

Environmental and Social Data Sheet

Overview

Project Name:	Ukraine Urban Public Transport Project II
Project Number:	2019-0001
Country:	Ukraine
Project Description:	Framework loan for the financing of urban public transport investments in up to 10 municipalities in Ukraine
EIA required:	Multi-Scheme. Some of the schemes might require an EIA
Project included in Carbon Footprint Exercise ¹ :	no (framework loans are not included)

(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

Environmental and Social Assessment

The operation is to finance the renewal of electric transport rolling stock (trams, trolleybuses, metro coaches and electric buses) and rehabilitation or extension of the related infrastructure to the electric transportation (traction sub-station, overhead catenary systems, and tramline).

Environmental Assessment

Compliance with applicable Environmental Legislation: The sub-projects will be designed to reduce the 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 form the signature of the Association Agreement its environmental legislation and regulations with specific EU legislation. The deadline to transpose the relevant EU Directions into Ukrainian legislation is at the end 2022. The schemes to be financed under this framework loan will be implemented in accordance to EIBs social and environmental standards.

The manufacturing or rehabilitation of rolling stock doesn't fall within the scope of either Annex I or Annex II of Directive 2011/92/EU as amended. Therefore, if situated in the EU, no Environment Impact Assessment (EIA) would be required for sub-projects concerning rolling stock only. For those sub-projects that concern in whole or part some infrastructure element – for example the construction or modernisation of depots, tramlines, overhead catenary, traction sub-stations – it is expected that these would fall either into Annex II (i.e. be subject to screening by the Competent Authority) or outside the scope of the Directive. This is to be assessed during the implementation for each individual sub-project separately.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

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For the sub-projects to be approved at a later stage and falling under the scope of the EIA Directive, relevant information and compliance with EIA directive will be checked before approving finance to it. In particular, screening decisions from local Competent Authorities will be reviewed by the Bank. The Bank will also require the Promoter to make the EIAs available to the public through publication on its website and for reporting to the EIB.

Environmental Impacts: Significant adverse environmental or social risks are not expected at this stage and no adverse impact on nature conservation areas is foreseen. Compliance with the Bank's environmental and social standards will be assessed during the subsequent individual sub-project's allocation request process.

The sub-projects may have some minor environmental impacts during construction and limited residual impact in the operational phase. In the cases of tram infrastructure modernisation sub-projects, the intervention will be limited to the existing tram's right of way, which reduces potential impacts to a minimum. In addition, standard technical and organisational mitigation measures aiming at minimising these impacts will be taken into consideration during the construction phase.

The sub-projects are expected to have a positive impact on the living conditions of the cities' inhabitants, as well as on the environment and the cities' spatial layout due to new tramline and trolleybus alignments. The different interventions on the public transport systems should help improve traffic congestion and safety, also contributing to a positive modal shift towards public transport, and therefore decreasing traffic-related pollutant emissions. The limited project's residual negative impacts during construction and operation are offset by these expected positive impacts.

Location, Natura 2000 and Biodiversity issues: The sub-projects are unlikely to have any impacts on Natura 2000 sites as schemes are located in a consolidated urban environment. Nevertheless, compliance with the Birds and Habitats Directives will be further checked prior to allocation of individual sub-projects.

Climate action: Framework loans are not covered by the EIB Carbon Footprint Exercise. The climate benefits will be quantified and requested in the allocation documentation for each sub-projects. GHG emissions are usually limited for this kind of urban transport projects. The sub-projects are however expected to give a positive reduction in transport-related GHG emissions due to the positive modal shift from private cars.

Promoter's E&S capacity: In depth assessment of the capacity of the Final Beneficiaries in terms of environmental and social issues, as well as their capacity to implement projects according to EIB environmental and social standards is not possible at this stage. Although the Ministry of Infrastructure of Ukraine (Promoter) and the expected Final Beneficiaries in Ukraine have limited E&S capacity, the Promoter and some of the Final Beneficiaries gained under Ukraine Urban Public transport (2015-0503) some experience with implementing public transport sub-projects in accordance to the Bank E&S standards, without any E&S issues occurred during the implementation of the on-going operation to date. Nevertheless, knowledge and capacity remains limited on the Promoter and Final Beneficiaries level. Therefore, technical assistance will be made available secured by EIB funded by NIP to support the Promoter and Final Beneficiaries in implementation, operation and monitoring of the sub-projects including preparing and implementing environmental and social reports.

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Social Assessment, where applicable

On basis of the information provided to the Bank at this stage, the potential sub-projects are unlikely 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. However, during the appraisal due diligent process the Bank assessed the National Law in terms of OHS and labour law. On the basis of the information provided by the Promoter, Ukraine is aligned with ILO standards and the OHS standards of EU. The Bank will ex-ante ensure that OHS and labour standards will be implemented in all works and supply contracts.

Public Consultation and Stakeholder Engagement

Based on the experiences gained during the on-going urban public transport operation the Bank will ensure that appropriate Stakeholder Engagement Plan will be in place on the Promoter and Final Beneficiaries level, satisfactory to Bank regulations and standards.

Conclusions and Recommendations

Given that detailed information on the sub-projects is not available at this stage, environmental aspects will be checked at 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 sub-projects that require an Environment Impact Assessment or biodiversity assessment according to EU and national law without, prior to commitment, receiving the consent from the competent authority, and the NTS of the EIA having been made available to the public. According to the requirements to be defined in the Programme Procedures Manual (PPM) the Promoter 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 Directives.

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 and environmental benefits of rehabilitation, upgrading and extension of public infrastructures (improved quality of public services, reduced GHG emissions).

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