



Luxembourg, 20 July 2022

## Environmental and Social Data Sheet

### Overview

Project Name:	S1 EXPRESSWAY PYRZOWICE - BIELSKO-BIAŁA
Project Number:	20210421
Country:	Poland
Project Description:	The project concerns the construction of the S1 Expressway sections between Pyrzowice and Dąbrowa Górnicza and between Kosztowy and Bielsko-Biała including the Oświęcim bypass.
EIA required:	yes
Project included in Carbon Footprint Exercise <sup>1</sup> :	yes
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

### Environmental and Social Assessment

#### Environmental Assessment

The project concerns construction of several sections of the S1 expressway in the Silesian region and the Oświęcim bypass, connecting it with the new expressway. The S1 expressway is part of the Baltic-Adriatic TEN-T priority corridor. The project will complete modernization of an expressway standard road along the entire route of S1 expressway between Pyrzowice and Bielsko-Biała and complement the already improved S1 expressway sections between Katowice and the border with Slovakia. The project will address four non-continuous sections with total length of approximately 69 km, in particular:

- (1) construction of a second carriageway of a 9.72 km long S1 expressway section between Pyrzowice and Podwarpie;
- (2) construction of a 6.95 km long 2x2 lane S1 expressway section between Podwarpie and Dąbrowa Górnicza;
- (3) construction of a 42.795 km long S1 expressway section between Mysłowice (Kosztowy interchange) and Bielsko-Biała (Suchy Potok interchange);
- (4) construction of a 9 km long National road DK44 section of Oświęcim bypass.

Section (1) between Pyrzowice and Podwarpie will be a widening of the existing road. The road sections (3) and (4) will mostly be built along a new alignment, while the section between Podwarpie and Dąbrowa Górnicza (2) will follow the alignment of the National road DK1.

The project sections are included in the National Road Construction Program 2014-2023 and the EU co-financed Operational Programme Infrastructure & Environment 2014-2020, both of which were subject to a Strategic Environmental Assessment in 2015. The project components fall under Annex I of EIA Directive 2011/92/EU, as amended, requiring mandatory EIA.

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



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#### S1 Pyrzowice – Podwarpie (section 1)

The EIA report for the construction of the S1 expressway from the intersection “Airport” to Podwarpie – second carriageway, was elaborated in 2008. On 23 December 2008, the competent authority, i.e. Regional Director for Environmental Protection (RDOŚ) in Katowice issued an Environmental Decision (ED) (ref.: RDOŚ-24-WOOS/66130/45/08/JB).

Following the completion of design document, the promoter completed the second stage EIA report in 2009 and applied for the Supplemental Environmental Impact Assessment (SEIA) within the development permit (ZRID) procedure. On 4 March 2010, the RDOŚ issued a SEIA Decision (postanowienie) (ref.: RDOŚ-24-WOOS/66131/190/09/jb) defining implementation conditions for the project section. Based on the SEIA decision, on 17 May 2010 the competent authority (Vojevoda of Silesian voivodeship) issued a Development permit (ZRID) (ref.: IF/IIIa 5340/13/09) for the construction of the section.

During the implementation, the promoter and the contractor agreed on further modifications to the design details and prepared an additional SEIA report in 2016. Following the review of the new SEIA report, RDOŚ issued a new SEIA decision (ref. on 25 May 2017 (ref.: WOOS.4242.153.2016.JB) and the ZRID was amended accordingly on 26 July 2017 (ref.: IFXIII.7820.63.2016) approving a modified design. The construction works started in 2018 and were completed by 2021. The road section is open to traffic.

#### S1 Podwarpie – Dąbrowa Górnicza (section 2)

The EIA report for the section S1 Podwarpie – Dąbrowa Górnicza was elaborated in 2010. On 25 July 2012, the competent authority, i.e. Regional Director for Environmental Protection (RDOŚ) in Katowice issued an Environmental Decision (ED) (ref.: WOOS.4200.2.2012.JB).

Having examined the appeal submitted, the General Director of Environmental Protection (GDOŚ) issued a decision (ref.: DOOS-oal.4200.3.2012.ADK.43) on 12 August 2014, by which it partially annulled the contested decision and ruled on the substance, while upholding the rest of the RDOŚ decision.

Following the completion of design document, the promoter completed the second stage EIA report in 2017 and applied for the Supplemental Environmental Impact Assessment (SEIA) within the development permit (ZRID) procedure. On 20 December 2019, the RDOŚ issued a SEIA Decision (postanowienie) (ref.: WOOS.4222.2.2019.MP1.14) defining implementation conditions for the project section. Based on the SEIA decision, on 24 April 2020 the competent authority (Vojevoda of Silesian voivodeship) issued a Development permit (ZRID) (ref.: IFXIII.7820.101.2018) for the construction of the section.

On 14 January 2020, the RDOŚ issued a decision by which it agreed that the implementation of the project might be carried out in sections and confirming that the conditions of the environmental decision remain unchanged.

At a time of appraisal, a request by the Promoter for an amended ZRID regarding the entire section 2 was under review. An additional SEIA would need to be performed, to reflect the latest agreed changes in the design. The Bank will request the borrower to provide a copy of the amended ZRID together with the RDOŚ decision approving the supplemental SEIA for this section 2.



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#### S1 Kosztowy – Bielsko Biała with DK44 Oświęcim bypass (sections 3 and 4)

The EIA report for the section S1 Kosztowy – Bielsko Biała (project: construction of the expressway S1 from the interchange Kosztowy in Mysłowice to interchange Suchy Potok in Bielsko-Biała) was elaborated in 2013. On 30 June 2016, the competent authority, i.e. Regional Director for Environmental Protection (RDOŚ) in Katowice issued an Environmental Decision (ED) (ref.: WOOŚ.4200.1.2015.AM.48).

Having examined several appeals lodged, the General Director of Environmental Protection (GDOŚ) issued a decision (ref.: DOOŚ-OAI.4200.36.2016.MD/mko51) on 10 April 2020, by which it partially annulled the contested decision and ruled on the substance, while upholding the rest of the RDOŚ decision.

The subsequent project amendments underwent a screening process (considered as included in Annex II to the EIA Directive) resulting in a number of negative screening decisions issued by the RDOŚ in Katowice on 19 August 2021, 5 October 2021, 21 October 2021, the RDOŚ in Kraków on 20 August 2021 and the Mayor of Wilamowice on 21 April 2021.

At a time of appraisal, the SEIA reports for the respective segments with signed works contracts (two on S1 section 3 and one on DK44 section 4) were under development.

In addition, a complaint was lodged with the Supreme Administrative Court concerning the 2020 GDOŚ decision related to the location of road alignment conflicting with the protection zone of the Oświęcim water intake. At a time of the appraisal, the Court position on the challenged decision was not known.

Therefore, before the disbursement of the loan, the Bank will request the borrower to provide a copy of the final Development Permits (ZRID) together with the associated RDOŚ decisions and SEIA reports. The borrower will be also required to inform the Bank of the Court ruling concerning the challenged GDOŚ decision and any resulting potential changes to the EIA procedure.

The project section S1 Kosztowy – Bielsko-Biała interfaces with NATURA 2000 sites PLB120009 Stawy w Brzeczczach, PLB120004 Dolina Dolnej Soły and PLH120083 Dolna Soła. The project impact on Natura 2000 areas was analysed by the competent authorities as a part of the environmental impact assessment procedure with a conclusion that the project would have no significant adverse impacts on the objectives and functioning of the sites. However, the SEIA is obligatory to verify if the detailed project design meets the conditions set in the environmental decision taking into account specific technical solutions and current environmental conditions as well as reviewed and revised site-specific conservation objectives. According to the Promoter, this is expected to be completed in 2022.

#### Impacts and mitigation

Overall, the EIA procedures and public consultations, including analysis of variant solutions, assessment of impacts along with mitigating measures and environmental monitoring needs have been examined and procedures have been carried out in accordance with the EU EIA Directive requirements. Negative impacts are varied and these include agriculture and forest land conversion, noise and vibration, visual intrusion and severance of communities and habitats. The Environmental Decisions specify a range of mitigating measures. The measures include installation of acoustic screens, construction of animal passes, drainage and



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wastewater treatment systems, re-planting of greenery, fencing, various restrictions on working periods, hours and practices as well as requirements for regular monitoring.

Although the project will have some negative impacts, these have been properly assessed and adequate mitigation, management and monitoring measures have been/will be identified in consultation with relevant stakeholders and included in the final designs, which are/will be subject to the SEIA decisions. The Promoter reported that the last missing decisions for two segments on the section 3 are expected by middle 2023.

### Climate adaptation

The Bank's services assessed climate change risks as part of the due diligence tasks. The assessment identified that the most significant risks with higher probability and impact are related to flooding, snow loading and wildfires. Other relevant climate change related project risks, e.g. temperature increase, precipitation increase and strong winds are rated as medium. The promoter has confirmed that the project design addresses/will address the identified climate vulnerabilities with the highest risks. Maintenance will be planned by properly addressing intensive snow loading risks. After applying of proper mitigation measures, the climate risk of the project is rated "low".

### Paris alignment

The project has been assessed by the Bank's services for Paris Alignment in accordance with the policies set out in the Climate Bank Roadmap (CBR). The project is considered to be aligned with the low carbon goal as it consists of large new road capacity infrastructure construction meeting the EIB eligibility criteria for Transport, including passing the adapted economic test introduced under the CBR and is consistent with national and EU level infrastructure planning. Poland's alternative fuel infrastructure national policy framework has been assessed to have shortcomings in the EU latest assessment\*, but the distance requirement of one recharging point at least every 60 km of the TEN-T is deemed to be met and therefore the requirement for the Core Network is expected to largely be fulfilled. The climate risk of the project is assessed as low and the project is therefore considered to be aligned with the resilience goal.

\*[Register of Commission Documents - SWD\(2019\)29 \(europa.eu\)](https://ec.europa.eu/economy_finance/register-of-commission-documents-sw-d201929-europa-eu)

## **EIB Carbon Footprint Exercise**

The project is included in the Carbon Footprint exercise on the following basis:

- Estimated annual emissions of project in a standard year of operation:<sup>2</sup>
  - Forecast absolute (gross) emissions are 190 000 tonnes of CO<sub>2</sub> equivalent per year;
  - Forecast emission savings are 4 500 tonnes of CO<sub>2</sub> equivalent per year.
- The project boundaries are:
  - In the base case: DK1 Pyrzowice–Podwarpie, DK78 Pyrzowice-Siewierz, DK1 Podwarpie–Dąbrowa Górnicza, DK1 Kosztowy-Bielsko Biała and DK44 Bieruń-Zaborze;
  - In the "with project" case: the new sections S1 Pyrzowice–Podwarpie, S1 Podwarpie–Dąbrowa Górnicza, S1 Kosztowy-Bielsko-Biała and Oświęcim

<sup>2</sup> Note the operating period varies by section: Section 1: 30 years; Section 2: 20 years; Sections 3 and 4: 30 years. The aggregate results per year is obtained through simple adding by section of the reported value per year, as modelled in ERIAM Baseline scenario.



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bypass; as well as the existing roads DK78 Pyrzowice-Siewierz, DK1 Kosztowy-Bielsko-Biała and DK44 Bieruń-Zaborze.

The baseline is the forecast third party emission, in the absence of the project, from the existing network, only within the boundary defined above. The forecasts reflect the Services' assumptions on traffic, traffic growth, speed/flow, infrastructure capacity and fuel consumption.

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 project cost.

### **Social Assessment**

For the S1 Pyrzowice – Podwarpie (section 1) and S1 Podwarpie – Dąbrowa Górnicza (section 2), following the existing alignment, the resettlement process was completed already earlier and is not part of the scope of the Project. Approximately 1080 land plots with a total area of 120.5 ha, necessary for the project implementation, were expropriated.

The S1 Kosztowy – Bielsko-Biała (section 3) will require a new land-take along the entire alignment. The resettlement process will follow the issuing of the ZRID decisions. It is estimated that approximately 3817 land plots with a total area of 661 ha will be necessary for the project implementation. It is foreseen that 208 objects are to be demolished, including 78 residential houses.

As the resettlement process is still underway, a certain risk of dissatisfaction exists until the process is completed. Experience shows that such risk may be minimised by applying well planned expropriation procedures involving professional staff and fair compensation for the expropriated property. This includes information to the owners about resettlement timing, based on real needs and works calendar.

For people living alongside the currently heavily used roads (streets) crossing the communities, the project will provide for significant improvement in living conditions. Inhabitants and drivers will benefit from improvements in traffic safety conditions. This will be possible due to the diversion of heavy transit traffic from the streets, distributing the traffic between the new expressway and the local roads and increasing road infrastructure capacity and service levels. The traffic safety situation will be improved due to the closing of open access to the expressway, constructing grade separated interchanges and providing emergency lanes. Road safety audits were elaborated at various stages of the design process and, in accordance with the requirements of the EU and Polish legislation will be performed also at pre-commissioning phase.

### **Public Consultation and Stakeholder Engagement**

Extensive public consultation and stakeholder engagement during the different EIA and SEIA procedures in relation to the project approvals has been organized in compliance with the requirements of the applicable legal framework. Prior to public consultation meetings, information was made available through publication in local media and posting on information boards and webpages of the municipalities impacted by the development. The proposals and recommendations received during the consultations were dealt with before issuing the environmental decisions and defining technical requirements for the design, which were checked at issuing the SEIA decisions and development permits.

There is a potential risk of delays associated with the challenged GDOŚ decision related to location of the road conflicting with a protection zone of the Oświęcim water intake. In addition,





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i cannot be excluded that further appeals will be raised during the remaining SEIA procedures. There are proper legal instruments foreseen in the legislation on how this process is managed in Poland. Prior to disbursement, the Bank will review the situation regarding the SEIA decisions and issuing of the development permit(s) and, request the borrower to provide a copy of the final Development Permits (ZRIDs) and information on the Court decision regarding the challenged GDOŚ decision, as necessary.

## Conclusions and Recommendations

The project is included in the National Road Construction Program 2014-2023 and the EU co-financed Operational Programme Infrastructure & Environment 2014-2020, both of which were subject to a Strategic Environmental Assessment in 2015. The project falls under Annex I of EIA Directive 2011/92/EU, as amended, requiring mandatory EIA. The EIA procedures including both stages – issuing of environmental decisions and development permits (ZRIDs), are completed for all sections, except for the S1 section Kosztowy – Bielsko Biała (section 3) and Oświęcim by-pass (section 4), where the SEIA procedures were under development at a time of the appraisal and the Court position was awaited concerning the 2020 GDOŚ decision.

As the full EIA procedure for the section Kosztowy – Bielsko-Biała (section 3) and Oswiecim bypass (section 4) is yet to be concluded, the following requirement is to be met by the Borrower prior to the disbursement under the EIB Finance Contract against this section:

- in relation to section of the project between Kosztowy and Bielsko-Biała (section 3) and Oswiecim bypass (section 4), the EIB receives copies of the SEIA reports and decisions (or evidence that no such SEIA is required) and a copy of the ZRID decisions.

In addition, on the section S1 Podwarpie – Dąbrowa Górnicza (section 2) modified Development Permits (ZRIDs) are expected, which might require an additional SEIA procedure. Therefore, the following requirement is to be met by the borrower prior to the disbursement under the EIB Finance Contract against this section:

- in relation to section of the project between Podwarpie and Dąbrowa Górnicza, the EIB receives copies of the SEIA report and decision (or an evidence that no such SEIA is required) and a copy of the modified ZRID decision.

The EIB Finance Contract should also include the following information undertakings of the borrower:

- promptly inform the EIB about the Supreme Administrative Court position on the 2020 GDOS decision;
- promptly inform the EIB about any changes/updates in the project design which may affect any decisions (including, among others, administrative decisions or internal decisions of the promoter) to implement the project;
- promptly inform the EIB on any significant environmental claims, proceeding or investigations commenced, pending or threatened with regard to environmental matters affecting the project;
- promptly deliver to the EIB final development permits (ZRID decisions) or any other new decisions relevant for the project.

The experience of the promoter in implementing similar projects and applying of risk management practices provide assurance on good governance. So far, the project procedures comply with the applicable EU and Polish legislation and are acceptable to the Bank.