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National Roads Programme, Macedonia

Introduction

The National Roads Programme in Macedonia is a sovereign guaranteed loan of up to EUR 160 million for financing four road sections in the country. The project is divided into two tranches:

- Tranche 1: Reconstruction and widening of the section Stip – Kochani of the national road A3 (approximately 27 kilometres); construction of the section Raec – Drenovo of the national road A1 (approximately ten kilometres); and
- Tranche 2: Construction of the section Trebenista – Struga of the national road A2 (approximately eight kilometres); construction of the section Ohrid – Pestani of the national road A3 (approximately 12 kilometres).

In addition, the loan will fund a digital archiving system.

Section Raec – Drenovo

Introduction

The Public Enterprise for State Roads (PESR) of Macedonia is planning to upgrade parts of state road A1 between Gradsko and Prilep, a section of the Pan-European Corridor X (E-75). The construction of a new expressway from the River Raec bridge to Gradsko (the junction with the A1) is one component of this programme, including a section between the River Raec bridge and the Drenovo interchange.

The Raec river valley is identified in different international nature conservation programmes, including the Important Bird Area (IBA), Important Plant Area (IPA), Key Biodiversity Areas (KBA), proposed Area of Special Conservation Interest (ASCI), and a Monument of Nature under the Macedonian Law on Natural Rarities.

Critical habitat assessment study

The Biodiversity and Critical Habitat Assessment Study assess the habitat of the Egyptian vulture and states that all disturbances to the population of the birds (noise, vibration, and people) must be avoided from mid-March to the end of July. *“Failure to breed will trigger a staged offset strategy to improve the conservation status of the species.”* (CHA, page 28).

The responsibility of the implementation of these measures lie with PESR¹. The study also states that: *“In case of breeding failure during construction phase (MON01) or one time during operation phase (MON02), the relationship between disturbance by works, traffic or road maintenance and breeding failure will have to be estimated. If an obvious link between the failure and any event during the works (e.g. non-expected blasting operation during the most sensitive period), a first stage of offsetting will be initiated (OFF06)”*. (CHA, page 38).

Findings from field visits and related communication with EBRD

A field visit was made on 10 July 2016, after receiving a notification that the construction of the road had begun during the breeding season of the Egyptian vulture. Heavy machinery had clearly been used in the area to clear the terrain, so the EBRD was notified and construction works stopped.

In August and again in November 2016, two field visits were conducted. While construction works were evident, no construction best practices were implemented. The photo below shows the river heavily polluted with sediments and other materials. We saw heavy trucks frequently cross the river, which is also obvious from the photo. The EBRD was notified as soon as this was observed (in August and early December). Yet no substantial response has come from responsible EBRD staff. Requests for the ornithologist report and insights into the situation were sent again in March and April 2017, without a satisfactory answer.



We have unofficially received information that there has been failure of the vultures to breed as a result of the disturbances occurring in the summer of 2016.

Conclusion and recommendation

It is obvious that in this case, the EBRD could not closely monitor the implementation of the project. Even though the responsibility of the mitigation measures lied with PESR, the bank has a responsibility to ensure that its projects do not cause damage to protected areas and critical habitats.

Information about this project related to damages and remediation was not provided by bank staff in a comprehensive, systematic and detailed manner. More efforts must be made so this information is public and the results of monitoring are widely discussed with experts, in order to learn lessons by all involved stakeholders.

Ohrid – Peshtani expressway project, Macedonia Introduction

The Ohrid – Peshtani expressway project involves the construction of a new section between Ohrid and Pestani on the A3 expressway to the Albanian border crossing at Ljubanishta. The new 12.5 kilometre section is at a higher elevation than the existing coastal road and towns and is planned to pass through the Galicica national park.

¹ Public Enterprise for State Roads, Macedonia

Risks to the national park

The Galicica national park is a rare and important natural site with abundant biodiversity, listed as an emerald site (a future Natura 2000 site), an Important Plant Area and a Prime Butterfly Site. In 2014, Galicica was designated part of UNESCO's World Network of Biosphere Reserves.

Under the current management plan, the Galicica national park is divided into four zones, and the expressway is planned to pass through two of these: the zone of active management and the zone of sustainable use. Over 95 per cent (310 hectares) of the total area of the project is located within the park and would require re-zoning and the destruction of over 75 hectares of forest. According to the law on nature protection and the management plan for the park, construction activities including roads, highways and expressways are not allowed in the zone of active management.

The expressway is not the only infrastructure project planned in the Galicica national park. A ski resort, several tourist development zones, and a new marina and beaches are also planned. The construction of a road through the Galicica mountain will only enable more destructive projects of the kind.

At its 38th session in Doha in 2014, the World Heritage Committee adopted a decision (38 COM 7B.58) in which it expressed concerns with several major infrastructure projects planned within the park, including the Ohrid – Peshtani road. At its 40th session² held in 2016, it made the following conclusion:

“The World Heritage Committee notes with concern that a number of large-scale infrastructure projects have been proposed within the property and that the conclusions of the impact assessments of the proposed Galičica Ski Centre, the A3 road, the Railway corridor VIII and Highway A2 demonstrate that these projects would be likely to cause significant potential impacts on the Outstanding Universal Value (OUV) of the property, and considers that these projects appear to represent a potential danger to the property, in line with paragraphs 179 and 180 of the

Operational Guidelines.”

The draft SEA report from 2015 on the proposed changes to the management plan of the Galicica national park stresses the negative impacts of these changes. The report concludes that in the long-term, the proposed changes might lead to the **loss of category II status** as a national park and **UNESCO World Heritage site**. Also the SEA report notes that the construction of the expressway **will lead to significant fragmentation of areas** with natural value, including the forests of “*Quercus trojana*,” which are included in Annex I of the EU's Habitats Directive and the only functional habitat of its kind on the west side of the park.

UNESCO has just conducted a reactive mission to Macedonia in April 2017, to investigate the situation and follow up with a report from July 2016, after which it will decide on the next steps that could potentially mean filing Ohrid site as a site ‘**in danger**.’

Conclusions and recommendations

In a similar case, the rezoning of the Mavrovo national park was done to accommodate infrastructure projects, including the Boskov Most hydropower project, in direct breach of Macedonia's law on nature protection. This is unacceptable and should not be supported again by the EBRD in the case of Galicica.

The fact that the Macedonian authorities are unable to follow the precautionary principle and the mitigation hierarchy clearly speaks to a lack of capacity and skills. Still, in the case of infrastructure projects located within protected areas, there is a significant risk that mitigation measures will not be fully implemented. The Raec – Drenovo and Corridor X cases show that measures are more often not implemented, resulting in environmental damage.

Galicica national park should not be the next victim of poor implementation, especially when there are more sustainable alternatives available (such as the Smart Ohrid solution, Annex 1). **Therefore, the bank should not approve the loan for the Ohrid – Peshtani road.**

2 <http://whc.unesco.org/archive/2016/whc16-40com-7B-en.pdf>



Annex 1: SMART OHRID: Towards sustainable transport in Galicica national park

This concept note is being suggested in response to the need for reducing traffic congestion in Galicica national park – one of the starting points of the recent proposal to construct an express road between Ohrid and St Naum, resulting in a Strategic Environmental Assessment of changes in the Management Plan of Galicica national park.

In contrast to the SEA, where the construction of a new road is seen as the best means of resolving congestion in the area, we are proposing a series of measures that would result in the reduction of the need for car mobility in the park and a modal shift to other sources of transport.

Our proposal is based on the widely accepted principles of transport management in developed societies, where it has been long recognized that the construction of new roads leads to further traffic congestion due to induced demand (e.g. see <http://www.vtpi.org/gentraf.pdf>).

In putting forward this proposal we also wish to introduce a range of new alternatives to the ‘no action’ option in the SEA, which is currently undeveloped and does not include alternatives that are more environmentally friendly and sustainable than car transport.

We propose that traffic congestion issues in Ohrid can potentially be completely resolved and Galicica national park can move towards sustainable, innovative and low-carbon forms of transport mobility via:

- The introduction of seasonal congestion charging (only in the summer months) for all automobile traffic other than local residents in the zone between Biljanini Izvori and Trpejca, alongside improvements to the existing road (in terms of road alignment and paving);
- Significant improvements to the frequency and quality of bus links in this zone, particularly during summer months. This could include park and ride facilities at the Ohrid entrance to the national park (and possibly in Trpejca from visitors entering from Albania);
- The construction of a dedicated pedestrian and cycle path between Ohrid and St Naum, including the possibility of using electric bikes for less physically able users (this could allow for sections of the path to be moved above the lake shore – into and near the surrounding settlements);
- Improvements in water transport, using solar/electric boats such as the Serpentine or Hamburg Solar Shuttles (<http://www.solarshuttle.co.uk>)

The entire system could potentially (and prospectively) be managed via a smart urban system that would allow for an integrated co-ordination of the various transport technologies with real-time mobility needs. As a whole, this proposal is:

- Environmentally friendly and sustainable: other than a car park, bike and pedestrian bath (mostly using existing links) no new infrastructure would need to be constructed
- on the territory of the park. Thus, biodiversity, landscape, water and noise impacts are much lower compared to the construction of new roads. At the same time the movement away from car mobility would have significant impacts on carbon emissions;
- Low cost: other than the prospective introduction of a smart management system, all of the technological and infrastructural improvements suggested here have lower capital investment and maintenance costs compared to the construction of a new express road;
- Economically beneficial: Congestion charging would provide a much needed source of revenue to the National Park, and the improvement of bus and cycle infrastructures would be a source of revenue for local businesses. The entire project can be assisted or realized via Ohrid's burgeoning sustainable mobility sector. Local people and hotels would benefit from lower congestion and noise despite maintaining car access;
- Original and innovative: The introduction of a sustainable and integrated transport system in a Balkan national park and UNESCO World Heritage Site would set an important example that others could follow. It would provide a tourist attraction in its own right.

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