requires an EIA or an appropriate assessment or equivalent, the Promoter shall submit prior to allocation of the Bank’s funds the full EIA report and/or appropriate assessment to the Bank for publication on its website.
- Finally, the Promoter will inform the Bank about the fulfilment of the pending enabling conditions for OP projects under specific objectives:

³ Commission Notice 2021/C 373/01 Technical Guidelines on the climate proofing of infrastructure in the period 2021-2027 (OJ C 373, 16.9.2021, p. 1–92).



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- 2.5 “promoting access to water and sustainable water management”, and
- 2.6 “fostering the transition to a circular and resource-efficient economy”.

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.