

Environmental and Social Data Sheet

Overview

Project Name:	CROATIA EU FUNDS CO-FINANCING 2014-2020 (SPL)
Project Number:	2014-0375
Country:	Croatia
Project Description:	The project aims at co-financing ESIF supported schemes in Croatia during the programming period 2014-2020 under a structured programme loan (SPL)
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 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.</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 Croatian Partnership Agreement (PA) and selected investments for one Operational Programme (OP), the Operational Programme Competitiveness and Cohesion 2014-2020 (OPCC). The OPCC was approved by the Croatian Government and has been submitted to the European Commission for approval. A Strategic Environmental Assessment (SEA) has been carried out and the public consultation for the SEA is currently on-going lasting a month. The SEA has not identified any significant effect on the environment of other countries. The screening decision for the SEA included aspects of transboundary impacts of the OP as well as biodiversity issues. The Bank follows closely the procedure, and the Promoter will inform the Bank on the outcome of the procedure and how any issues raised are addressed.

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 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.

Overall, the environmental and social impact is expected to be positive. It is expected that the investments under the present SPL will: (i) strengthen the Economy through Application of Research and Innovation; (ii) enhance the use of Information and Communication Technologies; (iii) increase Business Competitiveness; (iv) promote Energy Efficiency and Renewable Energy Sources; (v) tackle Climate Change and Risk Management; (vi) increase Environmental Protection and Sustainability of Resources; (vii) increase Connectivity and Mobility; (viii) increase Social Inclusion and Health and; (ix) advance Education, Skills and Lifelong Learning.

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.

Environmental and Social Assessment

Legal Framework

Croatia has enacted EU environmental legislation in national 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: Transport, energy, environment, health, R&D infrastructure, nature protection, social infrastructure, ICT, urban regeneration, water and waste. The implementation of the Operational Programme is expected to generate several positive effects on different sectors of the environment, while for any negative effects mitigation measures are proposed.

For instance; priority Axis 4 aims to increase the use of renewable energy and energy efficiency of energy resources. Schemes financed under this axis will have positive impact to climate change, forests, soil and agriculture and human health.

Priority axis 5 aims, among other, to improve the condition of water development systems and networks for the collection and treatment of wastewater. It is expected that schemes financed under this axis will have positive impact to climate change, surface and ground water, population, biodiversity and human health.

However, productive and construction activities, depending on the sector and location, may also entail negative impact, such as increase of energy demand or fragmentation or conversion of habitats.

The SEA of the Operational Programme proposes mitigation measures for the negative impact, while the net outcome of the OP implementation is expected to be positive in environmental terms.

Overall, the implementation of the Operational Programmes is expected to generate significant positive externalities on the environment, such as biodiversity, cultural and natural landscape protection, improvement of water and soil quality, climate change adaptation and mitigation. The majority of negative effects will be limited in time and space and they can be addressed at project level.

With regard to social impact, there will be no or very limited negative impact on human health or welfare. On the contrary, the implementation of the plans will facilitate the advancement of social development in Croatia.

Institutional Capacity of the Promoter

The experience from the previous programming period 2007-2013 is positive, although this period was very short for Croatia as a Member State, considering that Croatia joined the EU Member States on the 1st of July 2013. In previous operations, the institutional capacity to manage environmental and social issues has been deemed to be positive at the highest state level. The capacity in different line ministries and national implementing bodies has been varying, but overall acceptable. The capacity in municipal and regional bodies is deemed to be weaker. In previous operations the Bank received all necessary documents relating to the EIA process and concerned protected areas under Natura 2000. The Promoter's overall institutional capacity to manage social and environmental risks within the framework of this operation is therefore considered to be satisfactory.