

## Environmental and Social Data Sheet

### Overview

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| Project Name:                                                | SOMACYL URBAN AND RURAL INFRASTRUCTURE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Project Number:                                              | 2016-0355                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Country:                                                     | SPAIN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Project Description:                                         | <p>The project is a framework loan focused on financing selected priorities of the regional strategy of the autonomous community of Castilla y León (CyL) in two sectors: (i) public transport infrastructure and (ii) sustainable rural tourism.</p> <p>The public transport infrastructure schemes have the objective to modernise, enhance the quality of service and improve the accessibility and the energy efficiency of the stations of the inter-city bus network. The investments will contribute to maintaining or even increasing the public transport share in the region.</p> <p>The rural tourism schemes are aimed to continue promoting the natural and cultural heritage of the leading Spanish region in this type of tourism, which attracts 3 million tourists per year or 20% of the national market share. The schemes proposed include investments related to the renovation and transformation of existing vacant and abandoned buildings and sites into small hotels, mountain refuges or camping centres. Other types of investments proposed are the construction of vias ferratas, cable cars, lookouts or trail networks.</p> |
| EIA required:                                                | Multi-Scheme. Individual schemes <EUR50m. 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

#### Environmental Assessment

The purpose of this framework loan is to contribute to the integrated regional development of the largest yet lowest densely populated Spanish region. The project will include schemes aligned with the priorities of the regional strategy of CyL with the aim of balancing the regional development of the Spanish largest region. Supporting inter-city public transport and enhancing rural touristic offer will support new economic activities and job opportunities. The public transport schemes will also contribute to maintaining or even increasing the public transport share in the region against private cars and will increase the energy efficiency of the bus stations network, thus contributing to sustainable transport and climate change mitigation

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

Luxembourg, 19.12.2016

*Legal framework and capacity of the Promoter:*

Spain, as a Member State, is required to follow the relevant EU legislation in relation to the environmental impact of projects (namely SEA, EIA, Habitat/Natura 2000 Directives). The SEA Directive and EIA Directive 2011/92/EU are both transposed into Spanish legislation by the 21/2013 Act of Environmental Evaluation, of December 2013. EIA Directive 2014/52/EU is expected to be transposed before 16<sup>th</sup> May 2017. The CyL's current legislation is covered by the 11/2003 Regional Act which complements the national legislation and adapts it to the regional circumstances. The competent authority for the evaluation of SEAs and EIAs is the Department of Environment (General Directorate of Environmental Quality and Sustainability).

The EU Natura 2000 Habitats and Birds Directives are transposed into the following regional legislation:

- 4/2015 Act of 24 March, on the Natural Heritage of Castilla y León. (BOCyL 03/30/2015). It develops guidelines on the management of the Natura 2000 network and the commitments derived from the two directives.
- 15/2015 Agreement of 19 March, approving the Master Plan for the implementation and management of the Natura 2000 network in Castilla y León (BOCyL March 23, 2015).
- 6/2011 Decree of 10 February, which sets the impact assessment process on the Natura 2000 Network of those plans, programs or projects developed in the CyL territory (BOCyL 16-02-2011).

The Promoter, the Sociedad Pública de Medio Ambiente de Castilla y León S.A. (SOMACYL), is well-known to the Bank through previous operations and its institutional capacity to manage the environmental issues is deemed good.

*Strategic environmental assessment (SEA):*

The project is fully aligned with the 2014-2020 Regional Operational Program (ROP) and Rural Development Operational Program (RDOP) which have an "Informe de Sostenibilidad Ambiental" (ISA), which is aligned to the SEA Directive. Both documents were approved in Q3 2015.

*Environmental Impact assessment (EIA):*

Some of the schemes to be financed might fall under Annex II of the EIA Directive (2011/92/EU) amended by Directive 2014/52/EU, in particular the sustainable rural tourism schemes. The Promoter will be required to ensure compliance with EIA directive. In addition, screening decisions will follow Annex III criteria of the EIA Directive and made available to the Bank. The Bank will also require the Promoter to make the Non-Technical Summary (NTS) of the EIAs available to the public through publication on its website and for reporting to the EIB, for all schemes falling under the provisions of the EIA Directive.

*Location and impacts on Natura 2000 sites:*

The sustainable rural tourism schemes might be located within or near Natura 2000 or other protected sites. The Promoter will ensure compliance with the EU Natura 2000 Habitats and Birds Directives and also be required to verify that none of the schemes submitted for part-financing by the Bank have a significant negative impact on any site of nature conservation importance (Habitat, Natura 2000). The promoter will be required to provide confirmation to this effect from the competent authority.

Details on environmental aspects of each scheme and compliance with EU directives, when and where relevant, will be checked at allocation stage. Potential impacts of the schemes will be assessed by the competent authority in the permitting process and will be assessed by the Bank when the schemes are submitted for allocation under the Framework loan.

Luxembourg, 19.12.2016

The aggregate environmental impact of the project is positive and the project's residual negative impacts during construction and operation are limited and offset by these expected positive impacts. In addition, a number of mitigation measures aiming at minimising these impacts will be taken into consideration during the construction and operational phases.

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

- Public consultation for the ROP and RDOP and the relevant ISAs was held during Q2 and Q3 2014.
- Public consultation for any scheme requiring an EIA will be done in accordance to the relevant EC and national legislation.

### **Conclusions and Recommendations**

The following undertakings will be included in the finance contract:

- The Promoter shall keep updated and available all relevant documents, such as documents supporting compliance with EU Environmental Directives, and any other information to be promptly provided to the Bank upon request (with reference to the commitment in the EIB's public disclosure policy on responses to external enquiries).
- The Promoter shall not commit any EIB funds against schemes that require an EIA 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.

Under these terms, it is considered that any environmental issues of individual schemes will be appropriately assessed by the Promoter and thereby ensure compliance with the Bank's standards.

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