

Environmental and Social Data Sheet

Overview

Project Name:	SOFIA AIRPORT CONCESSION FL
Project Number:	2018 0646
Country:	Bulgaria
Project Description:	The project consists of the financing of: i) the anticipated 'Imminent Works' that are aimed at improving the existing airport facilities by rationalising the use of the current infrastructure, keep up with the latest safety and security regulations and address current service level deficiencies; and ii) phase 1 of the airport development plan required to address operational resilience issues within the first seven years of the 35-year airport concession granted by the Republic of Bulgaria.
EIA required:	Multi-investment project, EIA requirements vary
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The concessionaire "SOF Connect", has been awarded in July 2020 a 35-year concession, to redevelop, extend, finance, operate and maintain Sofia Airport (SOF).

Under the said concession agreement, the concessionaire has drafted and will implement an airport masterplan and investment programme for SOF. It provides a sustainable and phased approach to a design capable of handling the demand until the end of the concession period.

The project includes financing the imminent works and phase 1 of the airport masterplan. The project is expected to improve the service level commensurate to the 2019 traffic by implementing the imminent works and upgrade the existing infrastructure in line with the latest safety and security regulations.

The works will include:

- Terminal 2 rehabilitation;
- Terminal 2 Pier reconfiguration;
- Runway and taxiway rehabilitation;
- Aircraft parking apron rehabilitation;
- Renewal and upgrade of the airport utility infrastructure and networks;
- Construction of Ground Service Equipment (GSE) Facilities;

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

Luxembourg, 11th March 2021

- Construction of Airport Maintenance Facilities;
- Construction of Fire Fighting Training Ground;
- Construction of a car parking area at level.

Environmental Assessment

The Competent Authority is the Bulgarian Ministry of Environment and Water (Министерство на околната среда и водите).

Certain components of the aforementioned scope of works may fall under Annex II of the Directive 2014/52/EU amending the Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment (EIA Directive). The Promoter will be requested to provide to the Bank the corresponding screening decision for such components and, if required, the EIA report, and its approval for the components screened-in by the Competent Authority, prior to the corresponding allocation. Specific impacts will be assessed at the time of each allocation.

It is a requirement that all components must be implemented in compliance with EU environmental legislation. In particular, should any components (considered also for their combined effects) have a potential impact on protected habitats, the Bank would require the Concessionaire to act according to the provisions of the Habitats and Birds Directives. Such compliance will be required prior to allocations. The Bank notes that the airport is located about 1 km (1.9km from the eastern end of the runway) from the Dolin Bogrov-Kazichene Natura 2000 site, a Special Protection Area (SPA) designated under the EU Birds Directive. The take-off and landing routes largely avoid this area.

The project will be implemented within the limits of the existing airport site. An Environmental and Social Action Plan (ESAP) has been developed by the concessionaire. The ESAP includes the requirements to prepare an overarching Environmental and Social Management System (ESMS) including E&S management plans and an updated Operational Health and Safety (OHS) management system; undertake appropriate E&S due diligence of any future development plans to Lenders; update Human Resources (HR) policies to include the provision of a Grievance Mechanism; improve energy efficiency; assess historical land contamination, biodiversity assessment of the SPA. The Bank will monitor environmental and social compliance of the concession through annual environmental and social reports (AESRs).

Public Consultation and Stakeholder Engagement

The Bank will review during the allocation phase whether the Promoter has carried out a public consultation(s) in accordance with the applicable legislation.

Other Environmental and Social Aspects

The airport operates an Integrated Management System (IMS) which is certified to ISO 14001:2004. The airport is currently certified to Level 2, Reduction, in the ACI Airport Carbon Accreditation scheme. This includes all the requirements for Level 1, Mapping, as well as implementing effective carbon management procedures. The Concession Agreement requires that climate neutral operations are achieved for all operations of all companies and operators on the Airport by 2036.

Conclusions and Recommendations

Findings of the due diligence and Bank's previous experience with Meridiam confirm that the concessionaire has the institutional capacity to deliver the project in line with Bank's environmental and climate standards.

There is an Environmental Management Department within the current organisational structure of the Promoter. The department is well organised and sufficiently staffed. The main focus of the department is monitoring of environmental parameters and implementing protective measures. The focus over the last few years has been the mitigation of increased noise levels and the department is working closely with the government bodies and community representatives to manage this issue. The Head of the Department reports directly to the Executive Director.

Conditions

For each allocation:

- Prior to allocation, the promoter shall provide evidence satisfactory to the Bank that the necessary environmental permits are in place and that any environmental and social issues have been adequately consulted on, including:
 - o The screening decision(s) issued by the Competent Authority (in accordance with articles 4.2 to 4.5 of the EIA Directive) and the reports that support the decision(s).
 - o For project components not covered by the above procedure a written confirmation from the Competent Authority, that they are considered as being outside the scope of the EIA Directive
 - o If required by the Competent Authority, the Environmental Impact Assessment (EIA) and/or the biodiversity assessment under the EU Habitats and Birds Directives.
 - o If applicable, a written confirmation from the competent authority that the Project and/or the component is not likely to have an impact on Natura 2000.

Undertakings

- The Promoter shall keep updated and available all relevant documents, such as documents supporting compliance with EU environmental directives, and any other information to be promptly provided to the Bank upon request (with reference to the commitment in the EIB's public disclosure policy on responses to external enquiries).
- The Promoter shall ensure that adequate environmental, social, health and safety management plans, defined according to the legal requirements and related documents, are implemented and monitored during the construction of the project and will notify the EIB of any unexpected environmental impacts or incidents during the works.
- The Promoter shall provide the Bank with information on an annual basis and/ or send the "Annual Environmental and Social Reports" to the Bank for its review.

In case the above conditions are met, the project is acceptable for EIB financing in environmental and social terms.