

Environmental and Social Data Sheet

Overview

Project Name:	<i>UKRAINE TRANSPORT CONNECTIVITY</i>
Project Number:	<i>20170206</i>
Country:	<i>Ukraine</i>
Project Description:	<i>Framework loan for the financing of a series of small scale transport projects addressing transport bottlenecks in Ukraine.</i>
EIA required:	Multi scheme project. Some of the schemes may require an EIA and will be reviewed at allocation by the Bank
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

Compliance with applicable Environmental Legislation: The project schemes will be designed to reduce the negative environmental impacts of transportation in line with the environmental acquis (Annexes XXX and XXXI to Chapter 6) of the Ukraine–European Union Association Agreement. Through this agreement, the Ukraine has undertaken to align its environmental legislation and regulations with specific EU legislation within 2 to 8 years of its entry into force. The schemes to be financed under this framework loan will be implemented in accordance to EIBs social and environmental standards.

Regarding the schemes that include infrastructure construction or rehabilitation element, it is expected that, depending of the scope, these would fall either under Annex I, Annex II (i.e. be subject to screening by the Competent Authority) or outside the scope of the Directive 2011/92/EU as amended by 2014/52/EU. Ex-ante approval of the allocation of schemes will be required to ensure compliance with the Bank's environmental and social standards including those on the protection of sites of nature conservation, where applicable. This will be assessed at an individual scheme level. For the schemes falling under the scope of the EIA Directive, relevant information and compliance with the directive will be checked before approving finance allocation. In particular, screening decisions from local Competent Authorities will be made available to the Bank. The Bank will also require the Promoter to make the Non-Technical Summary (NTS) of the EIAs available to the public through publication on its website and for reporting to the EIB.

Framework loans are not covered by the EIB Carbon Footprint Exercise. The climate change benefits, if relevant, will be quantified in the appraisal for each scheme. The ITS schemes are expected to result in a positive reduction in road transport related GHG emissions due to improved efficiency of road network. Rail sector studies and later investment will lead to an improved attractiveness of rail services and will facilitate modal shift to environmentally friendly mode of transport.

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Environmental Impacts: Significant environmental or social risks are not expected at this stage. However, compliance with the Bank's environmental and social standards will be assessed during the subsequent individual scheme allocation appraisals. The schemes are expected to have some minor environmental impacts during construction and limited residual impact in the operational phase. The project's residual negative impacts during construction and operation are limited and offset by these expected positive impacts.

The project is not likely to have any negative impacts on nature conservation areas, as schemes are located in a consolidated urban environment and on the existing main roads of the country. Nevertheless, compliance with the Birds and Habitats Directives will be further checked during appraisal of individual schemes during the implementation of the project and before allocating finance to schemes.

Promoter's E&S capacity: Capacity of the Promoter in terms of environmental and social issues, as well as their capacity to implement projects according to EIB environmental and social standards, as experienced during the existing operations, is satisfactory. Targeted Technical assistance upon needs will be made available to support the Promoters in implementation of the schemes, including pre-investment studies and preparing environmental and social reports.

Social Assessment

In implementing road infrastructure schemes aimed at improvement of efficiency and traffic safety the intervention will be kept as much as possible to the existing right of way, which reduces potential impacts to a minimum. For Ternopil bypass, the land reservation has been done, and it is unlikely that land expropriation will be problematic. The scheme is expected to have a positive impact on the living conditions of the city inhabitants. On basis of the information provided to the Bank at this stage, the potential schemes are not likely to have significant social impacts. Compliance to EIBs social standards, such as those on occupational and public health, safety and security, labour standards, involuntary resettlement and stakeholder engagement will be assessed during the implementation of the project and before allocating finance to schemes.

Conclusions and Recommendations

Given that detailed information on the schemes is not available at this stage, environmental aspects will be checked at scheme allocation stage and the Bank will require the Promoter to act according to the Bank's environmental and social standards. The Promoter shall not commit any EIB funds against schemes that require an EIA or biodiversity assessment according to EU and national law without receiving the consent from the competent authority, and the NTS of the EIA having been made available to the public. Promoters will be obliged to provide the Bank with documentation stating that there are no negative impacts on biodiversity or that the appropriate mitigation measures are being taken according to the applicable EU and national law.

Prior to allocating financing to a scheme entailing new construction the Promoter should submit to the Bank:

- (i) A copy of the EIA report, including a non-technical summary, satisfactory to the Bank;
- (ii) The Environmental Permit issued by the relevant Authorities in Ukraine, as well as relevant Ecological Permit or Habitats form (similar to the requirement in EU of Form A or B).

Luxembourg, 14 June 2018

- (iii) The outline of the Environmental Management Plans (EMP).
- (iv) The Land Acquisition and Resettlement Plan (LARP).

For schemes relating to road upgrading along the same alignment, prior to first disbursement against each such scheme, Promoter needs to submit a screening document which states whether a full EIA is required or not. If screening results in the need for a full EIA then the conditions mentioned above for new construction will apply.

Overall anticipated environmental and social impacts of the operation are deemed positive. Minor negative (temporary) impacts during the construction will be offset by considerable social, spatial and environmental benefits of improving efficiency and safety of infrastructure. (improved road traffic efficiency and safety, reduced GHG emissions).

Considering the above, the project is acceptable for EIB financing from an environmental point of view.