

Environmental and Social Data Sheet

Overview

Project Name:	Serbian Inland Waterway Infrastructure
Project Number:	20170671
Country:	Republic of Serbia
Project Description:	The project consists of several investments in the existing core Trans-European Transport (TEN-T) Rhine-Danube inland waterway network of the Republic of Serbia, along the Danube and Sava rivers, which aim at increasing the capacity and improving the efficiency and the safety of the inland waterway navigation, thus allowing for a modal shift from roads to river navigation. The different schemes of the framework loan will be linked to the 2015-2025 Development Strategy on Waterborne Transport of the Republic of Serbia.
Promoter:	Ministry of Construction, Transport and Infrastructure
EIA required:	Multi-investment project, EIA requirements vary.
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

The project consists of several different investments in the existing TEN-T Inland Waterway Network of the Republic of Serbia, along the Danube and Sava rivers, which aim at increasing the capacity and improving the efficiency and the safety of the inland waterway (IWW) navigation, thus allowing for a modal shift from roads to river navigation. The preliminary components that have been identified so far, and which may still vary, are:

- a) Construction of the Bulk and General Cargo Terminal at the Port of Smederevo;
- b) River training works on the Sava river along 5 critical sectors (Ušće Drine, Sremska Mitrovica, Klenak, Šabac, Kamičak);
- c) Implementation of a network of hydrometeorological stations along the Danube and Sava rivers;
- d) Implementation of VTS and voice VHF systems (AtoNs) along the Danube and Sava rivers;
- e) Rehabilitation of the river locks at Iron Gate I (Serbia-Romania border, at the Danube river);
- f) Removal of sunken WWII vessel wrecks from the fairway of the Danube river in the vicinity of the Port of Prahovo;
- g) Rehabilitation of the river locks at Iron Gate II (Serbia-Romania border, at the Danube river);
- h) River training and dredging works on the Danube river – Serbia/Croatia common stretch;

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.

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Environmental Assessment

Legal framework and capacity of the Promoter

All the schemes of the project will be located in Serbia, an EU candidate country, currently in the process of alignment with the EU acquis.

A Project Implementation Unit (PIU) is expected to be established by the Promoter within its organisation and with financial support of the EIB through a Grant. The PIU will receive assistance by consultants with international experience, including, among other, support in relation with the environmental aspects of the project implementation. The Bank has a long-standing relationship with the Promoter although this will be the first operation in the field of IWW infrastructure.

Strategic environmental assessment (SEA)

The project is aligned with the Development Strategy on Waterborne Transport for the Republic of Serbia 2015-2025 for which a Strategic Environmental Assessment procedure, and a consultation procedure under art. 10 of the Protocol on Strategic Environmental Assessment to the Convention on Environmental Impact Assessment in a transboundary impact was conducted and finalised in November 2014.

Environmental impact assessment (EIA)

The preliminary schemes may fall under Annex I or Annex II of the Directive 2014/52/EU amending the Directive 2011/92/EU on the assessment of the effects of certain public and private projects on environment (EIA Directive). The Promoter will be requested to provide the corresponding ESIA Report or screening decision for each of the proposed schemes. In addition, the project falls under the requirements of the Convention on Environmental Impact Assessment in a transboundary impact (Espoo Convention) to which Serbia is Party. Therefore, for these schemes a transboundary consultation procedure is either completed or ongoing.

Although the full extent of the residual impacts is not known at the current stage, given the type and scale of the investment, these are expected to be moderate.

The negative impacts during construction may relate to temporary land occupation, interruption of water flow and ecological continuity in some sections of the river and fragmentation of fish habitats; general water quality decrease due to turbidity, accidental spills and flow reduction in some sections; increase in dust, particles and noise emissions into the atmosphere during construction activities and material transportation; general reduction of the ecological quality of the site by destabilization of the riverbed and banks and other impacts in existing fauna and flora. The full extent of impacts is to be assessed during the ESIA and permitting procedures.

During operation, the negative impacts may relate to changes in the hydrological regime (water flow and sedimentation); changes and fragmentation of the river ecological system, both in the riverbed and banks, making fish migration more difficult and affecting existing fauna and flora; and farming land occupation and landscape change. Eutrophication and sedimentation interruption impacts could also occur. On the contrary, some positive impacts during operation are also expected. These are likely to be related to the reduction of fossil fuels consumption and associated gas emissions due to the expected modal shift from road transport to IWW and the increase of vessels size.

The mitigation measures applicable to the different schemes will be identified in the ESIA studies required.

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The identified measures to mitigate the environmental impact of the different schemes will be included as works' contract conditions and enforced by qualified third party supervision consultants.

The Promoter will be required by the Bank to provide complete ESIA studies, in line with the applicable legislation and the EIB E&S Guidelines and Standards, prior to allocation of the different schemes of the FL.

Location and impacts on protected areas

It is a requirement that all schemes must be implemented in compliance with EU environmental legislation. In particular, should any of such schemes have a potential impact on protected areas, the Bank would require the Promoter to act according to the provisions of the Habitats and Birds Directives. Such compliance will be required prior to allocation of each of the schemes within the FL.

Climate Vulnerability Assessment

According to the information provided by the Promoter, the project may be vulnerable to climate change. However, this needs to be assessed more in detail prior to the allocation of the different schemes, via their respective ESIA's. The impacts that climate change may have on the schemes themselves — and the extent to which the project will be able to adapt to possible changes in the climate over the course of its lifetime will be addressed as part of the ESIA studies to be conducted prior to scheme allocation.

Water Framework Directive

Compliance of each scheme with the provisions of the Water Framework Directive (Directive 2000/60/EC), where relevant, will also be verified by the Bank's Services at allocation of each of the schemes.

Social Assessment

Due to the nature of the works to be financed, which mainly concern the rehabilitation and upgrade of existing fluvial infrastructure, in principle, no major social impacts are foreseen. The Promoter has confirmed to the Bank's Services that no resettlement as a consequence of this project will take place, voluntary or involuntary, and that no restriction of access to natural resources is expected. However, the Bank will verify that no social impacts exist for each of the schemes prior to allocation and will require the Promoter to provide Resettlement Action Plans or Livelihood Restoration Plans, as needed.

All major construction projects entail a certain risk of occupational health and safety accidents if adequate measures are not implemented by all project stakeholders. As such, the Promoter will be required to count on the support of experts in occupational health and safety within the Project Implementation Unit in order to monitor full compliance with all applicable legislation and industry's best practices.

Public Consultation and Stakeholder Engagement

Public consultation was conducted as part of the aforementioned SEA process in December 2014.

Furthermore, the ESIA's being developed or to be developed will take into consideration the applicable requirements of the EIA Directive in terms of public consultation and stakeholder engagement. The results of the public consultation will be incorporated into the ESIA documents, which will be published in the Bank's Public Register.

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Other Environmental and Social Aspects

Specific E&S monitoring arrangements will be reviewed during the subsequent appraisal of individual schemes and reported in their respective individual ESDS.

Conclusions and Recommendations

The preliminary assessment demonstrates that although the Promoter's capacity to manage environmental and social issues seems adequate to the Bank's Services, the characteristics of the investment plan and the potential need to implement several schemes in parallel with limited resources may compromise such capacity. In addition, the schemes are expected to have medium residual impacts and entail low to moderate risks. As such, no delegation of the verification of the environmental, climate and social compliance of the schemes will be granted to the Promoter. The Bank's Services will therefore require that the Project Implementation Unit to be established will count on the support of specialists in the field of E&S as well as occupational health and safety matters.

The Promoter will be required by the Bank to provide complete evidence, in line with the applicable legislation and the EIB E&S Guidelines and Standards, prior to allocation of the different schemes, which may include: (i) a copy of the full ESIA, as well as the NTS, or a decision screening out the scheme issued by the Competent Authority, as appropriate; (ii) a signed declaration from the Competent Authority for Nature Conservation on the assessment carried out under the EU Habitats and Birds Directives or equivalent; (iii) a Climate Vulnerability Risk Assessment, where relevant; (iv) an assessment under the EU Water Framework Directive (2000/60/EC), if applicable; (v) Relevant Espoo Notifications; and, if applicable, (vi) the final version of the relevant Resettlement Action Plan/Livelihood Restoration Plan, to the satisfaction of the Bank, and endorsed by the Promoter.

Additionally, the following will apply:

- The Promoter will provide satisfactory evidence to the Bank's Services that:
 - a) the Project Implementation Unit (PIU) is in place with staff, resources and competencies acceptable to the Bank following the submission of the list of key staff to the Bank;
 - b) the PIU includes environmental, occupational health and safety, procurement and/or other experts, as required, satisfactory to the Bank.
- The Promoter shall promptly inform the Bank of any changes occurring with regards to the Project Implementation Unit;
- The Promoter shall ensure that adequate environmental and social management plans, defined according to the legal requirements and related documents, are implemented and monitored during the construction of the different schemes, namely in what refers to waste management and occupational health and safety. The Promoter will promptly notify the Bank of any related unexpected accident or incident during the construction of the project;
- The Promoter shall keep updated and available all relevant documents, such as documents supporting compliance with EU Environmental Directives, and any other information to be promptly provided to the Bank upon request (with reference to the commitment in the EIB's public disclosure policy on responses to external enquiries);
- The Promoter shall take into consideration the potential cross-border effects of any of the schemes proposed;

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- The Promoter shall ensure that, for schemes requiring an ESIA, the ESIA, including the Non-Technical Summaries (NTSs) are made available to the public; and
- The Promoter shall not commit any EIB funds against schemes that require an ESIA and/or biodiversity assessment according to the applicable Directives and national law, without, prior to commitment, receiving the consent from the Competent Authority, and the ESIA, including NTS, having been made available to the Public.

Under the above conditions and undertakings being met, the project is acceptable for EIB financing.