

**Public**

## Environmental and Social Data Sheet

### Overview

Project Name:	Agria Grain Port Terminal
Project Number:	2017-0928
Country:	Bulgaria
Project Description:	<p>The project consists of the construction of a new port facility in the vicinity of the Port of Varna for the storage, handling and export of grain, vegetable oils and sunflower meals in the area of Beloslav, Bulgaria.</p> <p>The new facility will mainly be used for the storage and exporting operations of the Promoter's produce, but will also service similar operations for other producers and exporters in the region. The main project components include dredging works, the construction of a new quay wall and operational area, six grain silos, a pump station and pipe transportation for loading liquid cargos, an administration building, connections to the road and rail network and a ship loader and other operational port equipment.</p>
EIA required:	yes
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

The project concerns investment in a new port facility for the storage, handling and export of grain, vegetable oils and sunflower meals in Beloslav in Varna, Bulgaria. The project will be developed in the vicinity of the existing facilities of the Port of Varna.

The Promoter is a privately owned company engaged in agribusiness in north-eastern Bulgaria (incl. including cultivation of agricultural land), processing of grain and vegetable oils and trade/export operations. A Project Implementation Unit (PIU) is expected to be established by the Promoter within its organisation. The PIU will receive assistance from consultants with international experience, including, among other, support in relation with the environmental aspects of the project implementation.

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<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.

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### Strategic environmental assessment (SEA)

The Bulgarian Ministry of Transport issued a decision confirming that the project is aligned with the Bulgarian General Transport Master Plan<sup>2</sup>, which was subject to a Strategic Environmental Assessment procedure in 2009 – 2010 and for which a SEA Decision was issued by the Ministry of Environment and Waters on 12.03.2010. The General Transport Master Plan was updated in 2014, for which an SEA screen out decision was issued in December 2014.

### Environmental impact assessment (EIA)

The project falls under Annex I of the EU EIA Directive 2011/92/EU, except from the railway and road network connection components that fall under Annex II of the EU EIA Directive 2014/52/EU and are therefore subject to a case by case determination on the need for an EIA assessment by the relevant competent authority.

A full EIA for the project under Annex I of the Directive was carried out by the Promoter in July 2017 and included a public consultation held in January 2018. The EIA was approved by the Bulgarian Ministry of Environment and Water, which issued the relevant decision in February 2018<sup>3</sup>.

The Promoter will also be submitting a request to the competent authorities for the determination on the need for an EIA assessment of the project components falling under Annex II of the EU EIA after approval of the project Master Plan.

### Main environmental impacts

The project consists of the construction of a new quay wall and operational area, dredging works, six grain silos, an administration building, a pump station and pipe transportation for loading liquid cargos, connections to the road and rail network, ship loader and other operational port equipment. All works will be carried out within the existing port boundaries, with the exception of the road and rail network connections.

The project works are expected to cause temporary inconveniences during the construction phase, such as air pollutant emissions, underwater and airborne noise and vibrations, increased water turbidity, pollution through suspension of fine sediments and accidental spills. The dredging works and the related deposit of dredged materials during construction are expected to have a relatively significant impact on surface waters, however according to the EIA this will be local and temporary. Moreover, dredging works are expected to result in a direct loss of marine habitats, however according to the EIA recovery is expected within two to three years.

The environmental decision on the EIA stipulates the required monitoring and mitigation methodology requirements in relation to various components, including air quality, water quality, biodiversity, noise, pollution and habitats and species before, during and after the works and to address potential negative impacts.

Moreover, with regards to dredging activities the decision requires that the Promoter shall prepare a detailed Dredging Management Plan, including monitoring and mitigation methodology, and submit this to the competent authorities for approval.

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<sup>2</sup> Republic of Bulgaria, Ministry of Transport, Information Technology and Communications, Decision No. 08.453/03.10.2016

<sup>3</sup> Republic of Bulgaria, Ministry of Environment and Water, 'Decision on Environmental Impact Assessment No. BA – 2/2018'

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Provided that the monitoring and mitigation methodology will be carried out by the Promoter in accordance with the above documents, the Project's environmental risks can be considered acceptable with minor negative residual impacts.

#### Biodiversity issues

The project falls within the borders of the BG000191 Lake Varna-Beroslav Special Protection Area (SPA), for the protection of wild birds. An appropriate assessment of the level of impact of the project and its compatibility with the objectives and goals of the conservation of the protected area was performed by the Promoter as an appendix to the EIA.

According to the assessment and relevant decision BA-2/2018 of the Bulgarian Ministry of Environment and Water, the project is not likely to have any significant negative impact on the protected area. However, the EIA decision issues conditions to avoid and prevent any adverse effects that have to be implemented by the Promoter during construction and operation of the project.

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

Consultations with the project stakeholders and the public were held in the course of EIA preparation. Public access to the EIA documentation was provided for a minimum of 30 days and a meeting for public discussion was held in January 2018 in Beloslav Municipality.

As part of the public discussion there were no registered written objections and statements with the Ministry of the Environment and Waters (RIEW – Varna) regarding the EIA and the project.

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

The Project will have positive effects on employment in a region with relatively high unemployment rates.

### **Conclusions and Recommendations**

The Bank will condition the first disbursement on the following:

- (i) Delivery of the environmental decision from the competent authority on the railway and road connection components, taking into account any cumulative effects with the port facility, including if required a copy of the full EIA performed for these.
- (ii) Delivery of the final approved Dredging Management Plan for the project and the relevant decision by the competent authority.
- (iii) Delivery of the final version of the Environmental and Social Management Plan (ESMP) to the satisfaction of the Bank incorporating all recommendations and mitigation measures identified in the approved EIA and the corresponding environmental permits.
- (iv) Delivery of documentary evidence issued by the competent authority that the final project approval has been issued.



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The Promoter shall undertake to:

- (v) Implement the mitigation and monitoring methodology in accordance with the Project's environmental authorisations and subject to any further modifications that may be identified during the following project stages.

Subject to the above conditions and undertakings being met, the project is acceptable for EIB financing in environmental and social terms.