

Luxembourg, 15.11.2023

Environmental and Social Data Sheet

Overview

Project Name:	LAUSITZ ECONOMIC TRANSITION FL
Project Number:	2023-0056
Country:	Germany
Project Description:	Framework loan to finance investments supporting the economic transition of the Lausitz away from coal mining.
EIA required:	This is multi-scheme Framework Loan operation. Some of the schemes may fall under Annex II of the EIA Directive and may have to be screened in.
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

The Project aims to address the challenges and opportunities arising from the transition of Lausitz to a climate neutral economy. It is comprised of investments under the “Lausitzprogramm 2038” of the Land Brandenburg which aims to strengthen/develop competitiveness, strengthen quality of life and enhance skills. The programme is anchored under the Structural Strengthening Act for Coal Regions (“Strukturstärkungsgesetz Kohlregionen” StStG) and supports the Coal Exit Act (“Kohleausstiegsgesetz”) commitments. The “Lausitzprogramm 2038” facilitates a ‘bottom up’ process of mainly municipal promoted schemes, in a clearly defined framework. The Borrower and Promoter towards the Bank, in terms of monitoring and reporting, will be the INVESTITIONSBANK DES LANDES BRANDENBURG.

The EIB Project is envisaged to mainly finance small municipal infrastructure/building schemes addressing integrated territorial development (urban/regional), sustainable mobility but also to a lesser degree energy, training infrastructure, as well as health schemes. The Bank’s financing will enable the Land Brandenburg to meet its co-financing obligation and support a Just Transition away from carbon intensive activities in Lausitz.

Environmental Assessment

This is multi-scheme framework loan operation. Some of the schemes may require an Environmental Impact Assessment (EIA) under Annex II of the EIA Directive (2014/52/EU amending 2011/92/EU), and in such cases the promoter will be required to act according to the provisions of the EIA Directive.

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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Schemes are certified by the competent authority on their compatibility with applicable plans. Regional and sub-regional plans are subject to public consultation and the competent authority will determine, after an assessment on a case-by-case basis, whether they should be subject to Strategic Environmental Assessment according to the SEA Directive (2001/42/EC). Individual schemes may also be subject to public consultation in line with the EIA law.

The funding guidelines for the Programme have two explicit priorities addressing climate and environmental protection, energy refurbishment of buildings/infrastructure, soil remediation, as well as nature conservation and landscaping, including remediation and afforestation. Concretely, the EIB project may include climate mitigation, such as investments into alternative fuel infrastructure, cycling infrastructure, sustainable mobility measures, and renewable energy in district heating. The Project has been assessed for Paris alignment and is considered to be aligned both with low carbon and resilience goals in accordance with the policies set out in the Climate Bank Roadmap (including the low carbon criteria, pp. 88-93).

Schemes, due to their physical characteristics and locations, are not expected to cause any significant negative impact on protected natural sites. However, schemes potentially affecting protected natural sites shall be subject to screening and, if required, to the appropriate assessment under the Habitats (92/43/EEC) and Birds (2009/147/EC) Directives before the Bank funds are allocated.

Social Assessment

The Project should generate significant social benefits, including positive externalities stemming from investments in i.a. the business and living environment, pollution reduction, natural environment, health, training. Overall, significant social and economic impact is expected from all schemes, which are united towards delivering a structural change in Lausitz and a just transition away from lignite, mitigating job losses in the lignite sector.

In addition to the employment opportunities arising from improved business infrastructure, the Project will contribute to an improvement in the provision of health and social infrastructure (cultural, public sports, recreation facilities) enabling the improvement of the well-being of citizens, as well as the availability of vocational training. Wider social-economic benefits may be expected, such as induced investment, employment effects and productivity impacts resulting from the improvement of public infrastructure and services. By supporting more sustainable transport solutions and renewable energy interventions, the Project will reduce carbon and air pollution, congestion and deliver health benefits through improved air quality.

Public Consultation and Stakeholder Engagement

The Lausitz 2038 Programme has a follow-up Committee set up to advise the state government on the implementation of the overall process, as well as development and updating. It is composed of economic, scientific, social and environmental partners, as well as representatives of the administration. The development of underlying schemes is subject to a workshop procedure involving municipalities, academia and civil society groups.

Other Environmental and Social Aspects

The institutional capacity of the Promoter to manage and monitor the environmental and social issues is deemed good.



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Conclusions and Recommendations

Overall, the schemes under this operation are expected to generate a wide range of positive environmental impact and social benefits, despite some possible minor negative effects during the construction period.

The following undertakings will be required for the Project:

- The Promoter is required to ensure that schemes comply with the provisions of the relevant EU legislation, mainly SEA Directive (2001/42/EC), EIA Directive (2011/92/EU, as amended by 2014/52/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives and national legislation.
- The Promoter shall not commit any EIB funds against schemes that require an EIA and/or biodiversity assessment according to EU and national law without, prior to commitment, that scheme having received consent from the competent authority, and the EIA report having been made available to the public.
- In case a scheme with a total cost exceeding EUR 25m requires an EIA Report and/or an appropriate assessment under the EU Habitats and Birds Directives, the Promoter shall submit prior to allocation of the Bank's funds the EIA report and/or appropriate assessment to the Bank.

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