

## Environmental and Social Data Sheet

### Overview

Project Name: *DNIPROPRETROVSK METRO EXTENSION*  
 Project Number: *2010 0492*  
 Country: *Ukraine*  
 Project Description: The project consists of extending the existing metro line in Dnipropetrovsk by 4.0 kilometres and adding 3 stations. This would bring the metro service to the city centre to serve areas of high urban density and activity.

EIA required: YES

Project included in Carbon Footprint Exercise<sup>1</sup>: NO

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

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

The project aims to extend the existing metro line with 4 km. To ensure that the project complies with international environmental standards, an Environmental and Social Impact Assessment (ESIA) has been completed in 2011. Most environmental risks identified by ESIA are common for metro construction works (noise, dust, transport of soils) and adequate mitigation actions have been agreed upon. Special attention will be given to monitoring on the groundwater flow, to ensure that the project does not affect the technical characteristics of foundation soils, as the metro will be build under the city centre and therefore in the proximity of cultural heritage buildings. The ESIA concludes that the Project will not have a significant effect on protected conservation areas or other areas of natural significance. The Bank received a signed letter from the Competent Authority, in this case the Environmental Protection Department of Dnipropetrovsk City Council, confirming this conclusion.

Resulting from the ESIA, an Environmental Social Action Plan has been prepared with a program of mitigation and performance measures and actions that address the identified environmental and social issues. The ESAP has been approved by the city of Dnipropetrovsk and will be an integral part of tender documents. Monitoring of the implementation of the ESAP is a responsibility of the City.

EIB finance is subject to full implementation of the ESAP by the City and inclusion of relevant parts of the ESAP in contracts of the construction companies. To ensure adequate environmental monitoring, EIB finance is also subject to evidence that the PIU has acquired experienced environmental specialists for the full duration of the construction works.

<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.

## Environmental and Social Assessment

### Environmental Assessment

The project aims to extend the existing metro line with 4 km. The current status of the works is that for two stations (Teatralna und Tsentralna stations) the central shafts have been completed years ago and some excavation of the tunnels has been done while at the third station (Musejna station) the shaft is under construction. The project is part of a long term vision of the city to develop a comprehensive network of metro lines. This vision has not been subject to a Strategic Environmental Assessment.

The project has to meet the environmental and social requirements of the Bank based on EU policy. If located in the EU, the project would fall under Annex II of EIA Directive 2011/92/EU, in which case the competent authority has to decide whether an EIA is required or not. According to Ukrainian environmental legislation, no EIA is required. Ukraine isn't an official EU candidate but is part of the "European Neighborhood Policy" which aspires to develop stronger links between EU and neighborhood countries, including adoption of policies that are in accordance with the EU Environmental acquis. Environmental protection legislation of Ukraine includes more than 200 laws, bylaws and codes. Key regulations in this area are as follows: Laws of Ukraine: «On Environmental Protection» No1264 dated 25.06.1991 and «On Regulation of Urban Planning» No3038-17 dated 17.02.2011. In general, environmental legislation in Ukraine is not yet in accordance with EU directives.

The construction permit for construction of a metro from the "Komunarivska" station to "Oktyabrskaya Square" (11.2 km including 9 stations) was given in March 1982. Construction of the first 7.1 km including 6 stations was completed in 1995, while construction of the remaining 4.0 km was started but never completed due to budget constraints. The issuing of a construction permit for the complete line was subject to a comprehensive state expertise (SEE), which included a 'state environmental expert review' of the Ministry of Environment and Natural Resources. The construction permit is still valid.

Given the old building permit and given that Ukrainian environmental legislation is not fully compliant with EU Directives, an Environmental and Social Impact Assessment (ESIA) has been completed in 2011, to ensure that the project complies with international environmental standards. This ESIA was supervised by the EBRD, which co-finances the project together with the EIB. Most environmental risks identified by ESIA are common for metro construction works (noise, dust, transport of soils) and adequate mitigation actions have been agreed upon. Special attention will be given to monitoring on the groundwater flow, to ensure that the project does not affect the technical characteristics of foundation soils.

The ESIA concludes that the Project will not have a significant effect on protected conservation areas or other areas of natural significance because the metro is build 30 to 80 meters underground in hard rocks, the soil is not likely to be polluted, the level of noise on residential areas will remain below the normalized value and there is no adverse effect on soil, flora and fauna and protected species. The Bank received a signed letter from the Competent Authority, in this case the Environmental Protection Department of Dnipropetrovsk city council, confirming this conclusion.

Resulting from the ESIA, an Environmental Social Action Plan (ESAP) has been prepared with a program of mitigation and performance measures and actions that address the identified environmental and social issues, so that all relevant stages of the project are implemented in compliance with not only applicable law and regulations of the Ukraine but also international environmental standards adopted by the EBRD and EIB. The ESAP has been approved by the city of Dnipropetrovsk and will be an integral part of tender documents. Monitoring of the implementation of the ESAP is a responsibility of the City.

ESAP includes measures and actions on: Environmental and social appraisal and management; Labour and working conditions, Pollution prevention and abatement, Community health, safety and security; Cultural heritage; and Information disclosure and Stakeholder engagement. Since there are no protected natural habitats or recognized

indigenous communities in the area of influence, there are no actions included on these subjects. Part of the ESAP is that the Environmental Management Plan (EMP) is updated once detailed design is available and implemented.

The metro is build under the city centre and therefore in the proximity of cultural heritage buildings. The ESAP includes a program for surveying and monitoring impacts of the works on the groundwater level and cultural monuments. Training will be given to construction workers before the start of earth works to foster their awareness on how to identify artefacts of cultural heritage value.

If the full ESAP is implemented, the project implementation is in accordance to the Bank's environmental principles and standards and therefore acceptable to the Bank.

#### **EIB Carbon Footprint Exercise**

Project is not included - the EIB draft Carbon Footprint Methodologies only include emissions from Investment Loans, and large allocations under Framework Loans, above the methodology thresholds.

#### **Social Assessment**

The three stations that are part of the project are constructed in the centre of the wide Karl-Marx Boulevard. The construction sites for all three stations were already set up in the 1980s when initial work started and have remained as construction sites since then. The project is entirely constructed on land owned by the government. Implementation of the project requires no expropriation. The ESAP includes no actions with regard to land acquisition and involuntary resettlement.

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

A Stakeholder Engagement Plan was completed, taking into account that i) the route and location and design of the stations are already fixed since the 1980s, ii) the construction sites for the stations are in the middle of a road boulevard and were already erected in the 1980s iii) the project is completely underground, iv) there are no environmental sensitive areas in the proximity, and v) the ESIA confirms that social and environmental impacts are limited and can be satisfactorily mitigated.

The Stakeholder Engagement Plan (SEP) commits the City to a formal process of stakeholder engagement that will run throughout the life of the Project. The project and the ESIA were announced in local Ukrainian newspapers and people were invited to react. Throughout the project duration, the City will i) prepare and implement a program for raising awareness and changing behaviour ii) further develop and implement the grievance mechanism, iii) provide information to affected local communities and iv) develop and implement Social Monitoring Program (SMP).