

**Preparation of Strategic Environmental Assessment Report for the
Interreg VI-A IPA Croatia-Serbia**







**ASSESSMENT OF DNSH CRITERIA AGAINST
THE REQUIREMENTS OF THE TAXONOMY
REGULATION**

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SEA Practitioner:	Eko Invest d.o.o., Draškovićeva 50, 10 000 Zagreb	
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Team Leader:	Nenad Mikulić, PhD	
Authors: EKO INVEST d.o.o.	Nenad Mikulić, PhD chem.tech., B.Sc.civ.eng.	
	Marina Stenek, B.Sc.biol.eng., univ.spec.tech.	
	Vesna Marčec Popović, B.Sc.chem. and biol.	
	Martina Cvitković, mag. geog.	
	Danijela Đaković, mag.ing.silv.	
	Margareta Androić, mag.ing.prosp.arch.	

EKO INVEST
inženjering, ekonomske, organi-
zacijske i tehnološke usluge
d. o. o.
Z A G R E B, Draškovićeva 50

Director



Bojana Nardi

1. INTRODUCTION

The European Green deal is the European Commission's roadmap of the major policy and legislative proposals required to make Europe carbon-neutral by 2050. It builds on the European Commission's Action Plan on Financing Sustainable Growth (the "Action Plan") which imposes a number of regulatory requirements on asset managers. The European Green Deal are guidelines for making the EU's economy sustainable and further moves sustainable objectives to the core of EU policy. The principle of 'do no harm' underpins the European Green Deal, which includes a green oath that requires future European Commission initiatives to uphold this principle.

In its communication of 8 March 2018, the Commission published its action plan on financing sustainable growth, launching an ambitious and comprehensive strategy on sustainable finance. One of the objectives set out in that action plan is to reorient capital flows towards sustainable investment in order to achieve sustainable and inclusive growth. The establishment of a unified classification system for sustainable activities is the most important and urgent action envisaged by the action plan. Given the systemic nature of global environmental challenges, there is a need for a systemic and forward-looking approach to environmental sustainability that addresses growing negative trends, such as climate change, the loss of biodiversity, the global overconsumption of resources, food scarcity, ozone depletion, ocean acidification, the deterioration of the fresh water system, and land system change as well as the appearance of new threats, such as hazardous chemicals and their combined effects. The criteria for determining whether an economic activity qualifies as environmentally sustainable should be harmonized at Union level in order to remove barriers to the functioning of the internal market with regard to raising funds for sustainability projects, and to prevent the future emergence of barriers to such projects.

The Regulation (EU) 2021/852 of the European Parliament and of the Council (Taxonomy) on the establishment of a framework to facilitate sustainable investment provides a framework to classify what sustainable investments should include. By directing financial flows into sustainable actions and integrating the criteria and factors to be considered for a product or action to be deemed 'environmentally sustainable' into business decision-making, the financial sector has the potential to support, change and even form sustainable systems. The Taxonomy Regulation sets out a list of economic activities with performance criteria for their contribution to six environmental objectives, namely:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention, control and protection
6. Restoration of biodiversity and ecosystems (the "Environmental Objectives")

Apart from contributing substantially to one of the environmental objectives, activities must also comply with each of the following criteria:

- **No Significant Harm:** The activity does not significantly harm any of the Environmental Objectives
- **Technical Screening Criteria:** The activity must comply with technical screening criteria for each relevant Environmental Objective
- **Minimum Social and Governance Safeguards:** The activity must comply with minimum social and governance contained in the Taxonomy Regulation.

In order to be eligible for financing under cohesion policy, the projects have to comply with relevant EU environmental legislation and carry out a Strategic Environmental Assessment based on the requirements of the SEA Directive; however, such provisions do not necessarily mean that all actions proposed within the Programme comply with the DNSH principle. Therefore, a separate assessment has to be carried out during the programming phase to screen out potentially harmful actions. If risks to compliance with the DNSH principle is encountered, mitigation measures are to be implemented to prevent significant harm as regards six environmental objectives above, or actions should be removed from the Programme.

The criteria in assessing significant harm to an environmental objective is as follows:

- (1) **Climate Change Mitigation** - the activity leads to significant greenhouse gas emissions due to its own performance or increased emissions of other actions
- (2) **Climate Change Adaptation** - the activity leads to an increased adverse impact of the current climate and the expected future climate, on the activity itself or on people, nature or assets.
- (3) **The Sustainable Use and Protection of Water and Marine Resources** - the activity is detrimental to the good status or the good ecological potential of bodies of water, including surface water and groundwater or to the good environmental status of marine waters.
- (4) **Circular Economy Including Waste Prevention and Recycling** - the leads to significant inefficiencies in the use of materials or in the direct or indirect use of natural resources such as non-renewable energy sources, raw materials, water and land at one or more stages of the life cycle of products, including in terms of durability, reparability, upgradability, reusability or recyclability of products; leads to a significant increase in the generation, incineration or disposal of waste, with the exception of the incineration of non-recyclable hazardous waste; or the long-term disposal of waste may cause significant and long-term harm to the environment.
- (5) **Pollution Prevention and Control** – the activity leads to a significant increase in the emissions of pollutants into air, water or land, as compared with the situation before the activity started
- (6) **The Protection and Restoration of Biodiversity and Ecosystems** - activity is significantly detrimental to the good condition and resilience of ecosystems; or detrimental to the conservation status of habitats and species, Including those of EU interest.

2. ASSESSMENT OF PROGRAMME ACTIONS AGAINST DNSH CRITERIA

Table below analyses contribution of the Interreg VI-A IPA Croatia Serbia to the taxonomy criteria and environmental objectives, as well as their compliance with the Do No Significant Harm principle. Since the nature of the Programme is rather abstract and allows only for generalized assessment of actions, the analysis has been conducted also taking into consideration Updated methodology and Updated Technical Screening Criteria.

Table 1. Contribution of Programme’s specific objectives to the environmental objectives and DNSH

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
PA1 – Cooperating for smarter programme area; Financial allocation - 19%						
SO 1.1 - Developing and enhancing research and innovation capacities and the uptake of advanced technologies						
1. Supporting cross-border innovation and technology based on smart specialization approach and improving cooperation between research institutions, SMEs, public sector, and business support organisations						
<p>The action contributes to climate change mitigation objective in that it directly aims at redirecting business processes towards green solutions using innovative services and smart specialisation approach to technological advancement which reduces environmental footprint and greenhouse emissions. Only solutions corresponding to the best performance in the sector or industry will be supported by the Programme.</p> <p>The action regards efforts to increase energy efficiency, or develop solutions for GHG emission reduction, with no physical impacts, and thus will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, or be detrimental to the conservation status of biodiversity and ecosystems.</p>						
2. Supporting pilot lines, early product validation, certification, advanced manufacturing capabilities and technology transfer, including via science – business collaboration.						
<p>The action contributes to climate change mitigation objective in that it directly aims at redirecting business processes towards green solutions using innovative services and smart specialisation approach to technological advancement which reduces environmental footprint and greenhouse emissions. Certification should be expanded to include proof of sustainably manufactured products or performed services. Moreover, the potential of products derived through the Programme should be assessed as well as their further use in supported economic sectors and certification. Activities covered should result in production of low-carbon technologies.</p>						

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
	The action implies no physical impacts and will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, or be detrimental to the conservation status of biodiversity and ecosystems.					
3. Strengthening and modernising business support services (including small scale infrastructure preferring nature-based solutions) that could help with: trainings, marketing, developing and or implementing new services/products, using ICT and new technologies, implementing innovative solutions in business organisation and processes (blockchain, big data, cloud computing, Internet of Things, advanced manufacturing, robotics, artificial intelligence, cybersecurity, etc.)						
	<p>The action contributes to climate change mitigation objective in that it directly aims at redirecting business processes towards green solutions using innovative services and smart specialisation approach to technological advancement which reduces environmental footprint and greenhouse emissions. Only solutions corresponding to the best performance in the sector or industry will be supported by the Programme.</p> <p>The action regards limited physical impacts from construction, and will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, cause pollution of the environment, or be detrimental to the conservation status of biodiversity and ecosystems.</p>					
4. Accelerating innovation and technology transfer primarily (but not exclusively) in the areas of bio, green and circular economy, agriculture, food production, smart manufacturing, climate change, biodiversity, skills development for smart specialization etc., in order to support the roll out of innovative solutions.						
	<p>The action contributes to climate change mitigation objective in that it directly aims at redirecting business processes towards green solutions using innovative services and smart specialisation approach to technological advancement which reduces environmental footprint and greenhouse emissions. It also supports bio, green and circular economy through innovations in agriculture and food production, and manufacture, which creates space for decrease of emissions of various pollutants.</p> <p>The proposed technologies will belong on the low carbon technology list and will include applications to minimize resource consumption in other sectors (agriculture, food production, manufacture etc.).</p> <p>The proposed action will not generate any physical impacts, as it regards integration of new solutions into existing systems, therefore it will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, or be detrimental to the conservation status of biodiversity and ecosystems.</p>					
5. Pilot actions aimed at transferring good practices on green economy trends and standards						

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
	The action indirectly contributes to climate mitigation, but covers no physical impacts on the environment. The actions will therefore not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, or be detrimental to the conservation status of biodiversity and ecosystems.					
6. Enhancing support services for SMEs and entrepreneurs to improve their access to research and technological innovations						
	The action indirectly contributes to climate mitigation, but covers no physical impacts on the environment. The actions will therefore not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, or be detrimental to the conservation status of biodiversity and ecosystems.					
7. Enhancing transfer and upscaling of proven green solutions to reduce the environmental footprint of production processes and open up green business opportunities						
	The action contributes to climate change mitigation objective in that it directly aims at redirecting business processes towards green solutions using innovative services and smart specialisation approach to technological advancement which reduces environmental footprint and greenhouse emissions. It also supports bio, green and circular economy and production processes which decreases environmental footprint and emissions of various pollutants. Proven green solutions will include low carbon technology or will enable GHG emissions in other sectors by their implementation, use alternative fuels, generate or use renewable energy, and take into consideration transport emissions. Reducing environmental footprint includes reduction of waste, reduced energy consumption and increase of use of renewable energy, reduced water consumption and emissions into the air through optimization of production processes for which reason the action will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, result in harmful emissions or be detrimental to the conservation status of biodiversity and ecosystems.					
8. Improving capacities and integration of innovative solutions using ICT for public sector needs						
	The action strongly depends on electricity and its mitigation potential should be achieved through high energy efficiency standards, rather than low carbon footprint. Digitalisation solutions should therefore be directed towards data driven solutions of GHG emission reduction, and solutions for resource efficiency. Low or zero emissions can be achieved by sourcing electricity from renewable sources, be it grid or site. The action regards efforts to increase energy efficiency, or develop solutions for GHG emission reduction, they are mostly based on small scale data processing and storage, with no physical impacts, and thus will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, or be detrimental to the conservation status of biodiversity and ecosystems.					
9. Supporting the establishment of Living Labs, test-beds and ecosystems to promote development and actual use of innovative solutions						

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
	<p>The action indirectly contributes to climate change mitigation objective in that it seeks to test developed innovative solutions which reduce environmental footprint and greenhouse emissions.</p> <p>The due to its nature, it will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, or be detrimental to the conservation status of biodiversity and ecosystems.</p>					
10. Supporting cooperation of public authorities in development, implementation and monitoring of smart specialisations strategies and other policy tools for development of innovative economy						
	<p>The action indirectly contributes to climate mitigation, but covers no physical impacts on the environment. The actions will therefore not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, or be detrimental to the conservation status of biodiversity and ecosystems.</p>					
11. Establishing connections and long-term cooperation between research institution especially in joint capacity building for innovation and technology transfer to businesses						
	<p>The action indirectly contributes to climate mitigation, but covers no physical impacts on the environment. The actions will therefore not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, or be detrimental to the conservation status of biodiversity and ecosystems.</p>					
PA2 – Cooperating for greener and climate change resilient programme area; Financial allocation - 45%						
SO 2.2 - Promoting renewable energy in accordance with Renewable Energy Directive (EU) 2018/200119, including sustainability criteria set out therein						
1. Development of joint solutions to increase the production of additional capacity for renewable energy (e.g. solar, geothermal, biomass, etc.) including small scale infrastructure preferring nature-based solutions						
	<p>The action contributes to climate change mitigation and transition to circular economy through the increased use of RES, reducing greenhouse gas emissions, and increasing the capacities for use of renewable energy. Wind power is not supported by the Programme. Action should also include use of innovative technology for energy saving and necessary reinforcement or extension of the grid. Increased access to electricity will further help decarbonisation by allowing consumers to switch to low-carbon energy.</p> <p>The actions will not lead to increased risks of climate-change related disasters, nor to increased emissions of pollutants, but depending on the type of RES and location of its exploitation, construction of power-generation plants may lead to certain negative impacts on hydromorphology of water bodies, water chemistry, fragmentation and changes of ecosystems, interference of migration paths of aquatic fauna, which will be carefully examined through environmental assessment procedures carried out at the project</p>					

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
<p>level.</p> <p>Potential harmful impacts to circular economy arises from the production and end-of-life of PV systems and sourcing of material for their production for which reason PV panels have to be designed and manufactured for high durability, easy recycling and reparable.</p> <p>Production of energy from biomass may lead to emissions into the air, water, and increase waste management requirements, for which reason their planning should take into consideration air quality at the location and the application of BATs. Likewise, used biomass will not be derived from deforestation or forest degradation or waste since any activity leading to significant increase in incineration is not considered as eligible, and harms circular economy. Biofuels will be produced from renewable or carbon-neutral sources. The action will not lead to increased risks of climate-change related disasters, nor to long-term increased emissions of pollutants, but depending on the type of RES method of its integration, negative impacts may arise from construction actions, which will be carefully examined through environmental assessment procedures carried out at the project level.</p>						
<p>2. Development and implementation of joint pilot actions that improve the integration of sustainable renewable energy sources in different sectors (e.g. building and construction sector, industry, agriculture, forestry etc.).</p>						
<p>The action contributes to climate change mitigation through the increased use of RES, reducing greenhouse gas emissions, and increasing the capacities for use of renewable energy, and at the same time reducing consumption and emissions connected with new construction. The action should be completed with consideration of use of RES or clean mobility and transport. Integration of traditional energy sources will not be supported. Green building certification is supported as alternative proof of eligibility of proposals.</p> <p>The action supports transition to a net-zero emissions economy, and may include heating and cooling systems, energy efficiency solutions, energy plant construction, installation of fans, compressors, pumps, energy efficient lightning and other equipment the impacts of which mainly regard construction.</p> <p>Integration of RES will include climate change adaptation measures, taking into consideration weather events, flooding, resilience to future temperature increase, water consumption. Moreover, the actions will also handle the problem of substances of high concern in building materials such as asbestos. In adaptation to the use of RES, forest-derived products have to be considered, as well as sustainable material. At least 80% of timber products used, have to be either recycled or reused or sourced from sustainably managed forests.</p> <p>The action will not lead to increased risks of climate-change related disasters, nor to long-term increased emissions of pollutants, but depending on the type of RES method of its integration, negative impacts may arise from construction activities, which will be carefully examined through environmental assessment procedures carried out at the project level.</p>						
<p>3. Joint solutions, research and pilot actions on RES (e.g. circular solutions, use and reuse of sustainable materials, demo centres/plants)</p>						
<p>The action contributes to climate change mitigation and transition to circular economy through the increased use of RES, reducing greenhouse gas emissions, and increasing the capacities for use of renewable energy. Wind power is not supported by the Programme. Action should also include use of innovative technology for</p>						

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
	<p>energy saving and necessary reinforcement or extension of the grid. Increased access to electricity will further help decarbonisation by allowing consumers to switch to low-carbon energy.</p> <p>The actions will not lead to increased risks of climate-change related disasters, nor to increased emissions of pollutants, but depending on the type of RES and location of its exploitation, construction of power-generation plants may lead to certain negative impacts on hydromorphology of water bodies, water chemistry, fragmentation and changes of ecosystems, interference of migration paths of aquatic fauna, which will be carefully examined through environmental assessment procedures carried out at the project level.</p> <p>Potential harmful impacts to circular economy arises from the production and end-of-life of PV systems and sourcing of material for their production for which reason PV panels have to be designed and manufactured for high durability, easy recycling and repairable.</p> <p>Production of energy from biomass may lead to emissions into the air, water, and increase waste management requirements, for which reason their planning should take into consideration air quality at the location and the application of BATs. Likewise, used biomass will not be derived from deforestation or forest degradation or waste since any activity leading to significant increase in incineration is not considered as eligible, and harms circular economy. Biofuels will be produced from renewable or carbon-neutral sources.</p> <p>The action will not lead to increased risks of climate-change related disasters, nor to long-term increased emissions of pollutants, but depending on the type of RES method of its integration, negative impacts may arise from construction activities, which will be carefully examined through environmental assessment procedures carried out at the project level.</p>					
4. Implementing pilot actions to test innovative and climate-neutral solutions through e.g. taking up and exploiting R&D results for the energy efficient renovation and heating and cooling of buildings (including cultural heritage buildings)						
	<p>The action contributes to climate change mitigation through the increased use of RES, reducing greenhouse gas emissions, and increasing the capacities for use of renewable energy, and at the same time reducing consumption and emissions connected with new construction. Integration of traditional energy sources will not be supported. Green building certification is supported as alternative proof of eligibility of proposals.</p> <p>The action supports transition to a net-zero emissions economy, and may include heating and cooling systems, energy efficiency solutions, installation of fans, compressors, pumps, energy efficient lightning and other equipment the impacts of which are localised and mainly regard construction.</p> <p>Integration of RES will include climate change adaptation measures, taking into consideration weather events, flooding, resilience to future temperature increase, water consumption. Moreover, the actions will also handle the problem of substances of high concern in building materials such as asbestos. In adaptation to the use of RES, forest-derived products have to be considered, as well as sustainable material. At least 80% of timber products used, have to be either recycled or reused or sourced from sustainably managed forests.</p> <p>The action will not lead to increased risks of climate-change related disasters, nor to long-term increased emissions of pollutants, adverse impacts on good status of surface or groundwater bodies, or be detrimental to the conservation status of biodiversity and ecosystems.</p>					
5. Improving energy demand management and fostering behavioural changes of consumers for reducing energy consumption						

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
and a resource-efficient and sustainable use of energy						
<p>The action contributes indirectly to climate change mitigation through change of consumer behaviour. The due to its nature, it will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, increase in hazardous pollutant emissions, or be detrimental to the conservation status of biodiversity and ecosystems.</p>						
6. Promoting the production and use of advanced biofuels (produces from non-food crops, such as cellulosic biofuels and waste biomass)						
<p>Manufacture and use of biofuels can deliver mitigation benefits, but if implemented incorrectly may even have negative impacts. The eligibility criteria are thus designed to restrict the use of advanced bioenergy feedstocks.</p> <p>Production of energy from biomass may lead to emissions into the air, water, and increase waste management requirements, for which reason their planning should take into consideration air quality at the location and the application of BATs BREFs. All emissions will be assessed within environmental assessment procedures and will not exceed limit values. Likewise, used biomass will not be derived from deforestation or forest degradation or waste since any activity leading to significant increase in incineration is not considered as eligible, and harms circular economy, for which reason waste biomass has to be omitted from the action. High carbon stock land will not be converted for the purposes of agricultural production of crops. Biomass will not be derived from agricultural land that was converted from forest or pasture.</p> <p>Negative impacts will carefully be examined within Environmental Impact Assessments and Appropriate Assessments for developments at or near NATURA 2000 sites.</p> <p>The action will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, increase in hazardous pollutant emissions, or be detrimental to the conservation status of biodiversity and ecosystems.</p>						
7. Strengthening the cross-border cooperation and transfer of knowledge in the region through exchange of experience, information (awareness raising) and capacity building through online and in-situ trainings to improve skills in the field of use of renewable energy sources						
<p>The action contributes indirectly to climate change mitigation through exchange of experience in RES use. The due to its nature, it will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, increase in hazardous pollutant emissions, or be detrimental to the conservation status of biodiversity and ecosystems.</p>						
<p>SO 2.4 - Promoting climate change adaptation and disaster risk prevention, resilience, taking into account eco-system based approaches</p>						

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
1. Development and introduction of joint climate change adaptation, disaster prevention and first response plans, as well as solutions and systems for monitoring, prevention and management of potential risks (e.g. floods, wildfires, landslides, droughts, earthquakes, invasive alien species, etc.).						
<p>The action strongly contributes to climate change adaptation by preparation of the existing systems to the changes already taking place, and planning of new ones with adaptation solutions which substantially reduce the risk and improve the security of people, nature and assets. Climate proofing will also ensure elimination of traditional harmful practices with long-term positive effects on the biodiversity.</p> <p>Risk preventions solutions regarding traditional construction activities may however result in degradation of aquatic and riparian areas and ecosystems, for which reason nature based solutions should be prioritized. Such developments will be carefully examined through environmental assessment procedures carried out at the project level.</p> <p>The action will not lead to increased emissions of any kind, nor will it lead to the increased use of waste or use of natural resources as non-renewable resources.</p>						
2. Encouraging intersectoral/interstate cooperation in risk prevention and rapid response management through development and implementation of joint protocols, procedures, approaches and measures, such as establishment of joint emergency centres, small-scale infrastructure preferring nature-based solutions, response vehicles, equipment, shelters, etc.						
<p>The action contributes to climate change adaptation by development of infrastructure and protocols for the purposes of risk prevention and response management.</p> <p>Action should also comprise non-life insurance activities against climate related hazards as an important part of adaptation measures.</p> <p>The action includes small scale infrastructure construction and low possibility of actual physical impacts, and will therefore not lead to increased emissions of any kind, nor will it lead to the increased use of waste or use of natural resources as non-renewable resources.</p>						
3. Strengthening of institutional and expert capacities and raising awareness to address environmental issues, climate change and disaster risks reduction (e.g. workshops, methodologies, protocols, educational materials, joint training for civil protection units).						
<p>The action indirectly supports climate change adaptation objective, but does not include actual physical impacts, and will therefore not lead to increased emissions of any kind, nor will it lead to the increased use of waste or use of natural resources as non-renewable resources.</p>						

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
4. Development of cross-border risk assessment and disaster risk strategies for cross-border hazards such as droughts, floods, landslides, fires, invasive alien species directly threatening biodiversity and ecosystems.						
<p>The action contributes to climate change adaptation by development of risk assessments and protocols for the purposes of risk prevention and cross-border response management.</p> <p>Action should also comprise non-life insurance activities against climate related hazards as an important part of adaptation measures. Proposed strategies should include adaptation to infrastructure in view of physical strengthening to extreme weather events, future increase of temperature, floods, monitoring and forecasting equipment, relocation of valuable assets from floodplains, waterproofing, but also physical planning.</p> <p>The action has low possibility of actual physical impacts, and will therefore not lead to increased emissions of any kind, nor will it lead to the increased use of waste or use of natural resources as non-renewable resources.</p>						
5. Exchanging knowledge and good practices on eco-system based climate change adaptation measures and implementing pilot actions for protection and restoration towards resilient eco-systems, e.g. rivers and wetlands, forests, cross-border connectivity of habitats, agroforestry, biodiversity, landscapes, climate proofing, modelling and forecasting						
<p>The action indirectly contributes to climate change adaptation by preparation of the existing systems to the changes already taking place, and planning of new ones with adaptation solutions which substantially reduce the risk and improve the security of people, nature and assets. Climate proofing will also ensure elimination of traditional harmful practices with long-term positive effects on the biodiversity.</p> <p>The action is operational and relies on exchange of knowledge, and will not lead to other increased emissions, harmful pollutions, degradation of ecosystems nor will it lead to the increased use of natural resources as non-renewable resources, or degradation of ecosystems.</p>						
6. Testing integrated climate-adaptation solutions in pilot actions, which combine technological, ecological, social, cultural, governance and financial aspects taking into account good practices available at local, regional, national or European level						
<p>The action indirectly contributes to climate change adaptation by preparation of the existing systems to the changes already taking place, and planning of new ones with adaptation solutions which substantially reduce the risk and improve the security of people, nature and assets. Climate proofing will also ensure elimination of traditional harmful practices with long-term positive effects on the biodiversity. Action should also comprise non-life insurance activities against climate related hazards as an important part of adaptation measures.</p> <p>The action may cover a wide variety of solutions, for which reason the criteria elaborated for other actions within the same specific objective will be applicable.</p>						

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
7. Increasing climate resilience of critical infrastructure and cultural/natural heritage sites through improved risk preparedness and risk management plans						
<p>The action contributes to climate change adaptation by reducing the risk of negative impacts on physical assets or the environment related from climate change of the existing systems to the changes already taking place, and planning of new ones with adaptation solutions which substantially reduce the risk and improve the security of people, nature and assets. Apart from improvement of risk preparedness and management plans, SEA proposed expanding the action to integration of disaster risk reduction concerns at the planning level, so as to achieve “climate-proof” development. As regards natural heritage sites, activities covered should include building resilience of forests to climate change and maintain forest carbon stocks and sinks, including afforestation, reforestation, restoration/rehabilitation etc.</p> <p>The action will not lead to increased emissions of any kind, nor will it lead to the increased use of waste or use of natural resources as non-renewable resources.</p>						
8. Integrating climate change aspects into water management on local, regional and interregional level (considering e.g. water quality, flooding, rainwater management and water retention, water scarcity, drinking water supply including smart water pricing, groundwater, forecasting)						
<p>The action aims at supporting mitigation and adaptation objectives. Mitigation effect of water collection, supply, treatment is a result of the efficiency of the process itself for which reason additional investments are needed. Water management should also include waste-water collection and treatment.</p> <p>Potential harmful effects regard increased water abstraction with consequential negative impacts on ecosystems. However, water management is fairly regulated sector covered by operational programmes, which have undergone environmental assessments, so negative impacts of expansion and reconstruction of water-supply and sewerage systems is not expected.</p> <p>Waste-water treatment will further improve water body status in addition to achieving reductions of GHG emissions in comparison with the discharge of wastewater without treatment. Anaerobic digestion of sewage sludge may be installed, as it reduced GHG emissions through capture and utilization of generated biogas, especially if used directly for generation of electricity or heat. In case of implementation of anaerobic digestion, emissions to air, soil and water have to be within limit values defined by national legislation.</p> <p>The action will not lead to other increased emissions, harmful pollutions, degradation of ecosystems nor will it lead to the increased use of natural resources as non-renewable resources.</p>						
9. Sharing knowledge and developing solutions for climate proofing the agricultural and forestry sectors to increase their resilience towards e.g. droughts, floods, outbreaks of pests, invasion of invasive alien species						
<p>The action contributes to climate change adaptation by climate proofing development of agricultural and forestry sectors.</p> <p>Agricultural activities area both a sink and a source of GHG emissions, for which reason the operations supported will seek to reduce existing emissions generated by the sector, increase removal of carbon from the atmosphere and its storage, and will not take place on “high carbon stock land”. Agriculture moreover may contribute to mitigation as it supplies biomass to be used for energy production, but also in manufacture of biomaterials, and consequently to circular economy. Activities should therefore use residues and by-</p>						

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
<p>products of the production of crops to reduce demand for primary resources. It also enables use of renewable energy. Crops which are less susceptible to climate-related changes (temperature, moisture.) should be used, as well as irrigation systems implemented.</p> <p>Negative impacts on water resources are likely through use of pesticides and fertilizers and increased water demands in general production. Production systems should therefore have to prevent nutrient runoff and leaching. However, the area is proclaimed as sensitive to nutrient and increased protection measures are employed, while the territory is covered with appropriate water management plans, for which reason the action will not pose risk to water resource quality or quantity.</p> <p>Activities covered should include building resilience of forests to climate change and maintain forest carbon stocks and sinks, including “greening activities” such as afforestation, reforestation, restoration/rehabilitation of degraded forests, sustainable forest management etc. Deforestation should also be dealt with intersectorally, since it is often the consequence of agricultural or urban expansion (land conversion). Only operations which maintain or increase the existing carbon stocks and maintain or improve the capacity of forests to deliver multiple services will be supported. Climate mitigation enabling activities to be supported include forest based products (such as wood-based raw materials).</p> <p>Mitigation activities in the forestry focus on maintenance and increase of the forest carbon sink, and reducing and avoiding GHG emissions from activities. Adaptation provides synergy with mitigation, as both objectives result in maintained or increased carbon sinks.</p> <p>The action will not lead to increased emissions of any kind, nor will it lead to the increased use of waste or use of natural resources as non-renewable resources. The action will not pose risks to water quality or consumption, especially as the Programme territory is covered with appropriate water management plans. The action does not pose any risk to ecosystems, and in protected areas will be conducted in line with protection measures in force. By enhancing resilience of forests and support of forest services, positive impacts may be expected on water-dependent ecosystems.</p>						
<p>10. Developing solutions for strengthening eco-system services for human health and wellbeing to support social resilience and counteracting socio-economic impacts of climate change</p>						
<p>The action contributes to climate change adaptation by strengthening ecosystem services, aiming at substantially reducing the risk and improve the security of people, nature and assets. Climate proofing will also ensure elimination of traditional harmful practices with long-term positive effects on the biodiversity. Any developments will be carefully examined through environmental assessment and appropriate assessment procedures carried out at the project level.</p> <p>The activities will not lead to increased emissions of any kind, nor will it lead to the increased use of waste or use of natural resources as non-renewable resources.</p>						
<p>PA3 – Cooperating for healthier and more inclusive programme area; Financial allocation - 20%</p>						
<p>SO 4.5 – Ensuring equal access to health care and fostering resilience of health systems, including primary care, and promoting the transition from institutional to family and community-based care</p>						
<p>1. Development and implementation of ICT solutions and (pilot) actions to support digitalization in health and social care.</p>						

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
	<p>The action strongly depends on electricity and its mitigation potential should be achieved through high energy efficiency standards, rather than low carbon footprint. Digitalisation solutions should therefore be directed towards data driven solutions of GHG emission reduction, and solutions for resource efficiency. Low or zero emissions can be achieved by sourcing electricity from renewable sources, be it grid or site.</p> <p>The action regards small scale data processing and storage, with no physical impacts, and thus will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, or be detrimental to the conservation status of biodiversity and ecosystems.</p>					
2. Improving health care and access to long-term care for vulnerable groups, with focus on children, elderly and disabled persons						
	<p>The action regards operational and organizational social measure with no physical impacts, and thus will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, or be detrimental to the conservation status of biodiversity and ecosystems.</p>					
3. Improving the accessibility and effectiveness of cross-border public health care services by investing in telemedicine, diagnostics, mobile clinics and mobile assets, including small scale infrastructure preferring nature-based solutions						
	<p>Potential for mitigation is low, as the action regards operational and organizational social measure with no physical impacts, and thus will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies, or be detrimental to the conservation status of biodiversity and ecosystems.</p>					
4. Transfer of knowledge in the region through exchange of experience, awareness raising, lifelong learning, education and training programmes, and capacity building through online and in-situ trainings to improve skills in the field of health care and social care and enhance the delivery of primary care and family-based and community-based care services.						
	<p>The action ensures investments into health-care and social system, with the focus on making it more accessible, especially through implementation of ICT solutions.</p> <p>There will be no direct contribution to environmental objectives, but its implementation will have no adverse or harmful effects on them either as compared to the situation before the implementation of the action.</p>					
5. Developing and implementing joint activities/solutions to promote healthy lifestyles and active and healthy ageing, disease prevention						
	<p>The action ensures investments into health-care and social system, with the focus on making it more accessible, especially through implementation of ICT solutions.</p> <p>There will be no direct contribution to environmental objectives, but its implementation will have no adverse or harmful effects on them either as compared to the situation before the implementation of the action.</p>					

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
PA4 – Cooperating for more sustainable and socially innovative tourism and culture; Financial allocation - 16%						
SO 4.6 - Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation						
1. Developing and implementing joint (pilot) actions to support diversification and sustainability of the tourism by investing in lesser-known destinations and diverse forms of tourism (cultural, rural, agro, active, etc.) including small-scale infrastructure preferring nature-based solutions						
<p>Seen as tourism is a major source of emissions through transport and energy consumption, the action will have moderate contribution to climate mitigation by decrease of tourism generated emissions through adoption of green concepts and development of sustainability of the sector. There is also potential for mitigation through efficient use of energy sources. By development of innovative solutions and support of alternative, less invasive forms of tourism, it will not negatively affect biodiversity conservation.</p> <p>The action will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies or lead to the increase in the emissions of pollutants.</p> <p>The action does not however address the use of natural resources or materials in development of proposed activities which will surely bring about increased generation of waste. The compliance with national legislation and local waste management strategies and plans is a minimum requirement.</p>						
2. Developing and implementing innovative solutions and creating smart destinations (e.g. through digitalisation and creative industries), and new services and products for specific targeted market segments such as seniors, young people or people with disabilities, including small scale infrastructure preferring nature-based solutions						
<p>The action does not contribute substantially to any environmental objective.</p> <p>The action will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies or lead to the increase in the emissions of pollutants or deterioration of ecosystems.</p>						
3. Development and implementation of measures to protect, develop and promote sustainable cultural heritage and cultural services, public tourism assets and tourism services including investments in physical regeneration and security of public spaces (including small scale infrastructure preferring nature-based solutions), in the scope of their inclusion in the touristic and/or cultural circuit						

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
	<p>Seen as tourism is a major source of emissions through transport and energy consumption, the action will have moderate contribution to climate mitigation by decrease of tourism generated emissions through adoption of green concepts and development of sustainability of the sector. There is also potential for mitigation through efficient use of energy sources. By development of innovative solutions and support of alternative, less invasive forms of tourism, it will not negatively affect biodiversity conservation.</p> <p>The action will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies or lead to the increase in the emissions of pollutants.</p> <p>The action does not however address the use of natural resources or materials in development of proposed activities which will surely bring about increased generation of waste. The compliance with national legislation and local waste management strategies and plans is a minimum requirement.</p>					
4. Supporting social innovation in tourism and culture - development of existing or new tourism and culture businesses						
	<p>Seen as tourism is a major source of emissions through transport and energy consumption, the action will have moderate contribution to climate mitigation by decrease of tourism generated emissions through adoption of green concepts and development of sustainability of the sector. There is also potential for mitigation through efficient use of energy sources. By development of innovative solutions and support of alternative, less invasive forms of tourism, it will not negatively affect biodiversity conservation.</p> <p>The action will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies or lead to the increase in the emissions of pollutants.</p> <p>The action does not however address the use of natural resources or materials in development of proposed activities which will surely bring about increased generation of waste. The compliance with national legislation and local waste management strategies and plans is a minimum requirement.</p>					
5. Protection, development and promotion of natural heritage and eco-tourism including Natura 2000 sites						
	<p>Seen as tourism is a major source of emissions through transport and energy consumption, the action will have moderate contribution to climate mitigation by decrease of tourism generated emissions through adoption of green concepts and development of sustainability of the sector. There is also potential for mitigation through efficient use of energy sources. By development of innovative solutions and support of alternative, less invasive forms of tourism, it will not negatively affect biodiversity conservation.</p> <p>The action will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies or lead to the increase in the emissions of pollutants.</p> <p>The action does not however address the use of natural resources or materials in development of proposed activities which will surely bring about increased generation of waste. The compliance with national legislation and local waste management strategies and plans is a minimum requirement.</p>					
6. Integration of existing tourist products into cross-border thematic routes, products or destinations and their further advancement						
	<p>The action does not contribute substantially to any environmental objective.</p> <p>The action will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies or lead to the increase in the emissions of pollutants or deterioration of ecosystems.</p>					

	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to circular economy	Pollution prevention, control and protection	Restoration of biodiversity and ecosystems
7. Capacity building for innovation in tourism and cultural heritage, focusing on recovery and resilience, and sustainable development of new or upgrading of existing cross-border tourism products, product diversification to adapt to new trends and needs						
<p>The action indirectly contributes to climate change adaptation in building resilience of the tourist sector and tourist assets. Adaptation measures should take into consideration physical strengthening to extreme weather events, and increase of safety, future increase of temperature, floods, monitoring and forecasting, waterproofing, but green infrastructure and green solutions in urban areas.</p> <p>The action will not lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies or lead to the increase in the emissions of pollutants or deterioration of ecosystems.</p>						
8. Adoption of green concepts and standards in cross-border tourist products and services and sustainable use of culture and tourist potentials of the border regions						
<p>The action supports climate mitigation in the use of green concepts and standards in tourist products, but is not expected to lead to increased risks of climate-change related disasters, adverse impacts on good status of surface or groundwater bodies or lead to the increase in the emissions of pollutants or deterioration of ecosystems</p>						

3. ASSESSMENT FINDINGS

The analysis shows that the Programme was developed with the purpose of stimulating regional growth in the Programme territory in conformity with the global policies regarding the issues of the most concern, but of moderate to low contribution to environmental objectives. It is understandable since the Programme supports mostly soft-actions with small-scale infrastructure development, focusing mostly on integration of new technologies and digitalization across sectors, cooperation, capacity building and education.

Likelihood of adverse impact occurrence is therefore also low, and may be mitigated or completely avoided through application of protection measures proposed by the SEA, and mitigation measures resulting from this analysis which seek to elaborate on the description of actions in sufficient detail to ensure that they are DNSH compatible. The said mitigation measures have been also been integrated in the SEA findings, where appropriate.

Consequently, it was established that the actions of the Programme, with integration of mitigation measures and enhancements measures proposed by the SEA and this compliance assessment, and applied during procurement procedures at the project level, apart from supporting climate mitigation and climate adaptation objectives, has also been aligned with the EU policies, European and national legislation, and relevant strategic documents at national level, and will not do significant harm to any environmental objective defined by the Taxonomy.

Participating countries are responsible for implementation of the said principle not only during programming, but also during the implementation of the approved Programme. This assessment therefore also provides more in-depth guidelines for screening of individual project proposals, which may be used by participating countries in verification of their compliance with the DNSH principle and EU environmental law. Participating countries will therefore conduct further assessments at project level and will select for implementation only those operations that fully fall within the scope of the Programme actions elaborated in conformity with the results of the SEA and this assessment and additional screening criteria.

Environmental Impact Assessment has to be carried out in accordance with the EU Directives and national legislation, as well as Appropriate Assessment in compliance with the provisions of the EU Biodiversity Strategy, The Birds and Habitats Directives and applicable national legislation for sites at or near NATURA 2000 network.