

Environmental and Social Data Sheet

Overview

Project Name: Struma Motorway
Project Number: 20110722
Country: Bulgaria
Project Description: Construction of three sections of the Struma Motorway with a total length of 68.5 km

EIA required: YES

Project included in Carbon Footprint Exercise¹: YES

(Details are provided in section: "Carbon Footprint")

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

The project is part of the SOP-T which was subject to a strategic environmental assessment following Bulgarian legislation in accordance with SEA Directive 2001/42/EC. The Environmental report was approved in February 21st, 2007.

The project has required two EIA decisions: (i) one for the new motorway section (68.5km) and (ii) one for the realignment of the Sofia – Kulata Railway line in Lot 4 (5km).

(i) The motorway project falls under Annex I 7b of the EIA Directive 2011/92/EU for which the EIA is mandatory. The Ministry of Environment and Waters (MoEW) is the competent authority to issue EIA decisions in consultation with other authorities with responsibilities on environmental aspects. Based on the EIA Report, its Supplements and the results from the public consultations, the MoEW issued a positive EIA Decision No. 1-1/2008 on 15.01.2008. (due to a factual error the EIA Decision was amended and its final number is EIA Decision No 1-1(1)/2008).

The MoEW is also the Competent Authority for Natura 2000 sites. An Appropriate Assessment (AA) was provided as an appendix to the EIA Report Supplement of October 2007. The AA Report was presented at the public hearings held in Simitli and Kresna municipalities on 06.12.2007 together with the EIA Report Supplement of October 2007 and no negative opinions were collected. The AA was approved by the MoEW together with the EIA Report in Decision No. 1-1/2008 of 15.01.2008.

The AA related to the construction of the motorway states that Lot 2 has significant immitigable impacts for the Natura 2000 site Kocherinovo (BG0002099) whilst there are technical solutions for Lot 1 and Lot 4 in order to avoid significant impacts. The MoEW considered that these impacts in Lot 2 are acceptable provided that the mitigation measures stated in the EIA Decision are implemented.

(ii) The realignment of the Sofia – Kulata Railway line in Lot 4 is classified within the Annex II of the EIA directive and was subject to screening. The MoEW issued the Decision No. 31-IIP/2008 of 05.11.2008 requiring an EIA and AA. The AA Report was presented at the public hearings held during March 2010 and no negative opinions were collected. The MoEW

¹ 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 CO2e/year absolute (gross) or 20,000 tons CO2e/year relative (net) – both increases and savings.

approved the EIA and the AA with the Decision No. 5-3/2010 on 13.04.2010. The AA confirms that the involved protected areas will not suffer significant impacts.

Following the requirements of the approved EIA, the present investment minimises the main residual negative impacts of the motorway and the realigned railway line: (i) it abates the noise levels with noise barriers (ii) provides for over/underpasses for multiple species, (iii) provides new passages for small animals, (iv) provides for protective fencing for birds and small animals.

Subsequent to the adoption of specific mitigation measures, the residual impact - land take, severance and noise - is expected to be non-significant, as confirmed also by the competent authority.

Overall, the positive impacts during operation (such as: increased safety, noise and emission reduction in inhabited areas and result mainly from the diversion of transit traffic from the existing road which crosses many inhabited areas) would outweigh the adverse impacts during construction.

The project, in particular the lot 4, goes along inhabited areas, but no resettlements are foreseen.

The project is therefore acceptable for the Bank financing from an environmental and social point of view.

Environmental and Social Assessment

Environmental Assessment

SEA

The project is part of the SOP-T which was subject to a strategic environmental assessment following Bulgarian legislation in accordance with SEA Directive 2001/42/EC. The Environmental report was approved in February 21st, 2007.

EIA

The project relates to the construction of a new motorway and falls under Annex I 7b of the EIA Directive 2011/92/EU '*construction of Motorways and Express Roads*', for which the EIA is mandatory. Additionally, the Lot 4 includes the realignment of the Sofia – Kulata Railway line which is classified within Annex II of the EIA directive and was screened in.

EIA Procedure

The Ministry of Environment and Waters (MoEW) is the competent authority to issue EIA decisions in consultation with other authorities with responsibilities on environmental sector. Based on the EIA Report, its Supplements and the results from the public consultations the MoEW issued a favourable EIA Decision No. 1-1/2008 on the 15.01.2008. The EIA Decision was for factual error by EIA Decision No 1-1(1)/2008). Adjustments in the final alignment required the MoEW to issue the decisions No 16-IIP/2009 of 11.06.2009 and 28IIP/2009 of 02.10.2009 stating that no updating of the EIA was required.

For the realignment of the Sofia-Kulata Railway line in Lot 4 the MoEW issued the Decision No. 31-IIP/2008 of 05.11.2008 requiring an EIA and AA. The MoEW approved the EIA with the Decision No. 5-3/2010 on 13.04.2010. The decision contained conditions to be imposed during design, site clearance and construction and define a large number of measures aiming to prevent adverse effects on the environment.

Assessment of effects on Natura 2000 sites

The MoEW is also the Competent Authority for Natura 2000 sites. An Appropriate Assessment (AA) was provided as an Appendix to the EIA Report Supplement of October 2007. The AA was approved by the MoEW together with the EIA Report in Decision No. 1-1/2008 of 15.01.2008.

The project alignment runs through various Natura 2000 sites - Sites of Community Importance (SCI) and Special Protection Areas (SPA) - and crosses different bio-corridors:

In Lot 1, the project crosses one bio-corridor connecting two SCI Natura 2000 sites: "Konyavska Mountain" (BG0000298) and "Verila" (BG0000308).

In Lot 2, the project (i) touches the SCI "Skrino" (BG0001013) (ii) crosses bio-corridors between the SCI "Skrino" (BG0001013) and the SPA "Rila" (BG0001188) and the bio-corridor along the Struma River between the SCI "Skrino" (BG0001013) and SCI/SPA "Kresna Ilindentsi" (BG0000366) (iii) passes near the SPA "Boboshevo" (BG0002107) and (iv) runs through the western part of the SPA "Kocherinovo" (BG0002099).

In Lot 4, the project (i) crosses the SCI "Rupite – Strumeshnitsa" (BG0001023), (ii) crosses the SPA "Rupite" (BG0002098) and (iii) crosses the river and stream valleys, sections with extensive agriculture and significant participation of natural vegetation which are important bio-corridors linking the SCI "Rupite – Strumeshnitsa" (BG0001023) and the SCI "Middle Pirin – Alibotush" (BG0001028).

Despite major environmental risks, the EIA and the AA conclude that the project either has no direct impact on the sites or the measures defined in the EIA decision were deemed to be sufficient to minimise the impact on fauna and this conclusion is acceptable to the Bank.

All the relevant decisions are publicly available at the MoEW website. (www.MoEW.government.bg).

Mitigation Measures

The EIA decision sets out a number of conditions during project design, pre-construction and construction, amongst others:

- The Motorway alignment should be moved away from the bed of river Jeman and river Struma.
- Noise barriers and turtle barriers shall be provided.
- Fencing facilities surrounding important meadows shall be built.
- Over/underpasses for fauna shall be built.
- Provide for suitable locations for temporary disposal sites for waste materials.
- Provide for clear passages for the turtles during the appropriate season.
- Construction materials to be stored and disposed away from Natura 2000 sites.
- Establishment of exclusive zones to protect landscape and soils.
- Prevention of water courses pollution based on good construction practices.

Development Consent/Construction Permit

Development Consents in the form of Construction Permits are being issued by the Ministry of Regional Development and Public Works for every Lot. The construction permits for Lots 1 and 4 have been issued (Decision PC53 of 28.09.2011 and Decision PC10 of 04.04.2012).

EIB Carbon Footprint Exercise

The project is included on the following basis:

- Estimated annual third party greenhouse emissions (vehicular use, from existing and generated demand) from the use of the project in a standard year of operation:
- Forecast absolute (gross) emissions are 102,985 tonnes of CO2 equivalent per year; and
- Forecast emissions increases are 22,827 tonnes of CO2 equivalent per year.
- The project boundaries are defined by the three sections of the motorway described above.
- The baseline is the forecast third party emissions, in the absence of the project, from the existing network within the project boundary defined above. The forecasts are based on 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, where applicable

The project is essentially a green field motorway and does not require any resettlement of persons.

Public Consultation and Stakeholder Engagement, where required

When preparing the relevant EIA decision and the relevant Appropriated Assessments, The Ministry of Environment and Waters consulted the municipalities and communities situated along the new motorway alignment and the general public was informed by announcements in regional newspapers.

The EIA and the AA Report for the motorway were presented at various public hearings during 2007 and no negative opinions were collected. The EIA decision was subject to one appeal to the court from the Municipality of Sandanski. This appeal was ruled out by the Supreme Administrative Court of Bulgaria on 03.11.2008.

The EIA and the AA Report for the railway were presented at various public hearings during 2010 and no negative opinions were collected.

Also, the public was informed regarding the content of the EIA decision through announces made by MoEW and project promoter. No comments from the public were received.

Other Environmental and Social Aspects

Overall, the project is expected to generate environmental benefits during its operation. These include: (i) connection of previously fragmented habitats, (ii) reduction of pollution levels and noise in inhabited areas, and (iii) improved road safety.

The negative environmental impacts that may potentially arise during the construction period, such as (i) spills and (ii) uncontrolled construction materials deposits (iii) minor impact on Natura 2000 sites are adequately mitigated with the adoption of environmentally sensitive work practices.