

Environmental and Social Data Sheet

Overview

Project Name:	MOLDOVA ROADS IV
Project Number:	2020-0537
Country:	Republic of Moldova
Project Description:	Rehabilitation and upgrading of priority TEN-T road sections, and implementation of road safety measures on selected road segments.
EIA required:	to be assessed at allocation stage
Project included in Carbon Footprint Exercise ¹ :	to be assessed at allocation stage

Environmental and Social Assessment

Environmental Assessment

The project. At a time of appraisal of the Framework loan a preliminary list of sub-projects, as proposed by the Promoter, includes works on five sections on the National roads M1, M2, M3 and M5, with a total length of approximately 270 km, including:

- (i) Rehabilitation and modernization of M5 Criva – Balti;
- (ii) Modernization of M2 Chisinau Ringroad, Sections 2 and 3;
- (iii) Construction of M3 Cimislia bypass;
- (iv) Rehabilitation and modernization of M3 Cimislia – Comrat;
- (v) Rehabilitation and modernization of M1 Chisinau – Leuseni.

The foreseen rehabilitation works will include profile correction, resurfacing and strengthening of pavement, repair of bridges and structures, rehabilitation of the roadside drainage systems, replacement of elements to ensure traffic safety and environment protection and improvements to a number of intersections. The only new construction is Cimislia bypass. Part of the loan is foreseen for preparing of the future investment project pipeline by financing preparatory studies and design on selected priority sections of the same main roads.

Compliance with applicable Environmental Legislation: The sub-projects will be designed to minimize the negative environmental impacts of transportation in line with the environmental acquis (Annexe XI to Chapter 16) of the Republic of Moldova – European Union Association Agreement. Through this agreement, the Republic of Moldova has undertaken to align its environmental legislation and regulations with specific EU legislation within 2 to 9 years of its entry into force. The sub-projects to be financed under this framework loan will be implemented in accordance with the Law of the Republic of Moldova (No. 86 from 29-05-2014) regarding the environmental impact assessment. During the appraisal, the Promoter confirmed his commitment to implement the sub-projects in accordance to EIB's social and environmental standards.

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.

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Regarding the schemes that include reconstruction or rehabilitation elements along the existing road alignment, it is expected that, depending on the detailed scope, these would fall either under Annex I, Annex II (i.e. be subject to screening by the Competent Authority) or outside the scope of the Directive 2011/92/EU as amended by 2014/52/EU. Ex-ante approval of the allocations to sub-projects will be required to ensure compliance with the Bank's environmental and social standards, including those on the protection of sites of nature conservation, if and where applicable. This will be assessed at an individual sub-project level. For the schemes falling under the scope of Annex I of the EIA Directive, relevant information and compliance with the Directive will be checked before approving an allocation under the loan. The Bank will require the Promoter to make the EIA Report and decisions available to the public through publication on its website and for reporting to the EIB.

As all, except one, sub-project sections are following the existing alignment of the existing national roads, the project is not likely to have any significant negative impact on nature conservation areas. Nevertheless, compliance with the Birds and Habitats Directives will be further checked during appraisal of individual sub-projects before allocation. The Bank will request for a confirmation that sub-projects do not significantly impact nature conservation areas, or that impacts are sufficiently mitigated.

Promoter's E&S capacity: The capacity of the Promoter in terms of managing environmental and social issues, as well as its capacity to implement projects according to EIB environmental and social standards, as experienced during the existing operations, is satisfactory. The Promoter is familiar with the MDB's E&S requirements and so far has followed the procedures appropriately.

EIB Carbon Footprint Exercise: The EIB Carbon Footprint Exercise does not cover framework loans. Carbon Footprint assessment will be undertaken at the time of appraisal of the sub-projects prior to allocation. It may be expected that the project will contribute to a positive reduction in road transport related GHG emissions due to improved efficiency and decongestion of the road network. For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of the project cost.

Climate change: Climate change related risks and adaptation measures will be assessed and quantified during the appraisal of individual sub-projects. A preliminary assessment indicates that the highest risks are associated with flooding and snow loading, while medium risks are identified regarding temperature and wind speed increase. Sub-projects mostly are standard road rehabilitation. Promoter informed that the designs would properly address the climate change related impacts. This will be checked at an allocation phase and before tendering.

Paris Alignment: Being a project primarily aimed at rehabilitation of the existing poor quality road infrastructure, it is expected that the sub-projects of the Project will be aligned with resilience goals. A more detailed assessment will be carried out at a sub-project allocation stage, when the specific technical characteristics of the foreseen works are known.

Social Assessment, where applicable

Overall, the project is expected to have a positive impact on the living conditions of inhabitants of the settlements along the route, as well as transit traffic bypassing Chisinau. Users of the reconstructed road sections are expected to benefit from safer road infrastructure. It might be expected that the number of traffic accidents, including the ones with lethal consequences, will be reduced. Traffic safety measures will create not only safer driving conditions and operating cost savings, but also better protection of vulnerable road

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users. Improved interchanges, lighting and equipped pedestrian crossings in villages will be important components of the foreseen works.

On the basis of the information provided to the Bank at this stage, the potential schemes are not likely to have significant negative social impacts, although some limited land expropriation may be necessary in places where road widening and interchanges are foreseen. When designing the project, the intervention will be kept as much as possible to the existing right of way, which reduces potential impacts to a minimum. The Cimisia bypass will be constructed along a new alignment and therefore will require more significant land take.

The Promoter submitted to the Bank a Resettlement Policy Framework (RPF), which was prepared when designing the M5 Criva – Balti section in 2010. The RPF follows principles of MDBs policy in addressing the eventuality of adverse social impacts that may result following detail design of the sub-projects. Before each scheme allocation, the Bank will assess a need to follow the RPF with a Resettlement Action Plan (RAP). Should this be the case, the RAPs will include a census of the project-affected persons and will ensure that all project-affected people will improve or, at least, have restored their pre-project livelihood level.

In accordance with national law on labour standards and ILO obligations ratified by the Republic of Moldova (Moldova has ratified all ILO fundamental conventions), the works contracts of each sub-project are expected to comply with ILO core labour standards. Contractors shall ensure occupational and community health & safety as part of commitment under the works contracts.

Public Consultation and Stakeholder Engagement

The State Road Administration (SRA) has elaborated and submitted to the Bank a general Stakeholder Engagement Plan (SEP) covering the ongoing IFI financed projects and including most of the sections proposed for this operation. Moldova has established an official grievance mechanism for reviewing complaints and/or proposals from the society. The Promoter confirmed readiness to update the existing SEP once requested by the Bank at individual sub-project appraisal.

Conclusions and Recommendations

Given that detailed information on the sub-projects to be financed under the framework loan is not available at this stage, environmental and social aspects will be further checked at scheme allocation stage and the Bank will require the Promoter to comply with the Bank's environmental and social standards.

For sub-projects aimed at capital repairs and upgrading along the same alignment, the Promoter will be requested to submit a screening decision of the competent authority, stating if a full EIA is required or not. Prior to allocating financing to a sub-project requiring a full EIA procedure, the Promoter will be requested to submit to the Bank:

- A copy of the EIA report, including a non-technical summary, satisfactory to the Bank;
- The Environmental Permit issued by the relevant competent authorities of the Republic of Moldova, and should this be the case, a relevant statement from the competent authority for monitoring of protected sites, stating the significance of impact of the project on protected areas;
- Final version of the ESMP, to the satisfaction of the Bank.

In case of resettlement, a Final version of the RAP, to the satisfaction of the Bank in accordance with the RPF.