Luxembourg, 07/02/2014

Environmental and Social Data Sheet

Overview

<table>
<thead>
<tr>
<th>Project Name:</th>
<th>OPTIM MOSTY U JABL-CESKY TESIN LINE</th>
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<tbody>
<tr>
<td>Project Number:</td>
<td>2011-0586</td>
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<tr>
<td>Country:</td>
<td>Czech Republic</td>
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<tr>
<td>Project Description:</td>
<td>Modernisation and optimisation of 30.8km long railway line Mosty u Jablunkova - Bystrice nad Olsi - Cesky Tesin.</td>
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EIA required: yes
Project included in Carbon Footprint Exercise¹: no

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The project is part of 2007-2013 Operational Programme Transport (OPT) for the Czech Republic. The assessment of the environmental effects of the OPT was carried out in accordance with the SEA Directive, and its outcome included key conditions for the approval, gave environmental indicators and provided a general monitoring system for individual projects.

The project falls under Annex II of EIA Directive and was screened in by the Competent Authority. An EIA was done for the railway section between Dětmarovice and Mosty u Jablunkova/state border, which includes the project. A positive EIA Decision was issued on 28/06/2004. The EIA process was executed in accordance with the applicable legislation – Act 100/2001 Coll. on the Environmental Impact Assessment as amended by Act No. 93/2004 Coll. No update of the EIA was required before start of works in 2009, as confirmed by the Competent Authority, in this case the Ministry of the Environment of the Czech Republic, in a statement issued in august 2007. The Competent Authority also confirmed that the project has no impact on Nature Conservation areas.

The project will make rail transport more attractive and better positioned to face modal competition from road, and thus contribute to reduce the environmental impacts of interurban transport. The main adverse effects during the construction period will materialise in a higher noise level, air pollution, generation of waste, and potential water pollution in the closest surroundings of the project area. Effective mitigation measures have been proposed. Overall, the project is acceptable from an environmental perspective.

Environmental and Social Assessment

Environmental Assessment

The project is located in the Eastern part of the Czech Republic between the Slovak Republic State Border and the city of Český Tešín. The project comprises the complete reconstruction of the superstructure and substructure, including new overhead catenary and traction power systems; the reconstruction of railway stations and stops; a significant correction of the alignment in 4 different locations as well as the (re)construction of several bridges and tunnels.

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.
Due diligence on the environmental compliance has been based on the documents provided by the promoter as part of the application to the European Commission to acquire EU funding for the project. In addition, the Bank services met with the promoter and did a site visit in November 2012. Previous experience with the promoter in terms of environmental compliance has been satisfactory.

The project falls under Annex II of EIA Directive and was screened in by the Competent Authority. An EIA was started on 27/05/2002 that encompassed besides the project also the adjacent railway section from Český Těšín to Dětmarovice. During the EIA, three main alternatives were investigated and compared, which mainly differed in terms of costs and travel time savings. Also the need for each re-alignment was examined. The EIA Report prepared by a certified expert was submitted on 22/01/2004 and a so-called Expert Opinion on the documentation prepared by a different certified expert was submitted on 12/02/2004. The EIA Statement/Decision for the entire project “Optimisation of the railway line Dětmarovice–Mosty u Jablunkova, state border” was issued on 28/06/2004. The Statement of the Ministry of the Environment of the Czech Republic, stating that a new EIA was not necessary, was issued on 22/08/2007.

The Environmental Impact Assessment process continued within the planning permission procedure and eventually the building permit procedure. The Building Permit was issued by the Rail Authority, Construction Section, Olomouc district on 31 August 2007 for the section Mosty u Jablunkova–Bystřice nad Oliší and on 29 January 2009 for the section Bystřice nad Oliší – Český Těšín. The building permit included mitigation measures, for example anti-noise provisions (construction of anti-noise screens and implementation of individual anti-noise measures), culverts and bridge designs (requirement of the nature protection authorities to design the under-bridge area, width etc.), planting of trees and plants as a compensatory measure.

Three Natura 2000 sites were considered in a preliminary assessment: SCI Olše CZ0813516 located in the vicinity of the railway track at km. 308.174 (the track runs parallel to the border of the area for 600 m) plus the SCI Beskydy CZ072409 and SPA Beskydy CZ0811022 found at a minimum distance of 2.3 km from the railway track. The Screening Report came to the conclusion that in case of the SCI and SPA Beskydy, the project is not expected to have any negative impact due to the sufficient distance. In case of the SCI Olše, the project will adversely affect the noise level and the air quality (increased dust emissions) particularly during construction. However, it is mentioned that since the railway track has been operated for decades, there will be no marked change if compared with the current state. The report proposed a number of 14 mitigation measures which have been considered both in the project design and in the conditions imposed by the Building Permit for project realisation. Based on the Screening Report, the Ministry of Environment, Dept. of International Conservation of Biodiversity, issued the Natura 2000 Declaration on 9 October 2007 for the section Mosty u Jablunkova – Bystřice nad Oliší and on 23 October 2008 for the section Bystřice nad Oliší – Český Těšín.

The project is a reconstruction of the existing line, so the current track-bed construction, structures and railway footprint are used as much as possible. The Project requires only limited land acquisition.

Public hearing on the EIA documentation took place as a part of EIA process. Relevant authorities responsible for nature protection and general public also participated in all negotiations during proceedings concerning planning permission and building permit (specified in the building act as amended). Institutions of proceedings were announced in public declarations. The proceedings were open for opinions of relevant authorities, objections of participants and comments of general public.