

Environmental and Social Data Sheet

Overview

Project Name:	E-80 HIGHWAY NIS-MERDARE PHASE I
Project Number:	20170258
Country:	Serbia
Project Description:	Construction of 32 km of highway as a first part of the phased construction of the whole missing link between Nis and the border with Kosovo* at Merdare.
EIA required:	Yes
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

The project concerns the construction of approximately 32 km of highway from the existing junction between the A1 motorway and E80 highway at Merosina south of Nis and the community of Beloljin west of Prokuplje. The works comprise: (i) construction of a second carriageway and reconstruction of the existing carriageway for about 5.2 km between junction Merosina and Merosina 1 (dual two lane once complete); and (ii) construction of about 27 km of new single carriageway highway between junction Merosina 1 and Beloljin forming a northern bypass of Prokuplje. The single carriageway works will be designed and built with passive provision to allow for future upgrading of the highway to full 2 x 2 Trans European Motorway standard when traffic demand requires.

The project is situated in partly rolling, partly hilly terrain in south-west Serbia. The route crosses mostly arable land, unused/uncultivated land, limited forests and meadows plus some existing and potential settlements.

The project is consistent with the Serbian Spatial Plan which was subject of a strategic environmental assessment in line with the SEA Directive 2001/42/EC.

If the project was located in a Member State it would fall within Annex I of the EU Directive 2011/92/EU, as amended. Hence, an Environmental Impact Assessment (EIA) procedure would be required. A regulatory EIA is also required under applicable national law which is being aligned with the EU Acquis. In 2016, the Promoter commenced a full EIA procedure, commissioning an Environmental and Social Impact Assessment (ESIA) report for which the draft was completed in December 2017. The ESIA considered the full 2 x 2 footprint for the 39km between Merosina and Plocnik several kilometres further west from Beloljin. The ESIA has been disclosed on the Promoter's website. The ESIA report is to be subject to a final round of disclosure and public consultation prior to approval by the Competent Authority for the environment, expected by the end of Q4 2018. The Authority's final approval will be a condition for disbursement for the works.

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.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

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Various alignment and phasing options were explored during the planning process in 2015. The options were assessed on a multi criteria basis (economic, environmental, social, cultural and technical). The selected alignment, inter alia, offers reduced social and environmental impacts overall.

The main residual negative environmental impacts of the project are: (i) conversion of about 400 ha of mostly agricultural land; (ii) visual intrusion, especially due to some required high cuts which will be visible from certain receptors; (iii) an increase in noise and vibration levels for a limited number of receptors; (iv) landscape severance; and (v) involuntary resettlement.

Various mitigation measures such as drainage and primary treatment of runoff, landscaping and the installation of noise barriers, fencing and ecological underpasses have been recommended in the ESIA and are expected to be prescribed as part of the Environmental Decision and then included in the final design being prepared by the Promoter. A draft Environmental & Social Management Plan (ESMP) has been prepared and a final version will form part of the works specifications to be implemented by contractors.

The project crosses for several hundred metres the Important Plant Area (IPA) Lalinacke Slatine. The Competent Authority for Nature Conservation had earlier given an opinion that the plant species in the affected portion of the protected zone are widespread across Serbia and there is no particular negative impact from the proposed project. Nevertheless, the route will be built in a cut & cover tunnel across this section of the alignment. There are a number of other natural habitats which will require careful management during construction. The ESIA report concludes that the project is unlikely to have a significant negative impact on sensitive or protected areas or species. This opinion is to be confirmed by the Competent Authority for Nature Conservation prior to disbursement (Form A/B equivalent).

In the vicinity of the project, over the past three decades, average mean temperatures and variability of precipitation have been increasing whilst the number of days of ice has decreased. The project was subject to a climate change adaptation assessment and various measures (e.g. design of cross drainage and earthworks) have been proposed, particularly in the Toplica River valley which is prone to torrential flooding.

The Promoter will be required to ensure that the findings of a road safety audit, with content and methodology consistent with the principles of the Road Safety Directive 2008/96/EC, have been duly incorporated into the final design of the works.

The project is expected to have positive environmental impacts for the communities living alongside the existing E80 highway, especially in the town of Prokuplje, whose residents currently suffer high levels of noise, vibration, severance, local pollution and accident risk from the long distance traffic passing through. The project is expected to remove a significant portion of this traffic from these settlements and thereby improve their local environment.

Social Assessment

The main adverse social impact is related to involuntary resettlement. The project entails the permanent acquisition of about 400 ha of land and some additional land on a temporary basis during construction. The majority of the land is either agricultural or unused. However, about 60 residential structures will need to be physically displaced. A complete assessment of land acquisition and resettlement will be known once the detailed design is complete later in 2019. All attempts have and will be made during preparation to minimize land acquisition, resettlement and adverse impacts on people in the project area through careful localised engineering design.

The Promoter has prepared a Resettlement Policy Framework, specifying the principles, entitlements and implementation mechanisms and consistent with national law and EIB

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requirements. The RPF has been disclosed on the website of the Promoter and EIB and is subject to a final round of feedback from concerned parties.

Before disbursement for works, the Promoter will prepare a Resettlement Action Plan or Plans (RAP), consistent with the RPF, which will include a census of all the project-affected people (PAP) and will ensure all PAPs will improve or, at least, have restored their pre-project level livelihood. The RAP will be prepared concurrently with detailed designs and implemented in a manner consistent with the handover of site to works' contractors. Loan disbursement for works will be conditioned on implementation of the RAP(s) to a schedule agreed with the Bank.

The RAP is expected to be developed in consultation with all PAPs to ensure acceptance of the proposed mitigation measures and facilitate the involuntary resettlement process.

To avoid any disproportionate negative livelihood impacts on vulnerable groups, any vulnerable households identified during the preparation of the RAP will receive additional livelihood restoration measures.

There are no cultural assets that lie in the vicinity of the corridor of impact.

In accordance with national law on labour standards and ILO obligations ratified by Serbia, the works contracts will comply with ILO core labour standards. Contractors shall ensure occupational and community health and safety as part of their obligations under their works contracts.

Public Consultation and Stakeholder Engagement

Public consultation has been undertaken during the scoping and assessment phases of the regulatory EIA procedure which commenced in 2016. All the main findings, concerns and recommendations provided by the various stakeholders during the scoping meetings were taken into consideration in the scoping assessment. A further round of consultation, including formal public hearings in August 2018, takes place during Q3 2018. This round meets national law and IFI requirements and will be closed prior to the Environmental Consent being issued by the Competent Authority.

A Stakeholder Engagement Plan has been prepared and published on the Promoter website.

Other Environmental and Social Aspects

An independent supervising engineer, with adequate environmental and social staff, will supervise the implementation of the ESMP and RAP as well as support the delivery of the Stakeholder Engagement Plan. There will also be a third party audit of the results of the RAP after it has been implemented.

Conclusions and Recommendations

As the regulatory procedure is yet to be concluded, a number of requirements are to be met prior to any disbursement of the EIB loan for works, namely:

- (i) the Competent Authority for the Environment has issued his positive decision;
- (ii) the Competent Authority for Nature Conservation has issued his opinion (Form A/B equivalent);
- (iii) finalization of the RAP(s);
- (iv) implementation of the RAP(s) agreed with the Bank, in accordance with its respective schedule; and
- (v) establishment of the supervising engineer's team with staff and terms of reference agreed with the Bank.



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The Promoter will also be required to implement the project in accordance with an agreed Environmental and Social Management Plan as well as the agreed Resettlement Action Plan(s).

Given the conditions and assurances to be put in place outlined above, the project is acceptable for EIB financing in environmental and social terms.