

Environmental and Social Data Sheet

Overview

Project Name:	NAVARRA IRRIGATION EFFICIENCY
Project Number:	2013-0248
Country:	Spain
Project Description:	The project consists of the construction and operation of a pressurised, gravity fed water distribution system for rehabilitating the ecological status of local rivers and irrigating 15,272 ha of arable land. The project increases efficiency of water and energy use. It is expected to increase yields and open valuable options for new cropping patterns.
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	no

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

The project modifies the original Canal de Navarra Project (CN) that was approved in 1999. It is included in the draft Ebro River Basin Management Plan (ERBMP) 2009-2015 required by the Water Framework Directive (2000/60/EC). For the completion of the ERBMP, a Strategic Environmental Assessment (SEA) at river basin level is required according to Ley 9/2006 Evaluación Ambiental Estratégica, the transposition of the SEA Directive 2001/42/EC at member state level. The draft ERBMP is to supersede the previous 1998 plan once finally approved. Approval is expected for early 2014.

The project involves water transfer between sub-basins of the Ebro River. As such, it was subject to Annex I of the EIA Directive (2011/92/EU). It also involves the restructuring of rural land holdings and is an irrigation project for agriculture which would fall under Annex II of the Directive. The project has also been declared of public interest by the regional and national parliaments and was included in the regional and national irrigation plans. This made a project specific SEA mandatory within the ProSIS (Project of Supra-municipal interest) procedure at local/regional level. The SEA and EIA have been carried out in a joint procedure in 2013. Environmental and ProSIS permits have been granted by the Competent Authority in August and September 2013 respectively.

The project has been the subject of several public consultation procedures in the framework of the project related EIA / SEA procedures, as well as the ERBMP approval procedure in line with the provisions of the Water Framework Directive (2000/60/EC). It has also been presented and discussed at a number of local meetings organised at the municipal and irrigation community level to prepare ProSIS and the foreseen land consolidation process.

Beside the global SEA and EIA carried out for the project, specific environmental impact assessment procedures for the new Arga –Ega branch of the Canal de Navarra as well as the individual project irrigation sectors and zones are required. They will be carried out once the detailed planning is completed. This is a condition of the simultaneous land consolidation process which is being carried out in accordance with a regulated procedure that foresees several interactions of alternating consultation and consolidation of proposals. A contract undertaking will require the submission of environmental permits (including EIS+DIA) for the specific project at irrigation sector or zone level.

¹ 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 CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Final approval of the revised ERBMP 2010-2015 is needed for complying with the requirements of the Water Framework Directive and for confirming the regulatory and environmental coverage to the project. Disbursements will therefore be conditional on the final approval of this plan and an appropriate disbursement condition will be proposed to the Board.

As such the project is acceptable for the Bank.

Environmental and Social Assessment

Environmental Assessment

- The project is a part of the Canal de Navarra, which was included in the Ebro River Basin Management Plan (ERBMP) of 1998 and to which an environmental permit was granted in 1999 following an EIA procedure. Later, the project of Canal de Navarra was modified with the aim of maximising the area irrigated by using the natural pressure of the channel, avoiding the need of energy intensive pumping and to rationalise the water abstraction from two tributaries of the Ebro River in compliance with the Water Framework Directive 2000/60/EC (see below). The proposed project results from this change and has been included together with the other components of Canal de Navarra in the ERBMP 2009-2015, which is expected to receive final approval by the government of Spain in early 2014. The project therefore has components of regional, supra-municipal interest. The autonomous parliament of Navarra and the Spanish National parliament have declared this as a project of public interest and it was included in the local and national irrigation plans. A project specific SEA was also required by the regional legislation of Navarra in the framework as a result of it being declared a "sectoral project with supra-municipal interest (ProSIS)". The EIA procedure was carried out together with a wider SEA - ProSIS procedure involving the mandatory public consultation schemes which were completed in the first half of 2013. Environmental and ProSIS permits were granted by the Competent Authority in August and September 2013 respectively.
- The project aims to improve the ecological quality of the Ega, Arga and Aragón river sub basins by, for example, reducing water abstraction from the currently over-exploited sub basins, and using the already built Itoiz Dam as the water source. It also involves several environmental corrective measures. The transfer of water between the three tributaries of the Ebro River has been contemplated and justified in the proposed River Basin Management Plan (RBMP) for 2010-2015. With regard to the overall Ebro River basin water balance, the project is neutral in terms of total water usage for irrigation. The project will promote a rational use of water through a tariff based on actual consumption.
- The project moderately affects six nature conservation areas. The most significant are two Natura 2000 sites: LIC Yesos de la Ribera Estellesa (ES-2200031) and LIC Tramos Bajos del Aragón y del Arga (ES-2200035). The impacts were assessed for the Environmental Impact Study and mainly involve temporary impacts due to the installation of the underground piping of the water distribution network at the borders of the referred areas. Mitigation measures have been identified and required by the competent authority in the Environmental Permit. The competent authority carried out an appropriate assessment required by Article 6(3) of Directive 92/43/EEC. The assessment concluded that the project will not have any significant effects on the Natura 2000 sites concerned. The mitigation measures have been detailed in the permit. The irrigation zones at farm level were selected during the project planning phase with the criterion not to penetrate any protected or nature conservation areas. The assessed impacts have not been the subject of any objections during the public consultation processes.

Social Assessment

A land rationalisation/consolidation plan will be carried out to create agronomically efficient irrigation units of 5 to 8 ha. In general, these actions are broadly supported by the farming communities and no significant issues have been raised in the first phase of the Canal de Navarra. However, they are potentially controversial.

The increase in expected revenues, due to the higher agricultural productivity achievable on irrigated land, and associated upgrading will help ensure support for the consolidation process among the farming communities. Social risks are further mitigated by the existence of a regulated procedure foreseen in the local and national legislation (Regional (Foral) law 1/2002 on agricultural infrastructures and Foral decree 59/2003). The regulated procedure involves several interactive rounds of official public consultations, following consolidation negotiations with observance of the individual considerations and preferences of the affected population to the extent possible. The process is managed directly by the government of Navarra through its Department of Rural Development (DDRMAAL) in parallel to the project, and has therefore not been included in the direct project-cost definition. The process is concluded with the publication of the plot allocation results in the Official Journal of Navarra and the assignment of new property rights. During the whole process, individual rights are safeguarded by the legal framework at the regional level of the Member State. In addition to the administrative objection and complaints procedures foreseen in the legal framework that backs the land consolidation processes at regional level, individuals may apply to the courts at any time to defend their legal or fundamental rights.

As a further guarantee to the process, land beyond the irrigation concession will be included in the consolidation process for the dry land zones to be transformed. This will allow equivalent land areas to be allocated to individual land owners that do not want to commit to the new irrigation project. For information, during the first phase of the Canal de Navarra, completed in 2011, 2% of landholders took up the right to take land outside the project area.

Irrigation communities play an important role in the modernisation of irrigated land, and are consulted as to whether they want to adhere to the Canal de Navarra project as a group. They have to support the measure with a qualifying majority of 60-70%, depending on their statutes. If the irrigation community refuses, their area will be excluded from the project. If they support and want to join in the project, their current water rights are cancelled and replaced with allocations from the canal de Navarra.

The Spanish State has declared the project as being in the public interest. This enables the Government of Navarra to apply public expropriation measures. This is a last resort and used in exceptional cases where isolated individuals still oppose the measure and after the official legal consolidation procedure has been completed. In these cases, the procedure, as well as the protection of individual rights, would be regulated by the *acquis communautaire* for public infrastructure at the Member State and EU levels. In practice, expropriation activities will be necessary to build the main branches of the distribution network and canal as planned.

The proposed process is considered to be "best practice" in the EU. Judging by the experience of the 1st phase of canal de Navarra completed in 2011, the experience of the promoter and the level of explicit support from many of the municipalities and farming community, no substantial social issues deriving from the land consolidation process are expected.

Public Consultation and Stakeholder Engagement

The Canal de Navarra, together with its designated irrigation zones and hydropower units, all received environmental permits in 1999, following a two month mandatory public consultation/information period under the ProSIS/ EIA procedures. As required in the EIA procedure at the Member State level, a prior stage of preliminary consultations is implemented where the NTS to the draft EIS and project documentation is shared with a broad list of public entities and NGOs.

The same procedure was followed for the permitting of the modification of the Canal de Navarra project. The project was opened for public consultation and information on May 23rd in 2013. The preparation phase of the EIS and project documentation included preliminary active consultation of 33 public organisations, e.g. affected municipalities and irrigation communities, and several NGOs. In accordance with Spanish law, the public consultation/information period lasted one month. The majority of the 56 objections received were requesting the inclusion of additional land into the irrigation zones supplied by the project. Critical opinions complained about: the lack of economic justification for the infrastructure, deficient assessment of the project's alternatives, alleged loss of small holder options on the aggregated land units, and the uses of PPP/concessionary scheme for the implementation and management of the project. These objections have been duly and convincingly addressed and answered in writing by the promoter within the timescales required by the legislation.

This new phase called "Ampliación 1ª fase" was included as 3rd phase of Canal de Navarra in the draft RBMP of the Ebro 2009-2015. Following the provisions of the SEA Directive 2001/42/EC, this plan has been subject to an SEA, which also required a public consultation/information that lasted 6 months.

Furthermore, within the framework of the ProSIS authorisation process, and in order to prepare the forthcoming land consolidation process, the Government of Navarra together with INTIA has organised a large number of public presentation and consultation sessions with municipalities and the irrigation communities, as well as farmer associations and cooperatives of the affected areas. These meetings were open to the public and included a presentation of the technical, social and environmental aspects of the project. Details of some seventeen individual events of this kind were shared by the promoter during the appraisal.