

Environmental and Social Data Sheet

Overview

Project Name:	<i>A54 Palas de Rei - Arzúa</i>
Project Number:	<i>2017-0653</i>
Country:	<i>Spain</i>
Project Description:	<i>The project concerns a 28.1 km long section of the A54 motorway that will complete the corridor between 2 regional capitals Santiago de Compostela and Lugo. The new dual carriageway is part of the comprehensive TEN-T and is a major allocation under the Framework Loan Fomento Road Renewal and Rehabilitation (no. 20150080).</i>
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	yes

Environmental and Social Assessment

Environmental Assessment

Environmental Legislation and Procedures

The project is a new section of the A54 motorway running for about 100 km between Santiago de Compostela, the regional capital of Galicia in northwest Spain, and Lugo, the third biggest city of the region. The A54 is included in the national transport and infrastructure plan *Plan de Infraestructuras, Transporte y Vivienda, PITVI 2012-2024*, which was subject to strategic environmental assessment in compliance with the EU SEA Directive 2001/142. The Competent Authority (CA) provided the environmental consent in December 2014

The project involves the construction of a new interurban motorway in mainly agricultural and forest land. The project falls under Annex I of the EIA Directive 2011/92/EU, as amended by Directive 2014/52/EU, requiring a full EIA. The project has been subject to one main procedure in two stages including public consultation, which resulted in a positive Environmental Decision (*Declaración de Impacto Ambiental, DIA*) in November 2010. The EIA procedure for the A54 corridor started back in 2001 in parallel with feasibility studies. This process resulted in a first DIA in November 2004, approving the development of the whole corridor, with the exception of the project section Palas de Rey - Arzúa, and requesting that further assessment be conducted for this specific section. As a result, a new Environmental Impact Study was produced for the project, which was finally approved by the CA in November 2010.

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.

Luxembourg, 27th October 2017

Environmental baseline scenario and biodiversity issues

A total of nine corridors and 10 different alignments for the section Palas de Rey – Arzúa were subject to multi-criteria analysis, including environmental and social aspects. The alignment ultimately retained crosses the Natura 2000 site Serra do Careón (ES1110014), also declared a special protection area for natural values under the regional nature protection legislation (Decree 72/2004 dated on 2 April 2004). A number of natural habitats of Community importance are present in the area of influence of the project, both inside and beyond the boundaries of the Natura 2000 site. Such habitats include, in particular, the priority codes 4020* Temperate Atlantic wet heaths with *Erica ciliaris* and *Erica tetralix*, 91E0* Alluvial forests with *Alnus glutinosa* and *Fraxinus excelsior* (*Alno-Padion*, *Alnion incanae*, *Salicion albae*), 6220* Pseudo-steppe with grasses and annuals of the *Thero-Brachypodietea*. In addition to the non-priority natural habitats 4030 European dry heaths, 9230 Galicio-Portuguese oak woods with *Quercus robur* and *Quercus pyrenaica* and 6510 Lowland hay meadows (*Alopecurus pratensis*, *Sanguisorba officinalis*). Additionally, the area of influence is home to certain endemic vegetal species of Community interest, particularly the *Santolina melidensis*, and to 20 animal species of Community interest protected under the National and Regional Catalogue of Endangered Species, the Habitats Directive 92/43/EEC and the Birds Directive 2009/147/EC.

The EIA has assessed potential impacts on these areas and species. An Appropriate Assessment under Art 6.3 of Habitats Directive was carried out, concluding that the project is unlikely to adversely affect the integrity of the site nor to have a significant negative effect on protected species. The availability of Bank's funds will be conditional on receipt of a confirmation of this opinion by the Competent Authority for Nature Conservation.

The municipalities crossed by the project host a rich cultural and archaeological heritage, including a section of the Route of Santiago de Compostela, protected under the UNESCO World Heritage List. Final project design has been subject to the prior approval of the regional cultural heritage authority. This approval has been made available to the Bank. The EIS has also identified some landscapes in the vicinity of riverbanks of a particular natural value.

Environmental impacts

The main residual negative impacts of the project include: conversion and permanent loss of mixed forest and agricultural land; impacts on flora and fauna, including on some protected habitats and species; additional noise, vibration and visual intrusion; degraded local air quality and increased dust levels next to the new road and construction sites; impacts on surface water and groundwater; severance for fauna and communities living adjacent to the new road.

The project will generate as well positive impacts including improved road safety for both the users of the new motorway and of the alternative national road (which is particularly conflictive as it is crossed several times by the Route of Santiago and has high accident rates involving pedestrians), less congestion and air and noise pollution in the towns crossed by the existing national road, as well as reduced travel times and temporary employment during construction.

Mitigation measures

The EIS and the Environmental Decision provide for an extensive package of mitigation measures, particularly in relation to the Natura 2000 site and the habitats and species of Community interest. Amongst such measures: prohibition of certain construction activities during nesting periods of protected species; optimisation of vertical and horizontal alignment

Luxembourg, 27th October 2017

to minimise land occupation across the Natura 2000 site (one third of the length of the alignment crossing the site, some 10% of the total length, corresponds to bridges); construction of a 360 m long viaduct with open double deck over the *Santolina melidensis* priority habitats 4020*, so that their integrity is preserved and natural lighting conditions are not affected; interdiction of future changes to the alignment across the Sierra do Careón site, except with the explicit prior approval of the CA; provision of fauna crossings and fencing of the motorway right of way; project specific fire prevention plans; installation of acoustic barriers; landscape integration measures; extensive drainage and runoff water treatment systems; plantation of greenery exclusively with local species. The project will be subject as well to ex-post impact assessment to evaluate the effectiveness of the envisaged solutions.

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 119,000 tonnes of CO₂ equivalent per year; and
- Forecast emissions increase is 3,000 tonnes of CO₂ equivalent per year.

The project boundaries are:

- Existing network comprising the sections of the national road N547 from Palas de Rey to Arzúa.
- In the “with project” case, the new motorway section between the junctions above.

The baseline is the forecast third party emissions, in the absence of the project, from the existing network only within the boundary defined above. The forecast for absolute emissions relates to the corridor including the new motorway section. 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

Around 1,496 plots of land will need to be expropriated as a result of the project, including seven warehouses. No physical displacement will be required. Appropriate compensation is envisaged in accordance with the applicable national legal framework, which is in line with the relevant Bank standards. Land acquisition was underway at the time of appraisal of the project.

Public Consultation and Stakeholder Engagement

Both the PITVI and the corresponding strategic environmental impact study were subject to public consultation in 2014. The EIA for the A54 corridor was also subject to public consultation in February 2003, prior to the first environmental decision from the Competent Authority in November 2004. As a consequence of the requirement by the CA to conduct a

Luxembourg, 27th October 2017

supplemental EIS, the section Palas de Rey – Arzúa went through a new process of public consultation in May 2008 and June 2009. Some 60 allegations were received, including 16 from different public bodies. Most of the enquiries received from individuals related to the land expropriation process. A local NGO questioned the suitability of the EIS and asked for a new characterisation of the baseline scenario to be conducted. Later on in the process, the same NGO lodged a complaint challenging the environmental authorisation of the project and the Appropriate Assessment under Art. 6.3 of the Directive. Courts ruled against the complainant in 2014, rejecting the allegations. This final decision is non-appealable.

As per the requirements of the applicable legislation in Spain, detailed design was subject to a final public consultation stage in April 2015, which introduced some design adjustments to the section Melide – Palas de Rey, following the recommendations of the regional cultural heritage authority in respect of the potential effects of the project on the Camino de Santiago right of way.

Conclusions and Recommendations

Prior to first disbursement, the promoter will provide the Bank with written confirmation from the Competent Authority that the provisions of the Habitats Directive 92/43/EEC have been complied with. As an undertaking, the promoter will make available to the Bank any further consent from the CA which might be required throughout the implementation of the project, including but not limited to the approval of future changes to the alignment of the motorway across the Natura 2000 site.

Subject to the fulfilment of the conditions referred to above, the project is satisfactory to the Bank in environmental and social terms.