

Environmental and Social Data Sheet

Overview

Project Name: EU FUNDS CO-FINANCING 2014-2020 (EST)
 Project Number: 2013-0645
 Country: ESTONIA
 Project Description: The project will support the 2014-2020 Partnership Agreement (PA) and selected investments of its two Operational Programmes (OPs): (i) OP for Cohesion Policy Funds; and (ii) OP for Rural development. The interventions will focus on the following sectors; environment, transport, research, technological development and innovations, waste, water and environmental protection, education, health, improvement of training and access to employment, small infrastructure in rural areas.

EIA required: No

This is multi-scheme multi-sector Structural Programme Loan operation which falls under the SEA Directive. An SEA is required. Some of the schemes may fall under Annex 1 or Annex II of the EIA Directive and have to be screened by the Competent Authority. Should any scheme fall under Annex I or be “screened in” under Annex II, the Promoter shall deliver the NTS of EIAs to the Bank, if applicable, before the Bank funds are allocated.

Project included in Carbon Footprint Exercise¹: No

(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

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

The project will support the Partnership Agreement (PA) and selected investments of its two Operational Programmes (OPs), namely OP for Cohesion Policy funds and OP for Rural Development. The interventions will focus on the following sectors; transport, research, technological development and innovations, waste, water and environmental protection, education, health, improvement of training and access to employment, small infrastructure in rural areas. The Operational Programmes were approved by the Estonian Government on 25.02.2014 and have been submitted to the European Commission for final approval. A Strategic Environmental Assessment has been carried out for the Operational Programmes and the SEA was approved on 9th of October 2013, after public consultation that was carried out in June-August 2013 with the concerned stakeholders, including public authorities, NGOs, the private sector and individuals. The SEA also included the issue of transboundary environmental impact, in compliance with Article 7 of the SEA Directive. The SEA concluded that no significant transboundary negative impact will result from the PA and the OP.

Some large infrastructure schemes under this Structural Programme Loan are expected to fall under the EIA Directive, either under Annex I or Annex II. Should any scheme under this SPL fall under Annex II and be “screened in” by the Competent Authority, or fall under Annex I, the Promoter shall deliver the NTS of EIAs to the Bank, if applicable, before the Bank funds are allocated. The SEA contains appropriate conditions for each axis and/or measure.

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.

Overall, the environmental and social impact is expected to be positive; the Structural Programme Loan is in line with the Europe 2020 Strategy and with the Estonian 2020 National Reform Programme; will contribute to:

- (i) Sustainable use of natural resources and reducing waste generation
- (ii) Landscape and biodiversity preservation
- (iii) Climate change mitigation and improvement of air quality
- (iv) improvement of health and quality of living environment

Given the nature of the operation and the monitoring requirements under the SEA, the EIA and nature protection measures put in place by the Competent Authorities in Estonia, the Structural Programme Loan is acceptable in environmental terms. The overall net environmental and social impact of the Structural Programme Loan is positive, with improved environment and in particular social conditions for the inhabitants of Estonia.

Environmental and Social Assessment

Legal Framework

Estonia, as an EU Member State, has harmonised its environmental legislation in line with the relevant EU Directives, the EIA Directive 2011/92/EU, the SEA Directive 2001/42/EC and the Habitats and Birds Directives 2009/147/EC. The EU Directive on EIA has been transposed in Estonian law through the Environmental Impact Assessment and Environmental Management System Act, which entered into force on 3rd of April 2005 and has been amended several times since then. Projects that will receive environmental permits after the enactment of the new Directive on EIA in 2017, will fall under the new EU Directive.

Environmental Assessment

The Partnership Agreement and the Operational Programme for Cohesion Policy Funds were subject to an SEA, including an assessment in the meaning of Article 6.3 of the Habitats Directive. It is expected that the objectives and the development priorities will not provoke substantial negative impact. Furthermore, the planned intervention mechanisms comply with the environmental objectives established in Estonian Environmental Strategy 2030. Each axis of the OP provides significant positive externalities, for instance: The 'Water Protection' priority axis will promote the improvement and protection of the availability of ground- and surface-water supply through modernising water infrastructure and cleaning up contaminated sites. The introduction of renewable energy in the housing and transport sectors will be advanced, and the introduction of resource-efficient solutions and the best possible technology will be promoted under the 'Energy Efficiency' priority axis. The 'Green Infrastructure and Enhancing Emergency Preparedness' priority axis, will increase the capacity of climate change mitigation and emergency response, and will ensure the functioning of habitats as a unified ecological network. Under the 'Sustainable Transport' priority axis, sustainable development will be promoted through the development of transport links and public transport. Under the 'Infrastructure for ICT Services' and 'Administrative Capacity' priority axes, support will be provided for the development of e-services and other public services, contributing to sustainable development by reducing the need for mobility. Environmental protection and climate change are horizontal themes the activities related to those issues are well-specified in the measures of the priority axes described above.

With regard to social impact, there will no negative impact on human health or welfare. On the contrary, the implementation of the plans will facilitate the advancement of social development in Estonia – economic growth will be supported through the priority axes and measures which increase involvement in education and employment. Health promotion and activities directed at the increase of average life expectancy are supported in order to take account of impacts related to unavoidable developments in society (primarily demographic changes).

Institutional Capacity of the Promoter

The experience from the previous programming period 2007-2013 showed that all projects falling under the EU EIA Directive and “screened in” for EIA were managed in line with the requirements under the Directive and the national legislative framework. The Bank received all necessary documents relating to the EIA process and concerned protected areas under Natura 2000. The Promoter’s institutional capacity to manage social and environmental risks within the framework of this operation is therefore considered to be good.