

## Environmental and Social Data Sheet

### Overview

Project Name:	Airport Expansion Zagreb
Project Number:	2011 0466
Country:	Croatia
Project Description:	The project represents Phase 1 of the planned expansion of Zagreb Airport and consists of the construction of a new passenger terminal building together with associated landside and airside infrastructure. The existing passenger terminal will remain in operation until the new one is opened, after which it will be closed to passenger operations and used as office and storage space. The project will increase the terminal capacity of the airport from about 1.5 million passengers per annum (mppa) to 5 mppa.
EIA required:	yes
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

A project of similar characteristics within the EU would fall under Annex II of the EIA Directive 2011/92/EC and require a full EIA. An EIA was carried out between July 2011 and October 2012, with the project receiving approval from the Ministry of Environmental and Nature Protection through a Decision Notice dated 12 October 2012. The EIA included public consultation and was carried out in accordance with Croatian Ordinances and Regulations relevant to the environment, which have had the requirements of the corresponding EU Directive(s) transposed into them.

The EIS document reports noise levels in excess of the allowable limits defined in Ordinance OG 145/04 (under Ministry of Health noise standards set by the Croatian Institute for Safety), and that consideration should be given to the possibility of resettling the population affected. However, no resettlement was required under the Decision Notice and subsequent clarification from the Promoter (the Ministry of Maritime Affairs, Transport and Infrastructure) has confirmed that the relevant applicable bylaw for allowable noise limits is in fact the Croatian Air Traffic Act – and not OG 145/04. This sets higher allowable noise limits, of 75dB during the day and 67dB during the night (as opposed to 65dB and 50dB respectively). The Ministry of Health has also subsequently confirmed that it too, in harmonizing its legislation with EU regulations, is in the process of recognising those higher permissible noise levels through accepting the Air Traffic Act as being the act applicable in law. Under an ongoing stakeholder consultation process, the Promoter is committed to engaging further with the populations affected to clarify the change in applicable law and also to inform them of the proposed noise mitigation plans to ensure that noise nuisance is addressed and kept to a minimum.

The statement outlining the actions to be undertaken by the Promoter in respect of noise is appended to this document. This matter will also be an item in the Direct Lenders Agreement, between the lenders and the Promoter.

<sup>1</sup> Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

The Administration for Nature Protection has stated that the project will have no significant impact on Croatia's conservation objectives and ecological network.

The environmental undertaking below is to be applied:

*The Concessionaire shall make its best efforts to ensure that the Promoter duly implements the actions outlined in the letter from the Promoter to the Concessionaire (dated 1 February 2013 and sent in copy to the Bank) regarding its proposals to clarify the matter of aircraft noise impact with the populations so affected.*

The letter referred to above is attached to this Environmental and Social Data Sheet.

The project is acceptable for EIB financing. The potential residual impacts are considered to be minor and manageable.

## Environmental and Social Assessment

### Environmental Assessment

The environmental assessment took place between July 2011 and October 2012 and as far as can be determined from the available documentation was carried out in accordance with Croatian Ordinances relating to the environment, specifically the Environmental Protection Act (Official Gazette No.110/07) and Regulation on Environmental Impact Assessment (Official Gazette No. 64/08, 67/09). Through the adoption of these ordinances and regulations, the procedure has been harmonized with the corresponding EU Directives on the environment. The assessment covered the impacts for both Phase 1 (traffic to 5mppa), which constitutes this project, and Phase 2 (traffic to 8mppa).

Public consultation was held in July and August of 2012 and in its scope and procedures were carried out in accordance with Croatian Ordinances. The results of the consultation were reported in the Decision Note from the Ministry of Environmental and Nature Protection on 12 October 2012.

The project was approved subject to the application of measures of environmental protection and subject to the implementation of the proposed environmental monitoring programme. The Decision Note sets out the various protection and monitoring measures as well as the reasons for them, covering a range of topics including noise, air quality, landscape, ecology and heritage.

**Noise** – as outlined above, confirmation that the Air Traffic Act prevails over the Ordinance used in the environmental assessment is to be made available to the public. The approval of the project requires the implementation of a noise control strategy based on the balanced approach required by the EU. This comprises four principal elements: making aircraft quieter by setting noise standards; managing the land around airports in a sustainable way; adapting operational procedures to reduce the noise impact on the ground; and, if required, introducing operating restrictions.

**Air Quality** – the initial assessment of air quality effects was not based on the monitoring of existing sources of pollution. Air quality monitoring was then carried out and reported in the Environmental Statement. The Decision Note indicates that levels of pollutants are below permitted levels but that a structured monitoring programme must be implemented.

**Water** – pollution of groundwater is highlighted as a risk, especially with the increase in the paved areas and in the event of aircraft de-icing fluid entering the ground. This will be resolved and managed with attenuation and treatment plants that must be included as a Minimum Requirement under the Concession Agreement.

**Public Safety Zones (PSZ)** – the Decision Note indicated that one of the environmental protection measures should be the establishment of a public safety zone at each runway end to minimize the risk of fatality in the event of an aircraft incident on landing or take-off. The standard referred to in the Environmental Statement was that practiced in the Netherlands and the UK. The main purpose of a PSZ is to control development in areas where there may be an increased risk of death to someone on the ground if an aircraft crashes. They take the form of a triangular area about 250m wide and 2.5km long at each end of the runway, but are not defined under ICAO Standards and Recommended Practices or EU regulation. In this case the revised Spatial Plan of Velika Gorica dated September 2012 incorporates the relevant applicable standard from the Croatian Air Traffic Act applicable to Croatian Airports. The Spatial Plan does not define a PSZ as such, but does prohibit any new construction in the Airport development zone, an area 1km beyond the runway threshold and 300 metres from the runway centreline.

Impacts during construction – there will be an increase in heavy road traffic, noise, waste and air pollution during the construction period. Mitigation measures will include damping down areas likely to be affected by dust, keeping equipment and vehicles properly maintained, avoiding spillages, monitoring air quality emissions, etc.

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

An adequate level of public consultation was carried out as part of the process. Further follow up engagement with the public will take place in respect of the noise issues.

### **Other Environmental and Social Aspects**

The Promoter will implement an Environmental Management Plan to ensure that the protection and mitigation measures identified in the Decision Note are properly implemented. The Promoter has long experience of dealing with environmental matters such as this and will set up an Environmental Management System with full audit and reporting phases in accordance with ISO 14001 certification requirements.



**Republic of Croatia  
Ministry of Maritime Affairs,  
Transport and Infrastructure**

Klasa: 343-03/07-01/57  
Urbroj: 530-08-1-1-2-13-192  
Zagreb, 01 February 2013

**ZAGREB AIRPORT  
INTERNATIONAL COMPANY – A Ltd  
Attn: Christophe PETIT,  
Chief Executive Officer**

**Subject: Zagreb airport Expansion Project – Noise Assessment and the participation in the financing of the Concessionaire by the European Investment Bank**

Dear Mr. Petit,

Following the Environmental Impact Assessment (EIA) Part II Summary made available to the public during the public consultation conducted last summer 2012, in particular its Section 4.2.3.2, and the clarification on the applicable legislation for airports regarding noise levels provided to you in our letter dated January 16, 2013, clarification based on the written confirmation from the Ministry of Health (Classification 351-01/12-01/546, Reference nr 517-06-2-1-1-12-2) dated January 7, 2013, we have been informed that the European Investment Bank (EIB) is requiring for its participation in the financing of the Project of Zagreb Airport PPP that the Grantor makes this clarification on applicable noise levels plainly available to the Public which must then have an opportunity to comment.

We value the participation of the EIB in the Project and are committed to fulfill EIB's requirements. Therefore the Concession Grantor, acting through the Ministry of Maritime Affairs, Transport and Infrastructure, confirms the following:

1. As per our letter dated January 16, 2013 addressed to you, Zagreb Airport Ltd. (ZAL), following instructions from the Ministry of Maritime Affairs, Transport and Infrastructure, will, starting the week of the 28<sup>th</sup> of January 2013, publish on its website:
  - i. The most recent noise contours reports and the latest noise contour measurement results,
  - ii. The noise reduction balanced approach action list,

- iii. The letter from the Ministry of Health confirming that with regard to noise generated by airport operations, only the Croatian Air Traffic Act (Lex Specialis) is applicable to Croatian Airports and not OG 145/04 referenced as well in the EIA,
  - iv. Hence that the noise contours at Zagreb Airport do not require any relocation or implementation of any compensation or mitigation plan,
  - v. That there is no resettlement requirement related to noise issues pertaining to the New Passenger Terminal (NPT),
  - vi. That this NPT project does not contemplate the construction of a new runway,
  - vii. That further inquiries may be addressed to a contact person whose name and coordinates are clearly stated and that inquiries will be responded to within 15 days.
2. Following instructions from the Ministry of Maritime Affairs, Transport and Infrastructure, ZAL will address in written form the same above clarification published on ZAL web site to the stakeholder representatives of the inhabitants of Pleso Neighborhood and Mala Kosnica and Petina, requesting them to make available to the inhabitants that they are representing such written clarification from Zagreb Airport Ltd with the above mentioned contact details and response time.
  3. The draft of such written clarification to be sent to the neighboring inhabitant representatives will be sent to you in the shortest delays so that EIB may be given the opportunity to review it before being handed to the above stakeholders;
  4. Any comments or inquiries received at the above-mentioned contact address and the Zagreb Airport Ltd response will be provided to you, to allow you to send the information to the EIB as per their request;
  5. The commitments of the Grantor to clarify the matter of aircraft noise with the population as outlined in this letter will be included in the Direct Lender Agreement.

Yours Sincerely,

Assistant Minister  
mr. sc. Oliver Kumrić, dipl.ing. građ



Copy :

European Investment Bank  
Mr. Dominique Courbin  
Head of Division – Western Balkans