

Environmental and Social Data Sheet

Overview

Project Name:	PROGRAM FOR ECONOMIC & URBAN RESILIENCE LEBANON
Project Number:	2017-0759
Country:	Lebanon
Project Description:	The operation concerns the financing of mixed urban infrastructure in nine secondary cities across Lebanon
EIA required:	This is multi-scheme Framework Loan operation. If located in the EU, some of the schemes might have fallen under Annex II of the EIA Directive and would need to be screened by the Competent Authority.
Project included in Carbon Footprint Exercise:	no

Environmental and Social Assessment

Environmental Assessment

The operation is structured as a Framework Loan (FL) and will include investments in urban infrastructure and sustainable mobility. Projects expected to be financed under the FL include, for instance, the creation or rehabilitation of wholesale and retail markets, investments in cultural heritage and the rehabilitation of old city centres, investments in innovation (through incubators), public transport and traffic improvements as well as green and blue corridors (i.e. riverbanks or pedestrian links between green spaces). It will enhance economic and urban resilience by contributing to the urban development of secondary cities across Lebanon, namely Aley, Baalbeck, Halba, Jbeil, Nabatieh, Saïda, El Mina, Tyre and Zahle, thus enabling them to develop into true economic hubs within their region, in accordance with the National Physical Master Plan for the Lebanese Territory (NPMPLT)¹. It is envisaged that the vast majority of investments included in this operation will be small size, project cost in the range of EUR 0.13m to EUR 10.7m.

The project schemes will be implemented at municipal level. Schemes will be part of urban development plans for which Strategic Environmental Assessments will have been completed when appropriate. The SEA procedures are regulated by Decree 8213/2012 for SEA of policy, plan and program proposals in the public sector, MoE Decision 589/1 of 2015 about the review process for SEA scoping and SEA reports and PCM Circular 28 of 2012 to all public

¹ The National Physical Master Plan of the Lebanese Territory (NPMPLT), a strategic reference document, overrides all documents concerning regional and local urban development and planning. The sustainable development guidelines are used as a framework for regional sustainable development policies. The document was developed with broad public sector participation including the main decision-makers of the central government, the presidents of the major municipalities, professional and academic circles and non-profit bodies.

administrations, institutions, municipalities, and unions of municipalities on adherence to SEA for policies, plans, and programs; and EIA for projects.

Lebanon has a developed and coherent environmental legislation. The Lebanese Ministry of Environment (MoE) issued the Decree No. 8633 “Fundamentals of Environmental Impact Assessment” in August 2012, which provides a comprehensive description of the EIA procedures. It also identifies the responsibilities of major stakeholders, as well as the role of the MoE as a principal coordinator within the EIA system. The Ministry of Environment gives its opinion on the environmental acceptability of projects for which an EIA is required once a public inquiry has taken place. The Resolutions issued by the MoE that are relevant to the construction and operation phases of the project shall also be abided by, namely Resolutions 52/1 of 1996, 8/1 of 2001 and Decree 1039 of 1999 which set the threshold limits for potential discharges.

Given the relative small size of the individual schemes and the nature of the sectors concerned, most of the schemes are deemed not to have significant environmental impacts or require an Environmental and Social Impact Assessment (ESIA), according to the national regulation and screening process, which are satisfactory for EIB². Schemes are not expected to be located in the vicinity of any protected area, therefore their effect on them is expected to be negligible.

The Promoter is the Council for Development and Reconstruction (CDR) – a governmental agency, which implements the projects in close relationship with the municipalities.

An Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) has been designed through the project preparation supported by a TA provided by the Urban Projects Finance Initiative (UPFI) and will be implemented by the promoter with the support of the implementation Technical Assistance to be provided to the Project and which is envisaged funded by the Neighborhood Investment Platform. The project implementation TA will help ensuring that the schemes to be financed under the operation will be in line with the EIB Environmental and Social Principles and Standards.

The project’s impacts at the construction stage are expected to be short-lived and reversible, at a level which is deemed acceptable. When needed, special mitigation measures will be considered in the designs in order to minimize impacts.

The project is expected to contribute to the overall improvement of the urban environment, contributing also to climate mitigation through mobility measures decreasing local traffic related emissions. Some investments will also contribute to increase urban resilience for instance the cultural heritage valorization project in Jbeil (Byblos) contributes to the objectives of the city urban resilience strategy. Moreover, some of the investments include the creation or improvement of green and blue corridors including urban parks and will contribute to improve the quality of urban environment (air quality, biodiversity). The program shall also finance environment friendly investments whenever possible: sustainable materials (wood, etc.), high environmental quality for new buildings (energy efficiency, solar panels, etc.) for example.

Social Assessment

The project aims at improving economic and urban resilience by rebalancing territorial development for the purposes of economic efficiency and social integration.

² The EIA decree and its annexes include all the requirements for screening, preparation of the environmental assessment and the supervision of the environmental assessment process, through either an EIA study for a project belonging to a positive list in Annex I, or an Initial Environmental Examination (IEE) belonging to the projects in a positive list in Annex II of the decree. Annex III of the Decree also states that projects located in sensitive areas such as coastal areas or near protected areas are also subject to environmental assessment. The law and the decree also assign full authority to the MoE through its Service of Environmental Technology to arrange for screening, review, control and follow up on the EIA process and its implementation.

The main expected economic impacts of the project are (i) local economic development (by contributing to a better enabling environment for local businesses and contributing to job creation) and (ii) regional development (by improving public services and living standards in secondary cities).

Going beyond such economic benefits the project is also expected to have a positive impact on social cohesion, thus also reducing social tensions, by improving the quality of life for both host communities and refugees in vulnerable cities throughout Lebanon.

Taken together, the cities included in the programme host around 545,000 refugees or on average 33% of their total population (i.e. population including both host communities and refugees). The project thus focuses on urban areas that together host nearly 40% of all registered refugees in Lebanon (including both Syrian and Palestinian refugees). The urban schemes supported by the project are expected to positively affect public service delivery and contribute to job creation, thus improving the long-term economic resilience of refugees and host communities in some of the most vulnerable parts of Lebanon.

Based on the information available about the nature and types of schemes, no significant negative social impacts are expected. On the contrary, the project is expected to have some positive local socio-economic impacts such as providing local employment opportunities during the construction and operation phase.

In addition, the road safety is expected to improve as the project will rehabilitate the urban road network.

No relocation or displacement of persons, dwellings is expected to arise from the proposed project since most schemes are expected to be implemented on the sites of existing facilities. However, in case of any scheme requiring relocation or displacement of people, the allocation shall be in line with EIB social standards and the relevant guidelines of the project procedures manual that will be approved ex-ante by the EIB.

Lebanon has ratified 50 ILO Conventions, including 7 of the 8 fundamental conventions. Convention 87 related to freedom of association has not been ratified. In order to ensure that the core principles and standards of Convention 87 are nevertheless upheld throughout the Project, provisions will be required in the tender documents for works relating to the Project, which would apply to the main contractor and first-tier sub-contractors.

EIB health, safety and security standards are expected to apply to the Promoter and contractors alike, throughout the duration of the Project and the relevant guidelines of the project procedures manual that will be approved ex-ante by the EIB.

Public Consultation and Stakeholder Engagement

Law 444 has included, in its article 4, the principles of the Rio Declaration on Environment and Development (1992), in particular on public participation (principle 10) which has been included in the process of environmental assessment through the Environmental Impact Assessment Decree No.8633 of 2012.

The schemes to be part of this FL should be in line with relevant urban development plans, which are approved by the Municipal Council and published.

In addition, public enquiries will take place for all project schemes requiring EIA (Environmental Impact Assessment). This will enable the population to consult the Non-Technical Summaries and to provide comments and proposals about the project by filling the registers established in the municipality in the project area. The duration of a public inquiry is twenty days. At the end of this period, a commission will prepare the report of the public inquiry summarising comments and proposals about the projects made by the population. This report will be transmitted to the Ministry of Environment and will be taken into consideration for the assessment of the environmental acceptability of the project.

The investment programme pays special attention to the involvement of municipalities, beneficiaries and local stakeholders in the broader sense. The gender aspect will also be particularly taken into account through the better inclusion of women during public consultation activities and the stronger consideration of women's needs in the selection and structuring of investments in public infrastructure and facilities. The project will therefore also contribute to the EIB Group's Gender Strategy.

Conclusions and Recommendations

The project intends to have long-term positive environmental and social impacts in terms of employment and economic activity, social cohesion and inclusion, and to contribute to a higher standard of living in cities in Lebanon and a higher economic resilience of the country.

All schemes must comply with the EIB Environmental and Social Principles and Standards. CDR shall carry out environmental and social due diligence as part of its overall due diligence process before EIB funds are allocated to the schemes concerned.

Should any scheme require an EIA, the Promoter shall deliver the EIA document and, if applicable the social assessment, to the Bank before the Bank's funds are definitively allocated to the scheme concerned. Where applicable, the Borrower shall ensure that promoters of individual projects implement, to the satisfaction of the Bank, an environmental and social management plan, a livelihood restoration plan, and a stakeholder engagement plan. Moreover, in case some of the schemes have potential or likely effect on protected sites, the promoter will be required to provide relevant information to the EIB.

The institutional capacity of CDR to manage the environmental and social issues is deemed acceptable. Technical assistance provided by the project will support the promoter during implementation and monitoring.

The operation will be implemented under the Mutual Reliance Initiative (MRI) with AFD acting as lead financier. Accordingly, the Bank will delegate the overall program management and monitoring to AFD in compliance with the requirements and standards agreed between EIB, AFD and KfW for projects under the MRI. The Project Procedures Manual including environmental and social provisions will be approved by the EIB as a condition for the first disbursement.

Therefore, given the nature of the operation and the procedures concerning EIA and nature protection put in place by the promoter, subject to the conditions mentioned above, which are included in the Finance Contract, the Framework Loan is acceptable to the Bank in environmental and social terms.