

## Environmental and Social Data Sheet

### Overview

Project Name:	<i>Romanian Rural Development EU Cofinancing</i>
Project Number:	<i>2013-0389</i>
Country:	<i>Romania</i>
Project Description:	Co-financing of the 2007-2013 Rural Development Programme (RDP) managed by the Romanian Ministry of Agriculture and Rural Development.
EIA required:	This is a multi-scheme operation. Some of the schemes may require an EIA under II of the EIA Directive.
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The EIB project will support selected environmentally- and forestry-orientated investments within nine measures of the current Rural Development Programme of Romania. Activities to be supported will include small-scale agricultural infrastructure to reduce pollution, improve energy efficiency and increase use of renewable energy; improved forest management and protection; afforestation; erosion and flood control measures; and development of rural tourism. The project is expected to deliver a range of positive environmental impacts. Investments will take place all over the country.

Afforestation, forest rehabilitation and protection activities will contribute to Romania's objective to improve the management and protection of its forests. Currently a key structural limitation is the low accessibility of forests due to the lack of adequate access roads. Development of a well-planned forest road network will facilitate sustainable management and protection, and will deliver multiple environmental benefits, including better protection from fires and implementation of sustainable management plans for balanced, sustainable long-term use. The programme is therefore expected to contribute to EU environmental policy objectives in the fields of climate change, soil and water management.

Pollution prevention and nutrient management activities will directly assist Romania in achieving compliance with the Water Framework Directive and the Nitrates Directive.

The RDP as a whole aims to invest in and strengthen the country's rural economy, thus improving social and economic prospects for rural communities and reducing rural depopulation.

Some of the schemes financed by this operation may fall under Annex II of the EIA Directive 2011/92/EU. Should an EIA be required, the Promoter is obliged to make the Non-Technical Summary of the EIAs publicly available. Some of the schemes may have impacts on protected sites and therefore will be subject to an appropriate assessment in accordance with Article 6 of the EU Habitats Directive 92/43/EC.

The Promoter will be required to act according to the provisions of the relevant EU directives. The Promoter shall verify the compliance of the final beneficiaries with the relevant and applicable rules of the European Union legislation, in particular in the fields of environment.

<sup>1</sup> Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

## Environmental and Social Assessment

The operation is expected to support improvement of environmental performance on more than 44,400 farms, 20,700 of which are semi-subsistence farm holdings; improved management on 2,400 forestry holdings; erosion mitigation works on 60,000 ha; flood mitigation measures on 40,000 ha; and village renewal investments including post-flooding infrastructure repair works in more than 1000 communes.

The operation has primarily an environmental focus: only selected measures which deliver specific long-term environmental benefits have been included in the EIB project. The monitoring and control system developed with DG AGRI support (the Integrated Administration and Control System, IACS) is a strong tool for ensuring that the very large number of small schemes are implemented according to plan, and that the necessary permits and approvals are received in line with Romania's environmental legislation.

### Environmental Impact Assessment (EIA)

The EU environmental directives transposed into Romanian legislation require the verification of environmental compliance both at the Operational Programme (OP) level (SEA) and project level (EIA, Natura 2000). The EIA and SEA Directives are transposed into national law via Government Resolution No. 445/2009 concerning EIA; and Government Resolution No. 1076/2004 on SEA.

Some of the schemes financed by this operation are likely to fall under Annex II of the EIA Directive 2011/92/EU. Should an EIA be required, the Promoter is obliged to make the Non-Technical Summary of the EIAs publicly available and in addition for schemes over EUR 25 m to provide this to the EIB.

Most activities supported by the RDP do not require an EIA, but some – such as the construction of new forest access roads or other small-scale construction in rural villages, particularly Measures 312 and 313 – may do. The approval of the competent authority for the EIA is part of the approval process to obtain a permit for such activities, which in turn is a prerequisite for accessing RDP financing to reimburse eligible costs. Both the Ministry of Environment and Sustainable Development and the Ministry of Agriculture and Rural Development underline the necessity to apply environmental assessment legislation to the individual activities that are supported by the country's RDP, in compliance with GR No. 445/2009.

The Bank requires that the Promoter verifies the compliance of the final beneficiaries with the relevant and applicable rules of the European Union legislation, in particular in the fields of environment.

The Promoter shall not commit any EIB funds against schemes that require an EIA or biodiversity assessment according to EU and national law without, prior to commitment, receiving consent from the competent authority, and the Non-Technical Summary of the EIA having been made available to the public.

The Promoter shall store and maintain updated the relevant environmental documents (including environmental studies related to EIA, the Non-Technical Summaries of EIAs, and Nature/Biodiversity Assessments or equivalent documents supporting the compliance with the EU Habitats and Birds Directives) to be provided to the Bank upon request. In case the EIB requires such documentation, the Promoter shall promptly provide all the requested documents.

### Nature Protection

The Habitats and Birds Directives are transposed into Romanian law via the provisions of Government Emergency Ordinance No. 57/2007 on nature and landscape. Responsibility for implementation lies with the Ministry of Environment.

Some of the schemes may have impacts on protected sites and therefore will be subject to an appropriate assessment in accordance with Article 6 of the EU Habitats Directive 92/43/EC. Where this is the case, a positive opinion of the relevant nature protection body has to be

attached to the application. Before signing the financing contract, the beneficiary is obliged to submit the impact study together with the agreement from the environmental authorities.

Several of the RDP's measures target agricultural or forestry land within Natura 2000 areas, specifically encouraging management which is orientated towards maintaining the conservation status of those sites.

The rehabilitation or replanting of degraded forests and establishment of new plantations in or nearby designated conservation areas must be subject to an assessment of their compatibility with the management plan of the site in question, and must receive approval from the competent authority for nature conservation.

### **Strategic Impact Assessment (SEA)**

An SEA was carried out for the RDP in accordance with the Directive 2001/42/EC of the European Parliament and of the Council as of 27 June 2001 on the Assessment of the Effects of Certain Plans and Programmes on the Environment and with the Act No. 24/2006 Coll. on the Assessment of the Impacts to the Environments and on Amendments of some other Acts. The Assessment itself and an explanation of the process are included within the RDP documentation, publicly available on the Ministry's website.

### **Additional information: Forests in Romania**

At the beginning of the programming period, forests and other wooded lands accounted for 28.8% (6.7 million ha) of Romania's land. This is well below the European average (32%). At the beginning of the programming period the sector contributed to 9% of the country's exports, and accounted for 3.5% of GDP. Of the 6.7 million ha, about 29 % is coniferous and 71 % broadleaved. At present, 65% of forests (i.e. 4.2 million hectares) is publicly owned and administered by the National Forest Administration, with the remainder being in private ownership.

Forests in Romania have a history of sound management and significant economic potential. However, forest land in private ownership is now characterized by relatively small holdings and high fragmentation, posing a challenge to effective management. The capacity to realize the economic potential of forestry is further limited by very poor infrastructure: the density index of the forest road network is about 6.5 m/ha, which is the lowest in Europe. This means that about 2 million ha are insufficiently accessible for forest management, fire fighting, and improved economic use. Addressing this deficiency is an important priority.

Romania is one of the few European countries that still have virgin forests – approx. 300,000 ha, mainly located in the mountain areas. All forests have multiple functions, including as wildlife habitats (especially those situated in potential Natura 2000 sites), soil and water conservation in watershed areas and other protection functions, and also ensure important environmental services with a positive impact for human communities. Where these values are considered to be of high or critical importance, forests may be classified as forests with high conservation value. At the end of 2005, some 1,119.7 thousand ha of Romanian forest have been certified under the Forest Stewardship Certification System (FSC). Over 9% of forestry area (574,878 ha) are located in the protected areas where the management approaches target biodiversity conservation.

Forest roads cover less than 42,000 km (that is about 6.5 m/ha, the lowest density in Europe. As a result, more than 2 million ha of forests are practically out of reach both for the purposes of management and for economic use (USDA-FAS 2006). It also leads to over logging in those areas which are accessible along with the use of inefficient and unsustainable technologies in inaccessible areas. Furthermore, poorly maintained roads contribute to soil erosion while forests are being exploited. A reasonable increase of road network and its periodic maintenance is necessary in order to diminish these effects.

**Forest management plans**

The national legislation obliges each forest owner and administrator to have forest management plans, elaborated in accordance with the technical norms in force, in order to assure the sustainable management of Romanian forests. The management plans are based on the general principle of sustainable development, taking into account the principles of continuous production, multifunctional role of forests, conservation and enhancement of biodiversity. The elaboration of forest management plans is made on forestry districts, forest production units, or, as the case may be, basic units at the level of forest properties.