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GIBRALTAR ERDF OPERATIONAL PROGRAMME 2014-2020 POST ADOPTION STATEMENT

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Made by **Michael Pantling**
Checked by **Bram Miller**
Approved by **Stuart Divall**
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Ramboll
Carlton House
Ringwood Road
Woodlands
Southampton
SO40 7HT
United Kingdom
T +44 (0) 238 081 7500
F +44 (0) 238 081 7600
www.ramboll.co.uk

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1. INTRODUCTION

1.1 The Gibraltar ERDF Operational Programme 2014-2020

1.1.1 The European Regional Development Fund (ERDF) Operational programme (OP) sets out which objectives and investment priorities the Government of Gibraltar will use to allocate ERDF financial resources within the territory. It provides targets and actions for how the funds will be used and the benefits it plans to achieve; including increased renewable energy production and support for small to medium enterprises.

1.2 Strategic Environmental Assessment (SEA)

1.2.1 SEA is a statutory assessment process required under the Environment Act 2005 which provides the legislative mechanism for transposing into Gibraltar law European Directive 2001/42/EC "on the assessment of the effects of certain plans and programmes on the environment" (the SEA Directive).

1.2.2 The SEA directive requires that before a plan or programme, which establishes the framework for development consent is adopted, it should be subject to consultation alongside an Environmental Report which identifies, describes and evaluates the significant effects, which its implementation is likely to have on the environment. The objective of the SEA Directive is to provide for a high level of protection of the environment and for environmental considerations to be integrated into the preparation and adoption of plans and programmes, with a view to promoting sustainable development.

1.2.3 The OP is a high level programme indicating broad objectives and indicative actions rather than project specific or spatially defined outcomes. The SEA was therefore a high level assessment of the projects likely to result from the programme based on broad information in the OP.

1.2.4 The SEA Environmental Report, which was published with the draft OP for consultation in December 2014, fulfilled the main requirements of the SEA directive.

1.3 Consultation

1.3.1 Statutory consultees were invited to comment in November 2014 during the scoping stage of the SEA process. The statutory consultees were further consulted in December 2014 on the draft SEA Environmental Report.

1.3.2 The Environmental Report was also subject to public consultation during December 2014 during which the OP and SEA Environmental report were published online. A public consultation meeting was conducted on the 9th of December 2014 at Bleak House in Gibraltar.

1.4 Purpose of this Post-Adoption Statement

1.4.1 Article 9(1)(b) of the SEA Directive requires that when a plan or programme is adopted, there should also be made available a statement summarising:

- How environmental considerations have been integrated into the plan or programme;
- How the Environmental Report has been taken into account;
- How opinions expressed in response to public consultations on the draft plan or programme and the environmental report have been taken into account; and
- The reasons for choosing the plan or programme as adopted, in light of other reasonable alternatives dealt with.

1.4.2 This Statement is designed to fulfil these requirements, and therefore is formatted as follows:

- Section 2: How environmental considerations have been integrated into the ERDF OP;
- Section 3: The SEA Environmental Report, and how its recommendations have been taken into account in the designated ERDF OP;
- Section 4: How comments received at consultation have been taken into account; and
- Section 5: Reasons for choosing the ERDF OP as designated, in light of reasonable alternatives.

1.4.3 An additional requirement of the SEA Directive is to make available the details of the measures that are to be taken to monitor significant environmental effects of the implementation of the plan or programme. No significant negative environmental effects were identified during the SEA process and therefore no additional monitoring has been proposed. For projects that result from the ERDF programme in Gibraltar appropriate evaluation will take place as stated in the OP, for example to establish the number of new enterprises that have been created and the increase in renewable energy production in order to evaluate achievement of the OP's programme specific result indicators.

2. HOW ENVIRONMENTAL CONSIDERATIONS HAVE BEEN INTEGRATED INTO THE ERDF OPERATIONAL PROGRAMME

2.1.1 The OP's strategy has a focus on the "creation of sustainable jobs and economic growth, whilst at the same time ensuring the protection of and improvements to the environment".

2.1.2 The ERDF financial resources are a key mechanism for facilitating sustainable development. The priority axis the ERDF OP allocates funds to is "small and medium enterprises and the low carbon economy". This priority axis inherently promotes environmental sustainability with regards to carbon emissions reductions and associated reductions in Gibraltar's contribution to climate change.

2.1.3 The subsequent objectives and investment priorities within the ERDF OP that will facilitate this priority axis promote specific environmental improvements. These include increasing the proportion of energy produced from renewable sources, promoting the green economy and supporting businesses to adopt more efficient practices and processes.

2.1.4 The OP states that projects that will result from the programme will be selected based upon the following overarching principles:

"There will be an unequivocal focus on supporting projects that contribute to the creation of sustainable **jobs and growth** and which facilitate the role of the private sector.

Environmental protection is a major consideration. The creation of a sustainable future in which all citizens can enjoy a rich, diverse and healthy environment is the "green ethos" which has been adopted, which places the environment at the heart of all decision making.

Clear **added value** will be demanded when comparing with other ways of supporting and delivering policy, based on sound evidence that demonstrates a clear contribution to sustainable jobs and growth.

Evidence of potential will form a foundation of project design and delivery with investments in human capital, delivering to and embedded with, the future needs of enterprise and business.

Interventions aimed at the **strategic economic development** of the territory should integrate physical, social and environmental elements, consistent with achieving outcomes of sustainable development and equality of opportunity.

Key strategic projects that underpin priorities and which deliver significant outcomes, early within the new Programming Period will be given priority.

Projects will require realistic and **clear exit strategies** that fully consider the role of the private sector, build resilience and tackle unemployment within the community, promote equality and achieve a legacy effect."

2.1.5 These principles have a clear focus on sustainability and the environment demonstrating how these topics have been considered within the OP.

3. THE SEA REPORT AND HOW ITS RECOMMENDATIONS HAVE BEEN TAKEN INTO ACCOUNT IN THE DESIGNATED ERDF OP

3.1 Significant impacts identified through the SEA process

3.1.1 The Environmental Report (Ref: 61034424-Environmental Report) assessed there to be no significant negative impacts likely to result from the implementation of the ERDF OP.

3.1.2 The SEA process highlighted that the OP is likely to result in significant positive impacts by reducing greenhouse gas emissions and increasing renewable energy production.

3.1.3 Significant Positive 1: Will it reduce Greenhouse Gas Emissions?

The OP aims to reduce Gibraltar's GHG emissions. This will have a significant positive impact on reducing Gibraltar's contribution to GHG emissions. It has been deemed a significant impact due to a high probability of its occurrence and an anticipated notable reduction to Gibraltar's GHG emissions.

3.1.4 Significant Positive 2: Will it promote renewable energy sources?

The OP sets a target to produce 1.25% of Gibraltar's energy from renewable sources. This is a significant amount compared to current baseline value of 0.002% that will require a large number of micro-scale renewable energy device projects. It has been deemed a significant impact due to a high probability of its occurrence and an anticipated notable positive change to Gibraltar's energy production.

3.2 Changes to the ERDF OP as a result of the SEA process

3.2.1 There were a small number of potential minor negative impacts likely to result from the ERDF OP. However, as these have not been assessed as significant, and in the context of the significant positive impacts which have been identified, it is not been deemed necessary for the draft ERDF OP to be altered based upon the conclusions of the SEA process.

4. HOW OPINIONS EXPRESSED DURING PUBLIC CONSULTATION HAVE BEEN TAKEN INTO ACCOUNT

4.1 Consultation

4.1.1 Consultation on the draft ERDF OP was undertaken during a public consultation meeting held on the 9th of December 2014. Prior to this consultation meeting, the ERDF OP and the Strategic Environmental Assessment Environmental Report were posted on the Government of Gibraltar's website and the European Union Programmes Secretariat website.

4.1.2 During the consultation period throughout which the documents were available online, no written comments were received. During this consultation meeting a number of points were raised by members of the public about the draft ERDF OP and relevant responses were given to clarify the issues raised.

4.2 Taking consultation into account

4.2.1 None of the public consultation responses raised were specifically related to the SEA Environmental Report or required any changes to be made to the ERDF OP and as such had no changes have had to actioned as a result of the public consultation.

5. REASONS FOR CHOOSING THE ERDF OPERATIONAL PROGRAMME AS ADOPTED IN THE LIGHT OF OTHER REASONABLE ALTERNATIVES

5.1.1 As required by the SEA directive, Section 7 of the SEA Environmental Report includes an assessment of reasonable alternatives to the chosen ERDF OP.

5.2 Process of identifying reasonable alternatives

5.2.1 The development of the ERDF OP and reasonable alternatives was based on the SEA guidance, which states that "only reasonable, realistic and relevant" alternatives need to be put forward, and that it is helpful if they are sufficiently distinct to enable meaningful comparisons to be made of the environmental implications of each.

5.3 Reasonable alternatives considered for the ERDF OP

5.3.1 The alternatives to the OP as adopted were limited by the requirements of the SEA regulations. These regulations stipulate the level of funding that must be applied to certain thematic objectives.

5.3.2 Gibraltar's limited geographical extent and landscape variation also limits the OP to thematic objectives and investment priorities that would be suitable for the territory.

5.3.3 The development of the reasonable alternatives to the ERDF OP was guided by the choices available to the Government of Gibraltar considering the limitations placed upon them by the regulations. The key alternatives considered were:

A. The 'do nothing' alternative. This considers the impacts of not implementing the ERDF OP.

The minor negative impacts that have been identified through the SEA process would not occur under the 'do nothing' alternative. However, the significant positive impacts identified by the SEA would also not occur which would prevent the environmental improvements that the ERDF OP could generate.

B. An alternative split of financial resources between the investment priorities chosen.

The investment priorities with a thematic objective do not vary considerably and the potential activities that could result from them are likely to be similar. Therefore it is likely that the impacts would also be similar in nature and magnitude. Overall, the investment priorities chosen were considered likely to result in the greatest increase in renewable energy generation in Gibraltar which through the SEA process was identified as a significantly positive impact.

5.4 Preferred Option for the ERDF OP

5.4.1 The assessment set out in Section 7 of the SEA Environmental Report concluded that when compared to the reasonable alternatives, the chosen ERDF OP will result in the most sustainable outcome. Generally both alternatives A and B perform less well environmentally and economically than the chosen ERDF OP.

5.4.2 Nothing in the responses to the consultations has concluded that either of the alternatives would be preferable and therefore, the chosen ERDF OP has been selected as the preferred programme.