



29/09/2023

## Environmental and Social Data Sheet

### Overview

Project Name:	Dubrovnik Urban Development Framework Loan
Project Number:	2023-0059
Country:	Croatia
Project Description:	The Project represents a municipal framework loan supporting a multi-annual investment programme of the City of Dubrovnik in Croatia. The operation will support mainly investments in public buildings, public infrastructure and public squares, spaces and parks; investments in urban mobility; and investments in energy efficiency and renewable energy.
EIA required:	This is a multi-scheme operation. Some of the schemes may require an EIA under Annex II of the EIA Directive.
Project included in Carbon Footprint Exercise <sup>1</sup> :	No.

### Environmental and Social Assessment

The Project is structured as a Framework Loan and will support a multi-sector investment programme of the City of Dubrovnik in Croatia in the period 2023-2027. The City of Dubrovnik with some 42,000 inhabitants is located in the south of the country on the eastern shore of the Adriatic Sea, classified in the current EU programming period as “less developed region”.

The Project is coherent with the City’s urban development strategy defined until 2027. The investments selected for the EIB operation will contribute to enhancing the attractiveness of the city and quality of life of residents, improving accessibility within the city, increasing access to sustainable public transport, and improving the quality of education, sports, social and health care, recreational and cultural facilities, water and safety management infrastructure. Energy efficiency in public buildings will also be enhanced.

#### Environmental Assessment

As a Member State, Croatia is required to follow the relevant EU legislation in relation to the environmental impact of projects (namely SEA, EIA, Habitat/Natura 2000 Directives). In Croatia, both EIA and SEA processes are regulated by the Environmental Protection Act (Zakon o zaštiti okoliša), which is fully compliant with EU SEA Directive 2001/42/EC and the EIA Directive 2011/92/EU as amended by 2014/52/EU. The Competent Authority issuing environmental permits for investment projects of the City of Dubrovnik is the Environmental Protection and Energy Department (Upravni odjel za zaštitu okoliša i energetiku) of the Dubrovnik-Neretva County. The department is responsible for overseeing environmental protection and energy-related matters in the region, including EIA process. The current “Development Strategy of the City of Dubrovnik until 2027” prepared in 2023 has not been assessed under the SEA, however individual investments may be subject to EIA as appropriate according to the environmental law.

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



Nature Protection in Croatia is governed by The Nature Protection Act (zakon o zaštiti prirode) and the competent authority overseeing different protected areas is also the Environmental Protection and Energy Department of the Dubrovnik-Neretva County. There are no Natura 2000 sites located within the city of Dubrovnik, therefore, there will probably be no projects located in or in the vicinity of Natura 2000 area. Any potential significant impact on any sites of nature conservation importance will be assessed during the preparation of each investment (within building permit process).

The Promoter's capacity to manage climate risks is deemed satisfactory. The City's response to climate change is one of its top priorities and commitments related to climate change adaptation and mitigation are defined in a number of strategic documents. The City prepared in the past "Environmental protection programme of the City of Dubrovnik for the period 2018-2021" and "Air protection, ozone layer, mitigation of climate change and adaptation change programme for the area of the City of Dubrovnik 2016-2020". Currently, in line with Article 53 of the national Environmental Protection Act, a new "Environmental protection programme of the City of Dubrovnik for the period 2023-2026" is in preparation, under review of the Ministry of Economy and Environmental Protection for approval, and subject to public consultation. The Programme represents a basic document that provides a complete set of guidelines for the environmental sector in a four-year period. In addition to presenting relevant information concerning the status of the environment, the document defines concrete actions of human activities and their effects on environmental components and human health. The document defines the objectives and measures for the establishment of a more functional environmental protection system and further preservation and improvement of the state of the environment, in accordance with the Strategy for Sustainable Development of the Republic of Croatia (OG 30/09), the Draft Environmental Protection Plan of the Republic of Croatia for the period 2018-2020, the Draft Environmental Protection Programme of Dubrovnik-Neretva County 2023-2026, and other relevant strategic planning documentation.

The EIB Project will have an impact on the environment both during construction and operation. Most of the planned investments primarily comprise refurbishment, reconstruction, modernisation and remodelling of the existing infrastructure and spaces, thus many of the schemes are not likely to fall under the EIA Directive 2014/52/EU amending Directive 2011/92/EU. This is also likely to be the case for new construction schemes in urban areas which will not require EIA assessment (e.g. sports hall, old people's home, animal shelter, affordable municipal housing for rent, pedestrian and bicycle pathways, etc.). In cases where EIA is to be required (although not likely), the promoter will be requested to provide the report to the EIB. Some of the planned investments shall lead to improvements in energy efficiency (energy savings and installation of photovoltaic panels on public buildings).

At construction stage, it will increase noise levels, and will impact water and air quality. Adequate mitigating measures will be considered in the designs such as drainage systems, management of earthworks, reinstatement of damaged vegetation with local species and wildlife protection with underpasses. If felling of trees is required in any of the schemes, they will be protected in appropriate manner and tree clearance will be conducted outside the nesting season. Overall, the Project's impact at the construction stage will be short-lived and reversible, at a level which is deemed acceptable.

At operation stage, main impacts will be related to noise and emissions from motor vehicle traffic linked to road projects. Special mitigation measures may be proposed in line with legal emission thresholds including the construction of noise barriers or fences where needed as well as animal underpasses and repair of affected animal paths.

The EIB Project is expected to bring savings in operational costs and contributing to the reduction of local emissions through energy efficiency measures in public buildings. The Project also includes an extension of the network of pedestrian and cycling paths which will contribute to the modal shift from the use of private car, and should thus contribute to a reduction in carbon



emissions. Against this background, the Project is expected to entail a positive contribution to the Bank's efforts in combatting Climate Change.

### **Social Assessment, where applicable**

Although no separate social impact assessment has been carried out, it is deemed that the overall social impact of the framework loan will be positive. The Project is expected to increase the quality of public services available to the inhabitants. Investments in public transport (such as electric buses, bicycle lanes and pedestrian pathways) will promote sustainable forms of mobility, decrease dependency on individual passenger cars and promote physical activity of citizens. Construction and modernisation of buildings serving public purpose (fire station, socio-cultural venue, animal shelter, health and social service centre, home for elderly, sports hall, public recreational, intervention in public spaces and green areas as well as affordable municipal housing for rent) will improve the quality of life of all citizens and the quality of the built environment and will contribute to social inclusion.

### **Public Consultation and Stakeholder Engagement**

The City's development strategy document was subject to a broad participation of stakeholders and public opinion. The individual investments are expected to form part of urban development plans for which public consultation is carried out.

The City Administration pursue principles of public access, timeliness, completeness and accuracy of information. Besides regular communication with the public through the media, the public has access to information through the Institute of Access to Information as well as the Institute of Public consultation (setting a 30-day public consultation period for any decision of the City). A digital portal has been established with the aim of transparency and widest possible involvement of the citizens, which encourages citizens to engage, to debate, propose, evaluate and participate in decision-making.

These information principles shall be applied also to all investments supported by the EIB operation, as public consultation is expected to ensure the social acceptability of the investments, the reduction of conflicts in the implementation of adaptation actions and enhanced utilisation and impact of the investments.

### **Other Environmental and Social Aspects**

The individual project building permits will stipulate monitoring of environmental requirements prior to, during, and post construction. In addition, road safety and particularly safety of cyclists and pedestrians is expected to improve, thanks to safety measures proposed in relation to road and cycling paths network.

## **Conclusions and Recommendations**

The Promoter will be required to act according to the provisions of the relevant EU Directives, including SEA (2001/42/EC), EIA (2014/52/EU amending 2011/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives and Water Framework Directive (2000/60/EC) as transposed into national law. In projects where applicable, the Promoter will be requested to deliver the EIAs to the Bank before Bank funds are allocated. For Schemes having a potential impact on protected areas including Natura 2000 sites, the Promoter has to provide evidence of the compliance (including screening) with the Habitats and Birds Directives (if applicable) before the Bank funds are allocated. For schemes triggering art. 4.7 of the Water Framework Directive (WFD), the Promoter has to provide evidence of the compliance with the WFD before the Bank funds are allocated.



Upon the Bank's request, the Promoter will be requested to provide selected Energy Performance Certificates obtained in line with the EU Directive 2010/31/EU during implementation or after completion of works.

The overall environmental and social impact of the Project is expected to be positive, with improved environment and citizens' quality of life, especially through improved quality of public infrastructure, amenities and spaces, and energy efficiency in public buildings (contributing also to climate change mitigation). Potential negative effects (e.g. dust and noise during construction) will be alleviated by implementing effective mitigation measures.

The capacity of the Promoter to manage the environmental and social issues is deemed satisfactory. Therefore, subject to the conditions mentioned above, this operation is acceptable for the Bank in environmental and social terms.