



Luxembourg, 3 November 2022

Environmental and Social Data Sheet

Overview

Project Name:	SUSTAINABLE URBAN DEVELOPMENT FL
Project Number:	2021-0646
Country:	Cyprus
Project Description:	Framework Loan for supporting local authorities in multi-sector investments aiming at sustainable development of urban areas.
EIA required:	This is multi-scheme Framework Loan operation. Some of the schemes may fall under Annex II of the EIA Directive and may have to be screened in.
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The Project (this operation) comprises a loan to the Ministry of Finance (MoF) in order to leverage its funds to support investments in urban regeneration and rehabilitation in municipalities across Cyprus. MoF is going to channel its funds to the municipalities, which are responsible for the provision of urban public services.

Eligible investments (schemes) will include: i) upgrading urban green areas and open public spaces, ii) improving sustainable urban transport, iii) renovation and reconstruction of public buildings, iv) upgrading small scale basic municipal infrastructure (street network, drinking water, sewer, etc.), v) area based integrated urban regeneration actions and vi) smart city and e-governance interventions.

Investments are considered essential in the national and regional policy framework, being identified as priority areas in the EU Partnership Agreement and the Operational Programme. All schemes to be supported will be in accordance with the applicable urban development strategies.

This is multi-scheme framework loan operation. Some of the schemes may require an Environmental Impact Assessment (EIA) under Annex II of the EIA Directive (2014/52/EU amending 2011/92/EU), and in such cases the promoter will be required to act according to the provisions of the EIA Directive. Relevant EU Directives have been transposed into the national legislation (EIA Directive, SEA Directive, Birds and Habitat Directive, Energy Performance of Buildings 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.



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Some of the schemes will potentially contribute to climate change mitigation under improving sustainable urban transport and renovation and reconstruction of public buildings components of the Project.

A National Adaptation Strategy to Climate Change was adopted in May 2017 with the Decision 82.555 by the Council of Ministers according to the proposal of the Ministry of Agriculture, Rural Development and the Environment. Climate change impacts have been integrated in the national regulation for EIA of projects and SEA of programmes/plans. Spatial/urban planning at the sub-national level take into account these potential impacts.

Social Assessment, where applicable

Although no separate social impact assessment has been carried out, it is deemed that the overall social impact of the Project will be positive. The Project is expected to increase the quality of public services available to the inhabitants. Investments in public transport (such as bicycle lanes and pedestrian pathways) will promote sustainable forms of mobility, decrease dependency on individual passenger cars and promote physical activity of citizens. Modernised cultural and public buildings as well as intervention in public spaces and green areas will improve the quality of living environment for all citizens and will contribute to social inclusion.

Public Consultation and Stakeholder Engagement

The individual investments are expected to form part of urban development plans for which public consultation is carried out.

Other Environmental and Social Aspects

The institutional capacity of the promoter to manage and monitor the environmental and social issues is deemed good.

Conclusions and Recommendations

Prior to disbursement against any specific scheme, the Promoter is to provide to the Bank evidence that the schemes comply with the relevant provisions of the environmental EU Directives, including EIA (2014/52/EU amending 2011/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives as transposed into the national law. In addition, the Promoter will be requested to deliver EIAs (if applicable) to the Bank before the Bank funds are disbursed.

Upon the Bank's request, the Promoter will be requested to provide selected Energy Performance Certificates obtained in line with the EU Directive 2010/31/EU during implementation or after completion of works.

Overall, the net environmental impact is expected to be positive. In addition, the Project should bring about social benefits by helping improve the quality of the building stock as well as the quality of life of residents. The investments to be financed will contribute to the improvement of the urban environment.

The institutional capacity of the promoter to manage and monitor the environmental and social issues is deemed good.

Therefore, subject to the conditions described above, the project is acceptable for the Bank in environmental and social terms.