



19.06.2023

Environmental and Social Data Sheet

Overview

Project Name:	SPLIT MUNICIPAL INFRASTRUCTURE FRAMEWORK LOAN
Project Number:	20220905
Country:	Croatia
Project Description:	The Project is a multi-sector Framework Loan operation to finance the multi-year investment programme of the City of Split in Croatia.
EIA required:	This is a multi-scheme operation. Some of the schemes may require an EIA under Annex II of the EIA Directive.
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

The Project is structured as a Framework Loan and will support a multi-sector investment programme of the City of Split in Croatia in the period 2023-2027. The City of Split with some 161,000 inhabitants is located on the eastern shore of the Adriatic Sea, classified in the current EU programming period as “less developed region”.

Investments will be mainly related to the expansion of urban infrastructure (public space, recreation), expansion of education facilities, social services, upgrade of public buildings (to improve energy efficiency), sustainable mobility (bicycle paths, regional and urban public transport interchanges), parks and other green and recreation areas.

The Project is coherent with the strategic framework of the City. The investments selected for the EIB operation will contribute to enhancing the attractiveness of the city and quality of life of residents, improving accessibility within the city, increasing access to sustainable public transport, and improving the quality of education, sports, health, recreational and cultural facilities. Energy efficiency in public buildings will also be enhanced.

Environmental Assessment

As a Member State, Croatia is required to follow the relevant EU legislation in relation to the environmental impact of projects (namely SEA, EIA, Habitat/Natura 2000 Directives). In Croatia, both EIA and SEA processes are regulated by the Environmental Protection Act (Zakon o zaštiti okoliša), which is fully compliant with EU SEA Directive 2001/42/EC and the EIA Directive 2011/92/EU as amended by 2014/52/EU. The Competent Authority issuing environmental permits for investment projects of the City of Split is the Environmental Protection and Energy Department (Upravni odjel za zaštitu okoliša i energetiku) of the Split-Dalmatia County. The department is responsible for overseeing environmental protection and energy-related matters in the region, including EIA process. The current “Development Strategy of the City of split until 2030” prepared in 2021 has not been assessed under the SEA.

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.



Nature Protection in Croatia is governed by The Nature Protection Act (zakon o zaštiti prirode) and the competent authority overseeing different protected areas is also the Environmental Protection and Energy Department of the Split-Dalmatia County. There are no Natura 2000 sites located within the city of Split, neither within its immediate boundaries, therefore there were no projects identified located directly in or in the vicinity of Natura 2000 zones.

The Promoter's capacity to manage climate risks is deemed satisfactory. The City's response to climate change is one of its top priorities and commitments related to climate change adaptation and mitigation are defined in a number of strategic documents. In November 2022, the City of Split prepared its Climate Adaptation Strategy (Climate Change Mitigation Programme, Climate Adaptation Changes and Protection of Ozone Layer of the City of Split), which was prepared in line with the national Act on Climate Change and the Protection of the Ozone Layer (NN No 127/19). The document identifies vulnerable sectors (water resources, biodiversity, tourism, health, spatial planning, disaster risk management) and proposes mitigation and adaptation measures to climate change. The primary objective of mitigation measures is to reduce greenhouse gas emissions and the main objective of adaptation measures is to strengthen resilience to climate change. Climate mitigation and adaptation measures form integrated part the City's investment policy and individual investments, also to be supported by this operation.

The EIB Project will have an impact on the environment both during construction and operation. Most of the planned investments primarily comprise refurbishment, reconstruction, modernisation and remodelling of the existing infrastructure and spaces, thus many of the schemes are not likely to fall under the EIA Directive 2014/52/EU amending Directive 2011/92/EU. This is also to be the case for only few new construction schemes in urban areas (e.g. cycling paths). In cases where EIA is to be required (although not likely), the promoter will be requested to provide the report to the EIB. Some of the planned investments shall lead to improvements in energy efficiency (energy savings and installation of photovoltaic panels on public buildings).

At construction stage, it will increase noise levels, and will impact water and air quality. Adequate mitigating measures will be considered in the designs such as drainage systems, management of earthworks, reinstatement of damaged vegetation with local species and wildlife protection with underpasses. If felling of trees is required in any of the schemes, they will be protected in appropriate manner and tree clearance will be conducted outside the nesting season. Overall, the Project's impact at the construction stage will be short-lived and reversible, at a level which is deemed acceptable.

At operation stage, main impacts will be related to noise and emissions from motor vehicle traffic linked to road projects. Special mitigation measures may be proposed in line with legal emission thresholds including the construction of noise barriers or fences where needed as well as animal underpasses and repair of affected animal paths.

The EIB Project is expected to bring savings in operational costs and contributing to the reduction of local emissions through energy efficiency measures in public buildings. The Project also includes an extension of the network of cycling paths which will contribute to the modal shift from the use of private car, and should thus contribute to a reduction in carbon emissions. Against this background, the Project is expected to entail a positive contribution to the Bank's efforts in combatting Climate Change.

Social Assessment, where applicable

Although no separate social impact assessment has been carried out, it is deemed that the overall social impact of the framework loan 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 facility, multi-functional community centres, public recreational and sports areas 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 City's development strategy document was subject of a broad participation of stakeholders and public opinion. The individual investments are expected to form part of urban development plans for which public consultation is carried out.

This is also the case of most of the individual investments proposed by the City (cycling paths, parks and green spaces in residential areas), as public consultation is expected to ensure the social acceptability of the investments, the reduction of conflicts in the implementation of adaptation actions and enhanced utilisation and impact of the investments.

Other Environmental and Social Aspects

The individual project building permits will stipulate monitoring of environmental requirements prior to, during, and post construction. In addition, road safety and particularly safety of cyclists and pedestrians is expected to improve, thanks to safety measures proposed in relation to road and cycling paths network.

Conclusions and Recommendations

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), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives and Water Framework Directive (2000/60/EC) as transposed into national law. In projects where applicable, the Promoter will be requested to deliver the EIAs to the Bank before Bank funds are allocated. For Schemes having a potential impact on protected areas including Natura 2000 sites, the Promoter has to provide evidence of the compliance (including screening) with the Habitats and Birds Directives (if applicable) before the Bank funds are allocated. For schemes triggering art. 4.7 of the Water Framework Directive (WFD), the Promoter has to provide evidence of the compliance with the WFD before the Bank funds are allocated.

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.

The overall environmental and social impact of the Project is expected to be positive, with improved environment and citizens' quality of life, especially through improved quality of public infrastructure, amenities and spaces, and energy efficiency in public buildings (contributing also to climate change mitigation). Potential negative effects (e.g. dust and noise during construction) will be alleviated by implementing effective mitigation measures.

The capacity of the Promoter to manage the environmental and social issues is deemed satisfactory. Therefore, subject to the conditions mentioned above, this operation is acceptable for the Bank in environmental and social terms.