

## Environmental and Social Data Sheet

### Overview

Project Name:	EU FUNDS CO-FINANCING (2014-2020) (LT)
Project Number:	2013-0667
Country:	LITHUANIA
Project Description:	The project, structured as a Structural Program Loan, will support the Lithuanian 2014-2020 Partnership Agreement and selected investment of two Operational Programmes: (i) OP for the European Union structural funds' investments in 2014-2020 and (ii) OP for Rural Development. The interventions will focus on the following sectors: ICT, SMEs, energy, environment, climate change, transport and network infrastructures, employment, social inclusion, education, public administration, technical assistance and rural development.
EIA required:	Yes

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 I 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 Exercise<sup>1</sup>: 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 (i) OP for the European Union structural funds' investments in 2014-2020 and (ii) OP for Rural Development. The Operational Programmes were approved by the Lithuanian Government and have been submitted to the European Commission for final approval. A Strategic Environmental Assessment (SEA) has been carried out for the Operational Programmes. The public consultation for the SEA of the OP for the European Union structural funds' investments in 2014-2020 started in October 2013 till December 2013. The public consultation of the SEA for the OP of Rural Development lasted a month (from 15 May 2014 till 16 June 2014). Both SEAs identified that the OPs implementation will not have any significant effect of the environment of other countries, therefore no transboundary consultations were carried out. Also, both SEAs include an assessment within the meaning of Art. 6.3 of the Natura 2000 directive.

Some 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. More specifically, for schemes with project cost below EUR 25 m, the competent authority shall make a declaration based on a list of schemes as to whether an EIA is required or not. For schemes exceeding EUR 25m and requiring an EIA, the Non-Technical Summary

<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.

of the EIA shall be submitted to the Bank before EIB funds can be disbursed to the schemes concerned.

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 Lithuania, 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 Lithuania, as the Structural Programme Loan is in line with the Europe 2020 Strategy and with the Lithuanian 2020 National Reform Programme and the Structural Programme Loan is expected to reduce territorial disparities in Lithuania.

## **Environmental and Social Assessment**

### **Legal Framework**

Lithuania, 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. 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 intervention financed by the Bank will focus on the following sectors: ICT, SMEs, energy, environment, climate change, transport and network infrastructures, employment, social inclusion, education, public administration, technical assistance and rural development. The OP for The European Union structural Funds implementation is expected to generate several positive effects on different sectors of the environment. For instance; improvement of the status of the Baltic sea and other surface water, reduction of pollutants, improvement of air quality, creation and introduction of new low-waste technologies, enhancement of environmental resistance to climate change, protection and restoration of biodiversity and soil. At the same time, the OP implementation may generate direct or indirect negative effects, however minor. The SEA addresses those issues with measures to avoid or mitigate them. The implementation of the OP for Rural Development is expected to significant positive externalities on the environment. However, at the same time there may be negative effects, for instance: measures supporting farm development may have negative effects on the biodiversity while agri-environmental, climate and biofuels measures will have very positive effects on the biodiversity; development and intensity of agriculture may have negative effects on soil status while measures to promote forest development and organic farming programme are deemed to be very positive; advisory services to the farmers will only have positive effect to the management of forest resources as also climate change and energy efficiency investments. Overall, the net impact of the OP for Rural Development is expected to be positive.

With regard to social impact, there will be no negative impact on human health or welfare. On the contrary, the implementation of the plans will facilitate the advancement of social development in Lithuania and will decrease of territorial imbalances.

### **Institutional Capacity of the Promoter**

The experience from the previous programming period 2007-2013 showed that the projects financed by the EIB and 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 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 satisfactory.