

Environmental and Social Data Sheet

Overview

Project Name:	<i>EUROPEAN ROADS UKRAINE III</i>
Project Number:	<i>2018-0239</i>
Country:	<i>Ukraine</i>
Project Description:	<i>Framework loan for the financing of (i) the construction of Lviv Northern bypass and (ii) the rehabilitation of sections of M-05 in Cherkasy, Kirovohrad, Mykolaiv and Odesa regions.</i>
EIA required:	<i>Yes. Multi scheme project. Some of the schemes may require an EIA and will be reviewed at allocation by the Bank.</i>

Project included in Carbon Footprint Exercise¹: *Multi scheme project. Will be assessed at scheme allocation stage.*

Environmental and Social Assessment

Environmental Assessment

Compliance with applicable Environmental Legislation: The project schemes will be designed to reduce the negative environmental impacts of transportation in line with the environmental acquis (Annexes XXX and XXXI to Chapter 6) of the Ukraine–European Union Association Agreement. Through this agreement, the Ukraine has undertaken to align its environmental legislation and regulations with specific EU legislation within 2 to 8 years of its entry into force. The schemes to be financed under this framework loan will be implemented in accordance to EIBs social and environmental standards.

Project component for the new construction of Lviv Northern bypass requires full EIA. The environmental impact assessment procedure (hereinafter - the EIA) of the object "Construction of the northern section of the bypass road in Lviv city, Lviv region" was initiated by the Lviv Regional Road Service on 21 March 2019 by publishing a notice of the planned activity (registration number in the Unified Registry for Environmental Impact Assessment (20193203135/9508).

The notice of the planned activity was published in the Lviv region newspaper "Vidrodzhennya", the newspaper of the Yavoriv district of the Lviv region "Yavorivsky holos plus" and also placed on the noticeboards in Birkivska local council of Yavorivsky district, Hryadivska, Zaskkivska and Nadychivska, Dublyanska local councils of Zhovkivsky district, Zapytivska local council of Kamyanka-Buzky district as well as Yavorivsky, Zhovkivsky, Kamyanka-Buzky district state administrations of Lviv region.

At the stage of appraisal, the public discussions of the notice of planned activity and preparation of the EIA report were ongoing. The Promoter is expecting to obtain an EIA Decision during Q3 of 2019. This will be further checked during the scheme allocation.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

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Regarding the schemes that include reconstruction or rehabilitation elements along the existing road alignment, it is expected that, depending of the scope, these would fall either under Annex I, Annex II (i.e. be subject to screening by the Competent Authority) or outside the scope of the Directive 2011/92/EU as amended by 2014/52/EU. Ex-ante approval of the allocation of schemes will be required to ensure compliance with the Bank's environmental and social standards including those on the protection of sites of nature conservation, if and where applicable. This will be assessed at an individual scheme level. For the schemes falling under the scope of the EIA Directive, relevant information and compliance with the directive will be checked before approving finance allocation. In particular, screening decisions from local Competent Authorities will be required by the Bank prior to disbursement. The Bank will require the Promoter to make the Non-Technical Summary (NTS) of the EIAs available to the public through publication on its website and for reporting to the EIB.

The project is not likely to have any negative impacts on nature conservation areas, as schemes are located in a consolidated urban environment and on the existing main roads of the country. Nevertheless, compliance with the Birds and Habitats Directives will be further checked during appraisal of individual schemes during the implementation of the project and before allocating finance to the schemes.

Promoter's E&S capacity: Capacity of the Promoter in terms of environmental and social issues, as well as its capacity to implement projects according to EIB environmental and social standards, as experienced during the existing operations, is satisfactory. Promoter is familiar with the IFIs requirements and so far has followed the procedures appropriately.

Framework loans are not covered by the EIB Carbon Footprint Exercise. The climate change benefits, if relevant, will be quantified in the appraisal for each scheme at allocation. It might be expected that the project will contribute to a positive reduction in road transport related GHG emissions due to improved efficiency and decongestion of the road network. 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

Overall, the project is expected to have a positive impact on the living conditions of Lviv city inhabitants as well as transit traffic passing through Lviv. All users of M-05 road section, subject to reconstruction, will benefit from safer road infrastructure. It might be expected that the number of traffic accidents, including the ones with lethal consequences will be significantly reduced. Traffic safety measures will create not only safer driving conditions and operating cost savings, but also better protection of vulnerable road users. Grade separated interchanges and pedestrian crossings are an important component of the foreseen works.

On basis of the information provided to the Bank at this stage, the potential schemes are not likely to have significant negative social impacts, although some land acquisition is expected.

In implementing the M-05 Kyiv-Odesa road project the intervention will be kept as much as possible to the existing right of way, which reduces potential impacts to a minimum. Nevertheless, it might the case that certain land expropriation will be necessary in the places of new grade separated interchanges.

For Lviv bypass, the land reservation has already been done. Although most of the reserved land (approximately 210 ha) is in state property, there are 52 land plots (approximately 10.5 ha) which are owned by private owners and, according to the design, there are nine houses which will need to be demolished.

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The Promoter has drafted and submitted to the Bank a “Resettlement Policy Framework” (RPF) which at a time of appraisal is being disclosed for public consultations. The RPF objective is to identify strategies, principles, institutional mechanisms, legislative framework and procedures for resettlement or alienation of assets under the Project implementation, as well as to set forth the framework for the preparation of Resettlement Action Plans, should any be required in the course of the Project implementation. The draft RPF was elaborated by Ukravtodor and its final version will be done with due consideration of the findings obtained during public consultations held with the different stakeholders. The final RPF version will be published on the official websites of the Bank and Ukravtodor and in official information resources of the respective Regional administrations on whose territories the Project will be implemented.

Before each scheme allocation, the need to follow the RPF with a Resettlement Action Plan (RAP) will be access. The RAPs will include a census of all the project-affected persons and will ensure all project affected people 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.

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

In accordance with national law on labour standards and ILO obligations ratified by Ukraine (Ukraine ratified all ILO fundamental conventions), the works contracts of each scheme will comply with ILO core labour standards. Contractors shall ensure occupational and community health & safety as part of their works contracts.

Conclusions and Recommendations

Given that detailed information on the schemes to be financed under the framework loan is not available at this stage, environmental aspects will be checked at scheme allocation stage and the Bank will require the Promoter to comply with the Bank’s environmental and social standards.

Prior to allocating financing to a scheme entailing new construction the Promoter should submit to the Bank for the new construction of Lviv bypass component:

- A copy of the EIA report, including a non-technical summary, satisfactory to the Bank;
- The Environmental Permit issued by the relevant Competent Authorities in Ukraine, and should this be the case, a relevant Ecological Permit or Habitats Form stating the significance of impact of the project on protected areas (similar to the requirement of Form A or B within the EU);
- Final version of the Environmental and Social Management Plan (ESMP), including a Stakeholder Engagement Plan (SEP), to the satisfaction of the Bank;
- Final version of the RAP to the satisfaction of the Bank in accordance with the approved RPF.

For schemes on M-05 road aimed at capital repairs and upgrading along the same alignment, prior to first disbursement against each such scheme, Promoter needs to submit a screening document (decision of the Competent Authority) which states whether a full EIA is required or not. If not required, the screening document is sufficient together with ESMP and RAP (in case of resettlement). If screening results in the need for a full EIA then the same conditions mentioned above for new construction of Lviv bypass will apply.



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Overall anticipated environmental and social impacts of the operation are deemed positive. Minor negative (temporary) impacts during the construction will be offset by considerable social, spatial and environmental benefits of improving efficiency and safety of infrastructure. (improved road traffic efficiency and safety, reduced GHG emissions).

Considering the above, the project is acceptable for EIB financing from an environmental point of view.