

Environmental and Social Data Sheet

Overview

Project Name:	Ukraine Early Recovery
Project Number:	2014-0532
Country:	Ukraine
Project Description:	Framework loan to support priority investments in the recovery of areas affected by the conflict in Donbas region of Ukraine and basic infrastructure needs of internally displaced population.
EIA required:	No

This is multi-scheme Framework Loan operation. If located within the EU, some of the schemes may fall under Annex II of the EIA Directive and would have to be screened by the Competent Authority. Should any scheme be screened in, 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 overall anticipated environmental and social impacts of the operation are deemed positive, with improved urban environment and in particular social conditions for the inhabitants of the affected areas. Nevertheless, some social risks related to volatile and complex political and security environment and social cohesion remain.

Environmental Impact

Given the relative small size of the individual schemes and the nature of the sectors concerned, mainly reconstruction of damaged or destroyed buildings in urban territory, most of the schemes are expected not to have significant environmental impacts.

In case of investments in reconstruction and/or renovation of public buildings and municipal infrastructure there are a number of positive effects expected, including energy savings as a result of insulation of walls and roofs, changing of windows and other energy efficiency measures.

The traffic schemes, mainly repair of damaged traffic infrastructure, such as roads, streets, bridges, tunnels, etc will in general improve mobility and promote normalisation of connectivity.

The reconstruction works are expected to have minor temporary negative impacts during the construction/implementation period. Once the works are completed it is generally expected that the net environmental impact will be positive.

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.

Should any scheme be screened in for EIA, the Promoter shall deliver the NTS of EIAs to the Bank, if applicable, before the Bank funds are allocated.

Social Impact

No significant adverse social impacts caused by the project are expected, as the project is designed to contribute to improved delivery of basic services and shelter for the affected and host communities. The investments in housing repair will not completely resolve the housing shortage, but it will alleviate the most urgent needs. Key social risks relate to the situation with regard to potential social tensions between host communities and with IDPs due to pressure on basic infrastructure and services, tension among different IDP groups with respect to their region of origin, limited access by IDPs to their economic and social rights due to lack of personal documents required, gender issues and protection of vulnerable people in conflict-affected areas.

Due to the urgency and nature of the operation no separate social impact assessment has been carried out; however, the Promoter will be required to develop a participatory IDPs needs assessment and a corresponding Social Management Plan (SMP), as well as a Stakeholder Engagement Plan (SEP) for the project. Key social risks will be addressed in SMP and SEP, but some risks remain beyond the remit of the Project and will have to be addressed by Government and other relevant agencies. Appropriate social conditions will be incorporated in the financial contract.

Environmental and Social Assessment

Environmental Assessment

The improvements of infrastructure included in this programme will cater to the recovery, reconstruction and rehabilitation of the affected region's municipal and social service infrastructure and the improvement in the quality of public services. The project includes several components and energy efficiency measures in sheltering and public buildings (schools, kindergartens, hospitals, social centers, etc.)

Should any scheme included under this Framework Loan require an EIA, it would be subject to the Bank's standard review of the non-technical summary of the EIA. The Promoter will be required to act according to the provisions of the relevant EU Directives, including the, EIA, Habitats and Birds Directives and relevant sector directives applicable to the individual schemes. The Promoter shall deliver to the Bank a confirmation or equivalent by the competent authority that the schemes have no significant impact on nature sites of Community Importance or their equivalents, as well as the NTS of EIAs where applicable.

If located in the EU, some of the schemes in the operation could fall under Annex II of the EIA Directive 2011/92/EU and could therefore be subject to screening by the competent authority. Furthermore, should any schemes in the programme have an impact on protected sites, the Promoter will be required to act according to the provisions of the Habitats and Birds Directives.

Social Assessment

The Project is expected to have overall positive social impacts, while taking into consideration a number of social risks. By 16 October 2014, more than 417,000 IDPs had been registered, over 398,000 from eastern Ukraine and close to 19,000 from Crimea. Key reception areas are those that are under government control and located near IDPs' homes. Large numbers of IDPs have also moved to the regions immediately surrounding the Donbas: Kharkiv, Dnipropetrovsk and Zaporizhzhie. Public services and infrastructure in the East, and the nationwide economy continue to be negatively affected. The increased pressure on public services (schools, kindergartens, health centers, hospitals, social centers) is affecting the hosting population and creating social tensions with IDPs. There is also a tension among different IDP groups with respect to their region of origin and instances of discrimination. Other social risks include human rights, gender issues, protection of vulnerable people in

conflict-affected areas, and limited access by IDPs to their economic and social rights due to lack of the personal documents required.

The project will contribute to improvement of infrastructure for sheltering, including energy efficiency and other capital investments to cope with winter conditions of IDPs. The Promoter will ensure that the project schemes will provide equal access to affected population - based on principles of non-discrimination, participation and transparency - to housing that provides protection from winter weather in locations that allow them access to services and employment; provide citizens with transparent information on the assistance available within the project and the national legislation framework; and facilitate integration of IDPs at their current residence while protecting their right to voluntary return, in line with the recently adopted law "On ensuring the rights and freedoms of internally displaced persons" and in accordance with international standards, particularly the UN Guiding Principles on Internal Displacement.

No project-induced resettlement is anticipated. In case of any economic displacement or physical resettlement caused by the Project, the Promoter shall inform the Bank about it in a timely manner and proceed in line with the Bank Standards.

The Promoter will collaborate with the Office of the Ombudsman and UNDP in the area of monitoring compliance with protection of human and citizens' rights and freedoms; however, the main responsibility of compliance with EIB social standards will be with the Promoter.

The Promoter will be required to carry out a participatory IDPs needs assessment and develop and implement a corresponding SMP, as well as a SEP for the project. The Promoter will hire and maintain staff with adequate in the Project Implementation Unit (PIU) to this end, and EIB will provide additional technical assistance for advisory services and monitoring of project schemes at final beneficiary level.

Public Consultation and Stakeholder Engagement, where required

Due to the urgency of situation, no project specific public consultations have been carried out so far. However, the Promoter will be expected to carry out continuous and systematic engagement with all relevant stakeholders, including the affected population, host communities, local civil society organizations, and other organizations operating at the project schemes locations, and shall develop an appropriate Stakeholder Engagement Plan (SEP) to that end.

SEP will describe the requirements for consultation and disclosure; identify and prioritise key stakeholder groups; provide a strategy and timetable for sharing information and engaging and consulting with each of these groups; describe resources and responsibilities for implementing stakeholder engagement activities; and, describe how stakeholder engagement activities will be incorporated into the project implementation schedule. The Plan will also establish firm references and links to the Office of the Ombudsmen and for project's own grievance redress mechanism.

Other Environmental and Social Aspects

Environmental and social capacity is expected to be varying at national, regional and local level. The Promoter has recently been established, but its environmental and social capacity will be strengthened through the qualified E&S staff in the PIU, and EIB technical assistance for advisory services and monitoring of project schemes at final beneficiary level.