

Environmental and Social Data Sheet

Overview

Project Name:	EU FUNDS CO-FINANCING 2014-2020 (LV)
Project Number:	2013-0674
Country:	LATVIA
Project Description:	The project, structured as a Structural Programme Loan, will support the Latvian 2014-2020 Partnership Agreement (PA) and selected investments of its two Operational Programmes (OPs): (i) OP “Growth and employment” and (ii) OP Rural Development. The interventions will focus on the following sectors: The interventions financed by the Bank will focus on the following sectors: research, education, ICT, SMEs, environment, climate change, transport, employment, social inclusion, technical assistance and rural development.
EIA required:	Yes
<p>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.</p>	
Project included in Carbon Footprint Exercise ¹ :	No

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

The project, structured as a Structural Programme Loan, will support the Latvian 2014-2020 Partnership Agreement (PA) and selected investments of its two Operational Programmes (OPs): (i) OP “Growth and employment” and (ii) OP Rural Development. The Operational Programmes were approved by the Latvian Government and have been submitted to the European Commission for final approval. A Strategic Environmental Assessment has been carried out for the Operational Programmes; the SEA for (i) OP “Growth and employment” was approved on January 2014, after public consultation that was carried out in 22nd July till 31st August 2013 with the concerned stakeholders. The SEA for (ii) OP Rural Development was approved after public consultation that was carried out in 29th August to 16th September 2013 with the concerned stakeholders. In both public consultations public authorities, NGOs, the private sector and individuals were consulted. Both SEAs included the issue of transboundary environmental impact, in compliance with Article 7 of the SEA Directive. The SEAs concluded that no significant transboundary negative impact will result from the OPs. Both SEAs included an assessment in the meaning of Article 6.3 of the Habitats 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 of the EIA shall be submitted to the Bank before EIB funds can be disbursed to the schemes concerned.

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 investments under the Latvian PA will have positive environmental and social impact and they contribute to:

- improvement of economic productivity, quality of innovation, research and science;
- sustainable and efficient transportation infrastructure;
- sustainable use of natural and cultural resources;
- high employment rate in inclusive society;
- high quality and efficiency of the education system;
- balanced and sustainable territorial development.

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 Latvia, 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 Latvia.

Environmental and Social Assessment

Legal Framework

Latvia 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 enacted in Latvian law. 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 interventions financed by the Bank will focus on the following sectors: research, education, ICT, SMEs, environment, climate change, transport, employment, social inclusion, technical assistance and rural development. It is expected that the objectives and the development priorities of the OP "Growth and employment" will not provoke substantial negative impact. Also, there are no identified actions and activities that would present conflict with the international obligations of the Latvian environmental and nature protection legislation. Certain axis of the OP provide significant positive externalities, for instance: priority axis 4 promotes energy efficiency and use of renewable in energy companies as well as promoting the use of renewable energy in public and residential buildings, while priority axis 5 provides for investments to adapt to climate change. Overall, the programme is an important contribution to country's environmental quality improvement in the medium and longer term.

OP rural Development is broadly consistent with international and national environmental policy objectives. It is expected that the overall positive externalities supersedes any negative effect of the implementation of the OP Rural Development. The negative effects are mostly related to economic activity and intensification, drainage systems reconstruction and forestry's impacts on biodiversity. The positive impact result from several actions of the said OP, for instance; the emphasis shift from agricultural production to another profile business in areas where intensive agricultural production is linked to pollution; support and implementation of modern environmental and conservation requirements; promoting economic activities that are not related to the intense agricultural production; environmental friendly practices; forestry efficiency improvements and; afforestation of agricultural land.

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 Latvia – economic growth will be supported through the priority axes and measures which increase involvement in employment and training.

Institutional Capacity of the Promoter

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