



Luxembourg, 13 December 2023

Environmental and Social Data Sheet

Overview

Project Name:	RAILWAY DEVELOPMENT FRAMEWORK LOAN CROATIA
Project Number:	2022-0660
Country:	Croatia
Project Description:	EIB Framework Loan to support transport infrastructure projects developed by Croatia's Ministry of Sea, Transport and Infrastructure in the railway sector. The project pipeline will deliver improvements in infrastructure and rolling stock throughout Croatia.
EIA required:	This is a multi-scheme operation. Some of the schemes may require an EIA under Annex I or II of the EIA Directive.
Project included in Carbon Footprint Exercise ¹ :	No.

Environmental and Social Assessment

Scope and Objectives of the Project

The financing of the Project is structured as a Framework Loan and will support a multi-sector investment programme for the Croatian railway in the period 2023-2032.

The Project is aligned with the Transport Development Strategy 2017-2030 developed by the Ministry of Sea, Transport and Infrastructure (MSTI) of Croatia and other associated investment plans. The investments selected for the EIB operation will contribute to enhancing the capacity and quality of railway operations across the country. The schemes will realise transport policy objectives including increasing railway capacity, removing bottlenecks, improving railway operations and enabling greater modal shift from road transport. The schemes are expected to contribute to wider environmental, climate and social goals.

Environmental Assessment

In Croatia, both strategic environmental assessment (SEA) and environmental impact assessment (EIA) procedures are regulated by the Environmental Protection Act (*Zakon o zaštiti okoliša*). This transposes 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 are located in each project's regional administration. Locally, these are responsible for overseeing environmental protection and energy-related matters in the region, including EIA process.

An SEA was prepared in 2017 for the above mentioned Transport Development Strategy (*'Strateška studija utjecaja na okoliš Strategije prometnog razvoja Republike Hrvatske 2017.-2030'*). Individual investments in the project pipeline, in particular those involving railway

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.



infrastructure outside of existing alignments, are expected to be subject to EIA as appropriate according to the environmental law.

Nature Protection in Croatia is governed by the Environmental Protection Act. County level departments manage protected areas at regional level. For each scheme, the proximity or overlap with Natura 2000 sites and any potential significant impact on any sites of nature conservation importance will be assessed during the preparation of each investment (as part of the EIA for projects falling within the scope of the EIA Directive and in any case prior to the issue of the building permit). This will be further assessed during appraisal of the scheme allocation.

The infrastructure schemes under the project pipeline will have an impact on the environment both during construction and operation and be assessed under the EIA Directive.

From the climate change perspective, the project pipeline contributes to climate change mitigation by improving the overall capacity of the railway, therefore contributing to modal shift to rail and to improving overall energy efficiency. The schemes included in the pipeline are expected to include some climate change mitigation elements, making railway infrastructure and rolling stock more resilient to the impacts of change.

Concerning the Paris alignment of the investment programme, the project pipeline includes assets in the railway sector, electric or bi-mode rolling stock and infrastructure, which are Paris aligned.

The Promoter's capacity to manage environmental and climate risks is deemed satisfactory. The relevant government departments and railway companies have teams dedicated to manage environmental topics as part of their project management. They do so in accordance with national and local plans. The former includes the 'Strategy for Sustainable Development of the Republic of Croatia (OG 30/09)', the 'Draft Environmental Protection Plan of the Republic of Croatia for the period 2018-2020' and other relevant strategic planning documentation.

At construction stage, the project is likely to temporarily increase noise levels, and may impact water and air quality. Adequate environmental 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, this will follow appropriate procedures, and tree clearance will be conducted outside the nesting season. Overall, the Project's impact at the construction stage is expected to be short-lived and reversible, at a level which is deemed acceptable.

Improved railway services will result in reduced environmental externalities from other modes, in particular from reduced noise and greenhouse gas emissions, and improved safety. The schemes are expected to enable a greater modal shift from road transport.

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 transport services available. These will promote sustainable forms of mobility, decrease dependency on individual passenger cars and improve regional connectivity.

Better railways allow for more equitable and improved access to various parts of the country and can provide greater accessibility for a wider range of population. This will improve the quality of life of all citizens and contribute to social inclusion.

Public Consultation and Stakeholder Engagement

The national strategies and plans have been subject to consultation.



These information principles shall be applied also to all investments supported by the EIB operation which are subject to EIA. Where applicable, this results in a requirement for public consultation. This 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.

The promoter will confirm the the point of contact that will handle requests for environmental information from the public for each project.

Other Environmental and Social Aspects

The project pipeline is composed of infrastructure and rolling stock projects. These will improve the quality and volume of available railway services for passenger and freight markets. This will help reduce externalities incurred from traffic that would have otherwise shifted to less sustainable modes. Additional demand will in parts be generated from modal shift, generating improvements to operating costs, emissions and safety.

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 (2011/92/EU as amended by 2014/52/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives and Water Framework Directive (2000/60/EC).

For certain schemes, where applicable, prior to the allocation of the Framework Loan to these schemes, the Promoter will be required to deliver the EIA reports and environmental consents to the Bank before funds are allocated. For schemes screened-out, the Promoter will be required to submit the screening-out decision. For schemes having a potential impact on protected areas, including Natura 2000 sites, the Promoter will be required 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 will be required to provide evidence of the compliance with the WFD before the Bank funds are allocated. The Promoter will be required to provide evidence of resilience of the schemes to the climate change. Additional conditions may be defined at the allocation stage.

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 (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 matters is deemed satisfactory.

Therefore, subject to the conditions mentioned above, this operation is acceptable for the Bank in environmental and social terms.