

Summary of the Strategic Environmental Assessment Exercise

The Strategic Environmental Assessment (SEA) Regulations¹, which implement European Directive EC/42/2001 on the assessment of the effects of certain plans/programmes on the environment, require that a SEA of a wide range of plans/programmes is carried out prior to their implementation. The objective is that of providing a high level of protection of the environment, including health, and to contribute to the integration of environmental and health considerations into the preparation and adoption of plans and programmes with a view to promoting sustainable development. Malta's OP I falls within the scope of the Regulations.

The purpose of this SEA is to ensure that the OP will deliver a high level of environmental protection and enhancement. The SEA achieves this aim by providing a structured process through which the activities proposed under the OP are tested against agreed environmental criteria. The SEA process involves a number of stages:

- A process of **Screening** was undertaken to determine whether the OP requires a SEA, based on whether significant environmental effects are likely to result from the implementation of the Programme;
- A Seminar was held to bring together the SEA Competent Authority, the Environmental Authority, the SEA Consultants, OP I Drafting Team and OP I's stakeholders. The purpose of this meeting was to **consult the Stakeholders** on the Scoping Report for the SEA and in particular, to elucidate the alternative objectives that were considered and not included in the OP and to discuss the implications of a "do nothing" scenario;
- A **Scoping Report** setting out the framework for the SEA, including setting the context for the SEA, establishing the baseline, setting the SEA objectives and indicators for the assessment and identifying any potential significant impacts of the OP;
- A draft **Environmental Report** was produced. The main element of the draft was the assessment of the likely effects of the plan on the environment;
- A two week **Public Consultation** on the draft OP and Environmental Report was undertaken to gather feedback from the stakeholders (including NGOs). The documents were uploaded on the websites of the Managing Authority (PPCD, OPM), the Ministry of Finance and the Ministry for Rural Affairs and the Environment. This consultation was publicized on three subsequent issues of the Malta Government Gazette (in both the Maltese and English languages). Moreover, all Government Ministries and the Maltese Environmental Authority received a notice by e-mail to inform them of the launch of an inter-Ministerial consultation on the draft SEA Environmental Report with a view to make all entities and public authorities fallings within their remit aware of this consultation process. Consequently, a **recommendation report** was compiled by the SEA Competent Authority based on the submissions received;
- The **Draft OP and Environmental Report were revised** taking into account the views expressed during the Consultation;
- A second 8-week **Public Consultation** on the OP and revised Environmental Report was launched to gather the views of the Maltese public and NGOs. Once again, the documents were uploaded on the website of the Managing Authority (PPCD, OPM), the Ministry of Finance and the Ministry for Rural Affairs and the Environment. This consultation was published on four issues of Malta's Government Gazette, as well as, four issues on each of the four local newspapers with the broadest and largest target audiences);
- Following the feedback by the Competent Authority on the second public consultation, a final draft of the OP; the SEA Environmental Report (inclusive of an addendum and the Non-Technical Sumamry); the Opinion Report presented by the SEA Competent Authority to the Minster for Rural Affairs and the Environment; the Environmental Minister's endorsement of the Opinion Report, as well as, the aggregated opinions of the

¹ Legal Notice 418/2005.

public and all stakeholders and comments and an explanation on how such opinions have been integrated in the OP, have been circulated to all stakeholders and published to ensure the transparency of the SEA process;

- Monitoring and review will be undertaken throughout the delivery of the OP to help identify adverse effects and to provide information for subsequent programmes.

The SEA process examines individual outputs of the planning process and proposes necessary amendments to maximize the environmental benefits of development proposals and to minimize their negative environmental impacts and risks. Towards this purpose, the SEA Environmental Report examines the first six² of the Priority Axes in the light of the following SEA objectives: air pollution; energy efficiency and renewable energy; biodiversity; fresh water quality; waste management; marine quality and the coastal environment; land use; transport; flooding and oil spills; landscape; noise, dust and light pollution and cultural heritage.

1.1 Findings

Despite assuming the worst-case scenario during the assessment process, overall, the impact of the Programme on the environment is judged to be positive. The SEA opines that OP I takes environmental issues into account and that the environment stands to benefit from its implementation. A number of positive environmental impacts have been identified for *all* the Priority Axes and none of the Priority Axes has been deemed to have potentially *major* negative impacts. Nonetheless, there have been initiatives within Priority Axes that have been considered to have some negative impacts.³ The main impacts on land use criteria arise from those actions that could result from the implementation of infrastructure in certain areas.

1.2 Recommendations

The early work of the Strategic Environmental Assessment identified a number of issues for the Programme. The issues raised by the SEA consultants and the suggested responses have been taken into account in developing the OP and some issues will also be taken into account when drawing up the Terms of Reference of applications for funding.

One of the main recommendations is that of making information relating to potential environmental impacts, including statutory obligations and guidance, available to project applicants in order to enable them to make informed decisions relating to the type of actions, which they wish to implement. The SEA also proposes the creation of an environmental checklist containing a series of questions relating to environmental issues, to ensure environmental integration when applications for grant funding are received. Another suggestion is that, in considering applications for assistance or blocks of applications for funding, an assessment is undertaken to ensure that no imbalance is introduced between the activities to be funded within a

² Subsequent to the compilation of the SEA, the OP has been revised, in line with the outcome of the Ex-Ante Evaluation and the informal recommendations from the CION and hence, now only has seven rather than eight priority axes (incl. Technical Assistance). The version of the OP I used for the SEA had the following priority axes:

- a) Investing in an enterprise-support infrastructure;
- b) Supporting a competitive enterprise;
- c) Promoting sustainable tourism;
- d) Developing the TEN-T infrastructure;
- e) Improving accessibility and services of general economic interest;
- f) Upgrading environmental infrastructure;
- g) Urban regeneration and improving the quality of life;
- h) Technical Assistance.

³ It is noted that many of the potential impacts are theoretical and arise as a result of considering the worst case scenario for each priority since the actual impacts can only be observed following the implementation of the programme, depending on site specific issues as well as the proposed design and approach taken for individual projects implemented under OP I.

particular area so that environmental impacts become cumulative. These recommendations are being considered.

The SEA prescribes the setting up of environmental monitoring arrangements that will enable the identification of corrective actions and establish how well the Programme complies with the SEA objectives. In light of the above, the SEA recommends the setting up of an Environmental Committee that meets up, at least once a year and comprises key stakeholders and technical experts. The role of this Committee will be essential to the thrust of integrating environmental considerations into the Programme, throughout its lifecycle. The Maltese authorities are committed to making an effort to introduce environmental criteria in the project selection process (see chapter 5 of this document). One of the roles of the Committee will be to support the Managing Authority and other stakeholders in monitoring the implementation of commitments at programme level. Further down the line, during project implementation, another role of the Committee will be that of assessing trends in the indicators and establish whether the projects funded under OP I have had an impact on the trends. Climatic factors and the issue of the global impact of the programme in terms of Greenhouse Gas emissions will also be monitored within this context. Other responsibilities should include the collation of data for the SEA indicators on funded projects for that year and proposal for remedial action, where applicable.

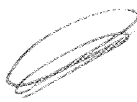
Various institutions, officials and other stakeholders involved in this process through the development and implementation of the Programme, need to understand what it means to integrate the environment and 'green projects,' the reasons for integrating the environment and how it can be done. Most of the time, capacity-building is needed to create the expertise necessary to achieve environmental integration. Towards this purpose, funds will be allocated towards capacity-building for all bodies involved in the project life-cycle to:

- a) issue guidance and procedure on how to integrate environmental issues in Cohesion Policy ;
- b) improve understanding and awareness of the need to integrate the environment into projects;
- c) support national authorities with a view to promote and help the project development/preparation process;
- d) monitor project implementation and its environmental impacts;
- e) evaluate results.

Given the strategic level of the OP, the SEA does not argue against some initiatives in favour of more environmentally-friendly actions implemented under the Priority Axes, and therefore, the impacts remain indicative. The assessment does, however, identify mitigation measures to minimize or negate the potential negative impacts and enhance the positive benefits. An important point, worth mentioning is that Government is committed to ensure that there is a link between the OP priorities and the sustainability of the energy lifecycle (including Greenhouse Gas emissions). This will be pursued by ensuring that the main infrastructural interventions envisaged under OP I will have to demonstrate that they have considered environmental issues in their project designs.

1.3 Summary of the Main Recommendations

ENVIRONMENTAL RECEPTOR	CUMULATIVE AND SYNERGISTIC IMPACTS	ACTION RECOMMENDED BY THE SEA TEAM	ACTION TAKEN BY THE GOVERNMENT AS PROPONENT OF THE PROGRAMME
Biodiversity	<p>In assessing the impact of the priority axes on biodiversity, the SEA is cognisant of the fact that most of the initiatives will focus on strengthening the existing infrastructure; new infrastructure is considered only in a few initiatives. Hence, the status of protected areas and species is not expected to be negatively impacted by OP I.</p>	<p>The SEA recommends that new infrastructure be set up within areas designated for development and brown-field sites and to avoid protected areas and sites where protected species are recorded.</p>	<p>In drawing up the OP, any actions that could significantly impact a Natura 2000 site, scheduled area, or protected species were excluded. Furthermore, the MA will ensure that projects approved for funding consider their potential impact on biodiversity and landscape in the application process and where appropriate in the planning and complementary regulatory processes. Indeed, a formal Appropriate Assessment will be required in accordance with the obligations arising under the Birds and Habitats Directives (Article 13 of L.N. 257 of 2003). This is normally requested by MEPA (the Environmental Authority) during the assessment of planning applications within or adjacent to such areas.</p>
Waste Management	<p>The OP is expected to be beneficial in terms of providing waste management infrastructure and opportunities for reducing and recycling waste. However, major construction projects might generate additional waste in the short-term.</p>	<p>Appropriate conditions in development and environmental permits addressing matters such as the recycling of construction waste and waste separation should be imposed, where appropriate.</p>	<p>Through the relevant planning and environmental permit process, government will ensure that projects promoted will abide by National Legislation on the issue of Waste Management. Moreover, project promoters will be encouraged to integrate sound waste management practices in their respective projects.</p>
Human Health	<p>The inclusion of objectives to promote modal shift towards sustainable modes of transport could have the potential to pose an overall positive impact on human health through improved air quality and increased road safety. However, major development projects could adversely affect human health through dust and noise pollution in the short-term.</p>	<p>Mitigation of the impacts of dust, noise and light from development can only be required through project-specific conditions that are imposed by MEPA. The SEA suggests that projects that adopt such measures should be given priority for funding.</p>	<p>Local environmental improvements can be linked to health improvements, and to a number of key health aims, especially around the promotion of active lifestyles. Moreover, OP I envisages considerable investment in the Health sector, covered by Priority Axis 6. In order to prevent the financing of projects that could have negative implications on human health, SD (including environmental sustainability) is a horizontal priority that will be one of the criteria for assessment at project application and selection stages.</p>




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Soil	<p>Soil erosion and soil quality are likely to be positively affected by Priority Axis 5 (previously Priority Axis 6), through the construction of stormwater infrastructure in areas sensitive to flooding as it would help control runoff from agricultural areas. No cumulative effects were predicted in this regard since, it largely depends on how many projects are implemented in rural areas. Moreover, the availability of a new source of water for agriculture from recycled waste water may improve agricultural produce especially in areas that lack freshwater.</p> <p>The quality of both seawater and drinking water is expected to be positive as a result of actions contemplated, including sewage treatment and improvement in the production and extraction of drinking water.</p>	<p>The recycled waste water will need to be suitably treated to remove nitrates, chloride etc that could be detrimental to soils and the underlying aquifer. No mitigation actions are required if water quality is deemed adequate.</p>	<p>In terms of preserving green areas, government policy is that of concentrating development in existing towns and cities, reusing land, where possible, in that context.</p> <p>In terms of recycled waste water, the formulation of the Stormwater Masterplan that is currently underway will feature the result of research carried out in relation to the economic viability of desalinating stormwater. An assessment of the quality of water will be required as a prerequisite to any actions contemplated for the reuse of captured water.</p>
Water	<p>No recommendations were made since the OP is likely to positively effect both seawater and drinking water quality as a result of direct interventions in the sector.</p>	<p>No recommendations were made since the OP is likely to positively effect both seawater and drinking water quality as a result of direct interventions in the sector.</p>	<p>Malta's strategic direction in this area is to continue to focus on desalination efficiency, to further reduce water leakages from the distribution network and improve drinking water quality. The OP also contemplates the finalization of the Sewerage Master Plan. The marine environment will benefit through direct interventions to eliminate the discharge of raw sewage into the sea.</p> <p>Various interventions promoting Modal Shift will be financed under Priority Axis 6 (previously 7) of the OP. These include the upgrading/setting up of bus waiting facilities, foot paths and cycle lanes; the setting up of an Intelligent Traffic Management System and an Automatic Vehicle Location to increase public transport efficiency.</p>
Air quality	<p>The objective to effect a reduction in the overall volume of traffic will result in a reduction of air pollution. Reduction of private car use and the corresponding congestion as a result of modal shift towards sustainable travel will also be beneficial. Impacts on air quality as a result of the construction of new infrastructure, energy use and extraction of materials will have to be addressed at project level.</p>	<p>Emphasis should be placed on Modal Shift in order to encourage the use of non-car modes, as well as, use of RES that has positive impacts associated with climate change.</p>	<p>Investment in the promotion of RES and Energy Efficiency at the domestic and enterprise levels as well as the setting up of PVs and other RES and energy efficient measures on public buildings will also contribute to a reduction in "greenhouse" gas emissions. Moreover, major infrastructural interventions envisaged under OP 1 will have to demonstrate commitment and effort in integrating environmentally/climate-friendly measures within the</p>

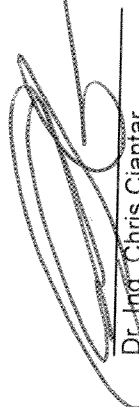
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Climatic factors	Climate change effects could be reduced through initiatives that promote sustainable travel, use of renewable energy sources and reduction of emissions from disused landfills. Having said this, some initiatives may increase traffic levels in some areas.	The SEA team recommends that project proposals that take into account energy conservation, energy efficiency, reduction of GHG emissions and use of renewable energy should be given priority at the stage of project selection.	<p>The OP will target "greenhouse" gases throughout its activities and investments including:</p> <ul style="list-style-type: none"> - promotion of eco-innovation through grant schemes; - promotion of RES and EE through direct intervention envisaged under Priority Axis 5 relating to Promoting Services of General Economic Interest. <p>Besides, sustainable development (environmental sustainability) as a horizontal priority will be one of the criteria for assessment at project application and selection stages. Main projects will have to demonstrate commitment towards and effort in integrating environmentally/climate-friendly measures within the projects.</p> <p>Enhanced roads will feature stormwater management features, such as the construction of reservoirs and the laying of silt pits, where possible.</p>
Material Assets	<p>The cumulative impact on material assets is expected to be positive because of initiatives that focus on stormwater management. The construction of new roads could also alleviate the problems of flooding.</p> <p>Should major developments be located in sensitive areas, then, the cultural landscape is likely to be negatively effected. Actions relating to regeneration and rehabilitation of culturally important sites/features are likely to yield positive impacts on the cultural environment.</p>	No recommendations were made.	
Cultural Heritage		<p>The impacts of OP 1 on cultural heritage are unknown since they are likely to be site-specific. The SEA recommends that appropriate conditions in development and environmental permits include cultural heritage protection measures and compliance with the Culture Heritage Act.</p> <p>Since it is likely that major development will be funded, those developments that are located outside Development Zones and likely to negatively impact the landscape, should be vetted more thoroughly to ensure that all impacts have been assessed and appropriate mitigation measures implemented.</p>	<p>Protection of cultural heritage is a necessary precondition for the issue of planning permits. Through the relevant planning and environmental permit process, government will ensure that projects promoted will abide by National Legislation on the issue of Cultural Heritage. Moreover, this sector is closely monitored by the Superintendence of Cultural Heritage.</p> <p>Through the relevant planning and environmental permit process, government will ensure that projects promoted will abide by National Legislation on the issue of Biodiversity and Landscape. Moreover, projects will have to demonstrate commitment towards integrating environmentally-friendly measures within the projects.</p>
Landscape	The OP will have a positive impact on the landscape of the urban environment through initiatives to restore fortifications and urban cores. In parallel, however, major development could negatively impact the landscape in sensitive areas.		

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Land	<p>The cumulative impact on land largely depends on the number of projects (requiring land development) that are funded under the OP and whether such land is found within or outside development zones. At this stage, the cumulative impact cannot be assessed.</p>	<p>In the case of major infrastructural projects, one of the significant impacts on land is the take up of land that is not zoned for the particular use. It is recommended that development be located within Development Zones. Those developments located outside Development Zones should be vetted more thoroughly to ensure that all impacts have been assessed and appropriate mitigation measures implemented.</p>	<p>Through the relevant planning and environmental permit process, government will ensure that projects promoted will abide by National Legislation on the issue of Land Management.</p>

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