

Environmental and Social Data Sheet

Overview

Project Name:	CEZ DISTRIBUTION NETWORK III
Project Number:	20130371
Country:	Czech Republic
Project Description:	The project consists in a 2-year investment programme (2014-2015) to reinforce and extend the promoter's electricity distribution network throughout a large part of the Czech Republic. The programme includes low, medium and high voltage investment schemes and the installation of automation and telecontrol systems.
EIA required:	Some programme components may require EIA
Project included in Carbon Footprint Exercise ¹ :	No

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

All the project schemes – around fifteen thousand in total - pertain to Annex II of the EIA directive, thus implying a review by the competent authorities at the stage of planning and consent to consider the necessity for an environmental and biodiversity assessment. The promoter submits the information about all investment schemes to the Ministry of Environment. The Ministry is responsible for evaluating the documentation, gathering the opinion of the public and private instances, for requesting an EIA when deemed necessary and, eventually, for issuing the environmental authorisation for the investment schemes. As far as the Habitats Directive 92/43/EEC is concerned, the promoter applies for relevant permits to the regional authorities, which are responsible for ensuring compliance with the biodiversity-related legislation.

The Bank has had a positive experience with CEZ Distribuce during two previous investment programmes co-financed by the EIB and the environmental capacity of the promoter is deemed to be strong. The promoter complies with national environmental regulations and EU Directives. The large majority of the project schemes to be financed by the Bank will be medium and low voltage reinforcements that will most likely not require formal EIAs and are expected to have minimal or no environmental impact. Likewise, by virtue of size, nature and location, these schemes are not expected to have a significant impact on sites of nature conservation. The schemes which require an EIA (the current list includes five 110 kV lines), due to their size and with appropriate mitigations in place, are also not expected to have any significant long-term environmental impacts.

The Czech environmental legislation ensures that the competent authorities for nature conservation and Natura 2000 protection are systematically involved in the permitting process. Given that the promoter is implementing the appropriate mitigating measures for this type of programme and the residual environmental impacts are expected to be limited, the project is acceptable to the Bank.

For programme components to be financed with the Bank's funds which require an Environmental Impact Assessment, the promoter undertakes to not allocate the Bank's funds to these components until the Environmental Impact Statement (EIS) with the associated

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

biodiversity assessment and Non-Technical Summary (NTS) has been finalised, approved by the competent authority and sent for review to the satisfaction of the Bank.

The promoter undertakes to store and update any documents as may be relevant for the programme supporting the compliance with the provisions of the EU Habitats and Birds Directives (Bank's form A/B or equivalent declaration by the competent authority) and shall promptly upon request deliver such documents to the Bank.

Environmental and Social Assessment

Environmental Assessment

The impacts that can be expected for the project schemes relate to visual impact, impact on flying vertebrates, vegetation clearance, electromagnetic fields, noise nuisance, and disturbance during construction. Typical mitigation measures include special construction procedures to minimize damage, construction of facilities to contain oil leaking from transformers and others. The promoter is experienced and capable to mitigate the impacts to an acceptable level through planning procedures.

Social Assessment, where applicable

The promoter is a major employer in the region within which it operates, and will rely on both own personnel and external subcontractors for the implementation. The project will create approximately 2600 person years of employment during implementation and will serve to maintain existing operational posts.

Public Consultation and Stakeholder Engagement, where required

The promoter has implemented a responsible approach in its dealings with the natural environment and follows EU and national/regional requirements including public consultation and engagement with key stakeholders. Overall the promoter's procedures are acceptable.