



NGO Coalition for sustainable use of EU funds in Bulgaria

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NGO comments on Bulgarian Operational Program Transport and the list of transport priority projects for the period 2007-2013

I. General overview

We, the undersigned NGOs, welcome that for the first time the analytical part of the Operational Program on Transport (OPT)¹ takes account of the environmental impact of the transport modes. We appreciate that the assessment of the current situation of the transport modes clearly highlights the problem with the continuous growth of the freight and passenger road transport on account of the drastic drop in the use of railway and public transport. We completely agree that development of the sustainable transport sector should be an overall goal of the OPT.

However, we see a big gap between the specific goals and selected operational priorities. The gap becomes even bigger when we compare the list of indicative projects and priority for 2007-2013 and the specific goals and the overall goal. The proposed operational priorities together with the money allocations and the list of priority projects will not lead to a reverse in the already existing dangerous trends and will not move the country towards a transport system that is able to support the sustainable development of Bulgaria.

Analysis of the current situation gives the impression that in order for the Bulgarian transport sector to be put on a sustainable track the majority of the state and EU funds in the near future should be used for development of the competitive railway transport, intermodal infrastructure and public transport. The railway transport and public sector has suffered from chronic under investment in the last 12-13 years. Additionally, the railway transport bore the biggest damages from the flooding in the country in 2005 that accounted for more than EUR 1 billion.

During the last ten years 1996-2006 the majority of transport investments via the EU funds (ISPA and Phare programs), European Investment Bank (EIB) loans and budget resources were directed toward transport infrastructure development along the TEN-T. The EIB provided in that period loans for around EUR 1 billion for TEN-T infrastructure, where the road projects are more than 70%. The ISPA funds were more balanced on the modes with similar amounts invested in rail and road projects², but again the main focus was infrastructure and TEN-T. The PHARE program additionally provided more than EUR 150 millions for construction works and technical assistance for projects along TEN-T.

Unfortunately, for the period 2007-2013 again 50% of the EU funds (CF and ERDF – p.129 from the OPT) and even bigger percentage from the state budget will be used for the development of the road network and predominantly for motorway construction.

A closer look at the transport sector allocations shows even better the continuation of the trend to support predominantly road projects. According to the last version of the indicative list of the priority projects from the Annex of the OPT (February) in the period 2007-2013 EUR 805 million from the Cohesion fund will go for road projects, while for railway EUR 505 million. The total amount of

¹ OP Transport submitted to Brussels on 05.03.2007

² EUR 169 million for railway projects, EUR 144 million for road projects, EUR 75 million for second bridge on Danube and EUR 45 million for Sofia airport extension

transport investments listed in OPT for the period³ (EU funds, state budget, private) for both sectors are even more outspoken for the government priority – EUR 3 273 million for roads and about half of this amount for railways – EUR 1 795 million. This means that indicatively 66% from the Cohesion fund and 64% from transport investments are planned to be spent on road transport. *(please see the attached table that reports all the data for the transport investments mentioned in the OPT for the period 2007-2013).*

To these figures should be added:

- the amount to be invested by the state for completion of the Hemus and Trakia motorways as PPP projects and;
- EUR 229 million from OP Regional Development for maintenance of the 2nd and 3rd class roads.

For the development of the sustainable transport system in the country and reversing of the current dangerous trends of predominant use of road transport there is need for new approach in the transport investment. We consider that more than 75%⁴ of all transport fundings should be allocated for:

- Public urban transport system;
- Integrated regional and suburban public transport systems
- Railways (infrastructure and passenger rolling stock)
- Intermodal infrastructure for shifting freight from road to rail
- Bicycle lanes and paths
- Traffic management systems

II. Comments on the background assessment of the transport sector in Bulgaria

The operational programme gives relatively good background information for transport modes and the problems relating to transport in Bulgaria. It should be admitted that the level of statistical information is relatively higher than the other types of publicly available transport policy documents. However, the document is still lacking several key pieces of data and observations:

- **Comprehensive assessment of the transport sector in general.**

The document lacks comparative analyses of the different transport modes and trends of development. The simplest example is the fact that there is no simple table that compares the data for the rail, road, air and water transport development in the recent years. There is no graph that clearly states the share of the different transport modes in the passenger and freight transport. There are a lot of data within the different chapters of the document that give information on the number of passengers and goods carried by the different transport modes, infrastructure and type of transport needs, but the information is not presented in a way which could enable comparison between the modes' development and trends. Often such comparisons are even impossible as the information used is not comparable for different transport modes. For example there is data for the number of passengers carried by the railway sector (Table 1 on p.17), but there is no information about the number of trains and destinations currently operated by BDZ. At the same time the road chapter gives only a figure for the decrease in passengers using road transport for the first three quarters of 2005 in comparison with 2004, but gives a statistic for the bus companies and number of buses (see Annex I of the OPT).

The lack of the data for the traffic flows (current and projected) and the factors that determine the transport needs of the country are also unacceptable. **This poses serious questions for the way one corridor or project was prioritised over another and if alternative models for development have been assessed.**

Another major gap in the analyses is the missing data for the benefits and costs, including external costs, of the different transport modes and the way the costs are covered by the users. For example the assessment of the railway sector mentions its benefits for the environment and social role for the

³ Total cost of projects listed in tables on p.31 and p.41, plus Phare Cross Border projects for the period and the two additional road projects added in the indicative list of priority projects for 2007-2013 in the Annex of OPT (e.g. Struma Motorway and connection of the Hemus Motorway with Sofia ring road)

⁴ EU funds for public and environment-friendly transport: Comparison of transport measures and allocations in the draft Operational Programmes of CEE countries for the 2007-2013 period <http://bankwatch.org/documents/EUfunds4Transport.pdf>

pensioners, students and isolated regions. At the same time the subsidies for the railways sector were systematically decreased in order to make it self-sustainable. In comparison the road sector benefits from the biggest part of the transport investments where the money collected from the users through the vignette system for 2005 are only EUR 70 million. An assessment of the costs generated by the different transport sectors and the state subsidies is crucial for enforcement of the EU principles of “fair competition” and “users pay”. This is especially urgent for the freight road transport, for which Bulgaria should transpose the Eurovignette Directive (2006/38/EC) adopted on 9 June 2006.

The lack of comparative environmental, social and economical analyses of the different transport modes is the missing link between the presentation of the current situation and the selected operational priorities and the list of major projects. For us these major projects are based on political decisions without clear argumentation and needs assessment.

2) Assessments of the railway sector

The operational programme pays significant attention to the fact that railway transport has been in permanent decline during the last 10-15 years. However proper analysis and conclusions based on this alarming trend are missing. Bulgaria is currently under the 35% target for railway's share of freight transport in the new member states, established in the EU White Paper. Bulgaria's passenger and freight rail transport has decreased by 3 times in the last 15 years and currently the country has one of the lowest shares of railway transport in Central and East Europe. At the same time road freight transport is growing rapidly, which means that freight transport is shifting to unsustainable transport modes. To a large extent the same conclusion is also valid for passenger transport.

The OPT states that the main problem of the railway sector is the bad condition of the infrastructure and the rolling stock. This is really a major problem and the OPT does not even present the real scale of the problem, as for example the fact that after flooding in 2005 the train between Sofia and Plovdiv (along Corridor IV) is moving with 30km/ h in some sections. Most of the regional lines are in even worst conditions. Due to the low speed of the train, old rolling stocks and bureaucratic obstacles, the transport of goods on the railway between Sofia and Thessalonica (the other branch of Corridor IV around 350 kilometres) takes more than half a day. The haulage company clearly stated that in these conditions they will continue to use the lorry transport that allows for delivery in four hours. Travellers use less and less the trains between Sofia and some of the regional centres in South Bulgaria such as Stara Zagora, Haskovo, Kardjali as the trains take the distance of 230 kilometres for minimum 4 ½ hours, while the bus transport, which is also much more frequent, covers the distance in 2 ½ - 3 hours. Using a private car for the same destinations costs even less and takes less time as there is no toll payment on the Trakia motorway (Sofia-Plovdiv-Stara Zagora). These are just a few examples showing that the situation is very complex and the improvement of the infrastructure will be not sufficient to restore market share for railway transport.

The lack of policy for railway sector development and the prioritisation of the road sector in the recent years could be overcome only by a comprehensive strategy for the development of the transport sector supported by necessary financial means. The fact that we do not see in the OPT any indication for strategy/measures/projects that will boost development of the railway sector is a warning message. The EU funds, together with the national co-financing and loans from the IFIs, represent the majority of the transport investments in the next seven years. We consider that Bulgaria should either make firm commitments to ensure additional resources for the restructuring and development of the railway sector or allocate more resources for that purpose from the EU funds.

We especially insist that in the OPT the financial needs and sources of financing for the following measures should be covered:

- development of railway transport services and their attractiveness;
- improvement of railway infrastructure along the main corridors and of the regional links with importance for regional development;
- improvement of rolling stock for freight, passenger and intermodal transport.

3) Assessment of the road sector (new motorway network and NATURA 2000)

The section on road transport clearly shows that this transport mode totally dominates the transport sector in Bulgaria. It is symptomatic that road transport is named as a promoter of economic growth without any justification and in total opposition to the EU agenda for decoupling economic growth from transport sector growth.

Especially worrying is that Bulgarian plans to build 571 km of new motorways reaching 1285 km of motorway network, that represents one of the highest amounts for East Europe. **We consider that these plans are not justified considering the statement from the OPT that Bulgaria's future is high national road density and that OPT lacks any assessment of the transport needs.** The only attempt to justify the excessive plans for motorways development is made on p.88 where is estimated that citizens will benefit from an increase of the speed of 35-40 km/h along the TEN-T corridors IV,VIII, IX, which is simply unrealistic. The lack of traffic⁵ on most of these roads and the good conditions of the roads due to the Transit roads rehabilitation projects (EIB, ISPA, Phare) already allow cars to drive at the maximum permitted speed and an increase of 35-40 km/h of the average speed is something that would not happen, unless the maximum speed limit is to be withdrawn..

Concerning the plans for the development of new motorways in Bulgaria, it should be highlighted that the OPT does not mention at all the possible conflicts between the planned transport infrastructure and the NATURA 2000 Network. A specific example in this respect is the Struma Motorway project proposed as a priority project and described in the next section.

The Strategic Environmental Assessment (SEA) on OPT mentions the possibility for conflicts between transport projects and NATURA 2000 sites, but does not enter into any specific details on the issue. For example the SEA does not attempt to identify possible conflicts between the priority projects and specific NATURA 2000 sites and also between transport corridors and migration corridors which link various NATURA 2000 sites. Respectively there are no investigations of and proposals for alternatives in terms of mode and route for development of the different project/corridors in order that such conflict areas are avoided.

Nor does the SEA propose any methodology for assessment of the possible conflicts with NATURA 2000 sites as part of the transport project design and development as required by the precautionary principle applicable in the "Habitats" and "Birds" Directives.

4) Assessment of the inland waterway transport sector

For the inland waterway transport, growth in cargo is assumed, but it is not clear on what grounds the projections are based. Currently the major share of goods handled in the Bulgarian inland waterway ports is bulk goods, but their share is declining, and possibilities for growth are restricted. Economic development and better links with the Western markets are rather more likely to increase the flow of semi-finished goods and container transport, and indeed there has been some increase in container transport. However, for a further growth in container transport, better inter-modal facilities are necessary. Removal of the bottlenecks tackles only the capacity of a waterway, and the shift of freight from road to waterway transport will not happen without appropriate investments to inter-modal facilities. Increase of waterway capacity and development and improvement of inter-modal and port facilities have to be planned within a common framework, and according to a comprehensive assessment of expected demand for transporting different types of goods. Such assessment of future needs may reveal that the increase in water depth is not necessary.

It should be noted that environmental impacts of inland waterway transport are not limited to water and air pollution⁶. Although from the greenhouse gas emissions point of view, waterway transport is more "environmentally-friendly" than road transport, it cannot be assumed as a sustainable transport if its infrastructure causes significant damage to nature, habitats and biodiversity on a local and basin-wide scale.

⁵ Concerning the traffic forecasts we would like to draw your attention to the fact that the Bulgarian authorities are planning with the figures for the traffic in a way that does not give us any chance to agree with their projections (e.g. Ljulín highway case, etc.).

⁶ Air pollution from old ships can even exceed air pollution from lorries

Therefore in planning how navigation conditions can be improved and how bottlenecks can be removed, due consideration of local and basin-wide impacts on river ecosystems has to be taken. For that, it is necessary that inland waterway policies and infrastructure planning (thus, also plans to remove bottleneck on the Bulgarian stretch of the Danube) is integrated with the implementation of the Water Framework Directive, Natura 2000, upcoming Flood Risk Management Directive and other national and international legislation on environment and protected areas. Finally, an assessment of basin-wide impacts of all projects on the Danube, at least within the Bulgarian stretch, including projects on the Romanian side of the river, has to be undertaken. The lower stretch of the Danube that makes up the Romanian-Bulgarian border, is of high ecological value and many sites are proposed as Natura 2000 sites.

We are happy to see introduction of river information system on the Danube suggested as one of the projects of the OPT. Indeed, a good river information system would increase safety and efficiency of inland waterway transportation, and it would equip the system to adapt better to possible fluctuations and general decreases in water levels due to climate change. We would suggest that the river information system would include a regular sounding of the riverbed and transmitting information on the depth variations, especially the shallows, to the ships. Ideally such information would be available in the form of online maps. A good information system would reduce the need for expensive and damaging engineering constructions for increasing the river depth. In fact, improvement of existing systems or introduction of new techniques must precede any structural interventions aimed at improving inland waterway transport.

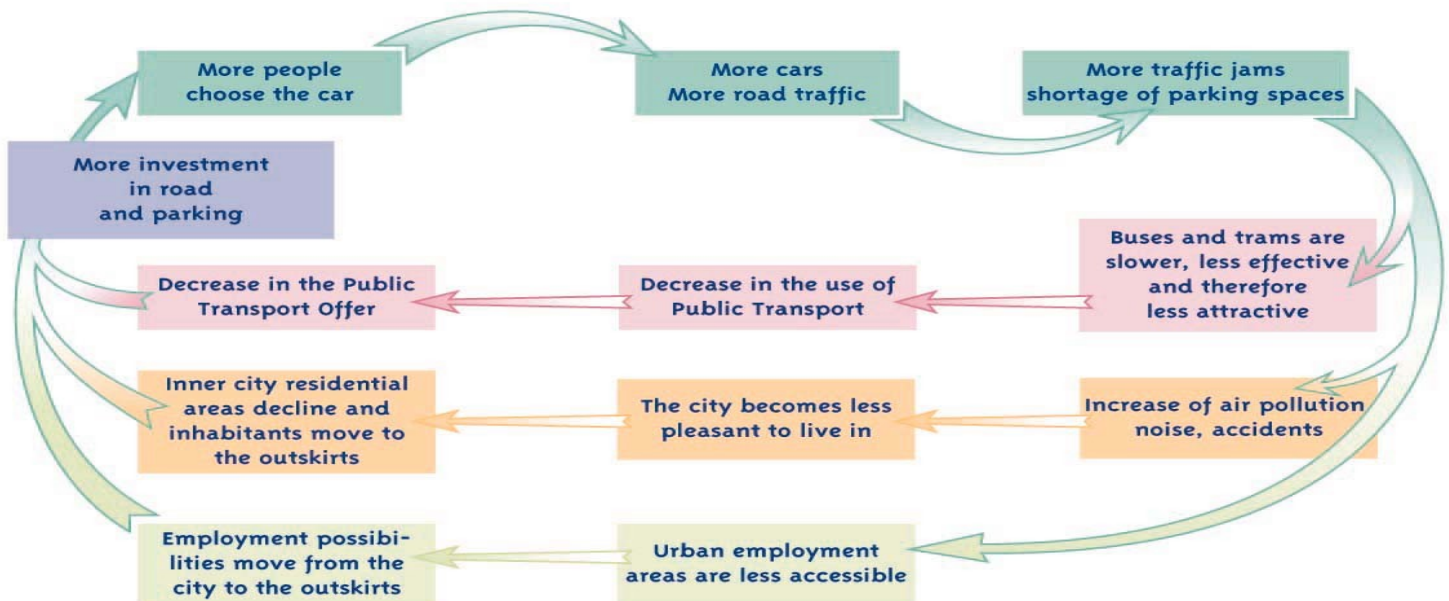
III. Public transport

We found it positive that the OPT highlights the need for development of clean public transport for addressing the current problems with congestion and air pollution in the cities. We consider however that the OPT should point out clearly what should be the allocation for public transport in the 2007-2013. Our opinion is that the operational priority "Development of the intermodality of the passenger and freight transport" should receive a minimum of 25% from all EU funds for transport (CF and ERDF). At the moment clear allocations of EUR 136 million for "Sustainable systems for public Transport" are made only in OP Regional Development.

It is unsatisfactory also that there is a missing assessment of the needs in the sector and the possible sources of financing. Without such an assessment it is impossible to make an objective appraisal if the allocations for public transport in OPT are sufficient and if the project/s identified in the indicative list are the best choice for the use of the EU funds.

Since 1990 investments in public transport have decreased dramatically and public transport companies lack sufficient capacity and resources to modernise and further develop public transport in the big cities. The trend in the cities is towards increased use of private cars that leads to congestion and increased need of road infrastructure. The Operational Program Regional Development (on p.39) points out that the use of public transport in the cities decreased by 1/3rd between 1999 and 2003 from 1,23 million journeys to 816 000. The statistics also show a doubling of the number of cars to around 400 cars per 1000 inhabitants which will require even more parking spaces and infrastructure (please see the chart below for the vicious circle of urban decline). The cities lack a strategy to overcome these trends and what is more Bulgaria is lacking any policy document and strategy to guide and stimulate the development of public transport.

The vicious cycle of urban decline



(Vicious circle: better Mobility in Urban Areas. UITP 2003)

Finally, although we do not question the need for the Sofia metro development project we consider that OPT should have made the attempt to identify also other projects for development of the public transport in the cities that could have been delivered at lower cost and with more short-term effect for improvement of the traffic situation. We again stress the need for comprehensive programs that will decrease traffic and air pollution in the cities, that will consider the development of infrastructure (like tram and trolleybus lines development, bicycle lanes, parking slots, pedestrian zones) and non-infrastructure measures (like traffic charges, ticket systems and so on).

V. Comments on the list of the infrastructure projects to be financed by the SF, CF and state budget in the period 2007-2013

Struma motorway

In the last version in the indicative list and the list with the priority projects 2007-2013 (annex VI from February 2007), the Struma Motorway is proposed to be financed by Cohesion funds. In the previous version of the OPT the Bulgarian government excluded the construction of the motorway through the Kresna gorge (3rd section Simitli-Kresna) as more problematic and planned to be constructed only at a later stage.

We would like to appeal to the EC to carry out close monitoring of the project in order to ensure that:

- the feasibility study and environmental procedure of the Struma motorway are carried out for the whole project at the same time. The practice followed so far to divide, approve and construct small sections of the motorway between Sofia and Kulata (on the Greek border) is in conflict with Bulgarian and EU law for EIA and SEA.

In her letter from 2001 the former Commissioner on Environment Margot Wallstrom requested the Bulgarian government to consider the Sofia-Kulata motorway (consisting of the Ljulin motorway and Struma motorway) as one project and to make an EIA for the entire route. The Bulgarian government, disregarding the requirements of the Commissioner, has already 60 kilometres of the Sofia-Kulata motorway under construction where an EIA for the entire road has not been carried out. The Ljulin motorway (Sofia-Daskalovo) was financed in 2002 with a grant from EU ISPA program. The

section Daskalovo-Dupnica was financed with a loan from EIB and no EIA was carried out for that section of the motorway.

- If EU supports the project then the construction and funding for the section of the Struma motorway through Kresna gorge should be considered as a priority due to the heavy impact of the transit traffic through the NATURA 2000 site of the Kresna gorge. More than 70 protected vertebrate species are dying everyday on the road in the Kresna gorge and air pollution has adverse impact on protected habitats due to the specific landscape characteristics of the gorge and low fluctuation of the air according to the research made in 2003/2004. Additionally the existing traffic is already an effective barrier for the daily migration towards the River Struma of the hundred of protected species, which find their dead on the road. (for more details please see www.kresna.org)

The Struma motorway project is part of the Corridor IV (Budapest-Sofia-Thessaloniki) and is one of the 30 TEN-T priority projects (Priority project N 7)⁷. The assessment of the alternative route for Struma motorway needs to be carried out according to Art. 6 of the EU Habitats Directive as the Struma motorway will have a significant impact on Kresna Gorge, a future NATURA 2000 site. The consideration of an alternative outside the Kresna gorge was asked also by the Recommendations 98/2002 of the Bern Convention Standing Committee and brought up by several letters of the DG Environment.

The 17 km long Kresna gorge is home to an extraordinarily high number of rare and endemic species protected under the EU "Habitats" Directive, including 4 types of habitats, 23 types of birds, 17 species of bats, and 31 species of reptiles and amphibians. If routed directly through the gorge, as currently planned by the Bulgarian government, the motorway will cause the irreversible destruction of the protected plant and animal species and will cause noise and air pollution in the town of Kresna, where the road is set to run only 30 metres away from houses. A feasible alternative route exists which would avoid the gorge. It would only be a few kilometres longer but it would save the gorge's unique nature and the great potential for eco-tourism in the region.

Additionally, we would like to underline that doubling of the railway-line along the same corridor (Sofia-Thessaloniki) is also part of the 30 priority projects (priority project 2012) and is envisaged to be finished before 2015. **The both projects (N 7 and N 22) together will lead to a serious expansion of the corridor capacity.** We conclude that a lack of consideration vis-a-vis the cumulative impact/benefits of both projects violates the TEN-T objective of interoperability, especially for international transit traffic.

Maritza Motorway

The project was added in the latest version of the list of priority projects to be financed by the EU funds 2007-2013. We would like to warn you that the project would have significant impact on the aquifer zone of Dimitrovgrad and Haskovo towns. The proposed route for the motorway passes through 2 of 19 water-reservoirs in the area and will have a negative impact on the rest. In 2001 Ministry of Environment requested further analyses of the issues as part of the EIA procedure. As far as we know, the route of the Maritza Motorway has not been changed so far.

Project on the Danube at Belene Island

The project for "bottleneck" removal at this stretch of the river will conflict with nature protection legislation, and will negatively impact on the dynamics and functioning of the river system and on valuable habitats.

Therefore the update of the pre-feasibility study must include:

- A careful consideration of environmental effects, including hydromorphological and ecological elements,
- The effects under consideration must not be limited to local effects, but basin-wide effects need to be assessed;

⁷ Decision 884/2004/EC of the EP and of the Council on new guidelines for development of TEN-T

- Project's interaction with other planned projects, as well as their common impacts have to be considered;
- Assessment of alternatives, including less intrusive designs as well as improving navigation conditions by means other than river engineering.

Meaningful public participation has to be organised, according to the principles of the Water Framework Directive.

IV Conclusion

In conclusion we would also like to stress that NGO participation in the development of the Transport Operational Policy has been very limited. The Ministry of Transport appointed itself the NGO representative in the working group and has not respected the NGOs' procedure for selection of their representative. In addition the representative participating in the Transport Working Group had very limited access to the data and materials linked to the planning and was not informed about the latest developments on the OPT and the submission of the document to the EC.

It must be ensured that NGOs and other stakeholders have a possibility to participate in the planning of the projects under OP Transport. Otherwise the use of EU funds cannot be deemed transparent.

On behalf of the coalition

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