

Environmental and Social Data Sheet

Overview

Project Name:	SAO TOME SUSTAINABLE ROADS
Project Number:	2017-0824
Country:	Sao Tome and Principe
Project Description:	The project consists of the reconstruction, upgrading and coastal protection of the Sao Tome City's main avenue, The Marginal. The project aims to improve the climate resilience, road safety and connectivity of the Marginal, which is a key part of the primary national road network and a key element of the capital's urban regeneration and tourism development. The project will also include support for project preparation and implementation.
EIA required:	No
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The project consists of the reconstruction of the Marginal Boulevard Road and associated coastal protection between the airport and the Pantufo Road (approximately 8.9 km) in the capital city of Sao Tome in Sao Tome and Principe.

The project comprises the following three schemes:

- The revetment and partial restoration of the beach, including limited supply of dredged material, and reconstruction of the Marginal road along the Lagarto Bay, between the airport and the Hospital promontory, with a total length of approximately 2.2 km;
- The rehabilitation and construction of a seawall and rock berm, partial restoration of the beach and the reconstruction and landscaping of the Marginal road along the Ana Chaves Bay, between the Hospital promontory and the city centre, with a total length of approximately 3.6 km; and
- The rehabilitation of the existing seawall and some additional revetment including a rock berm and the rehabilitation of the Marginal road section between the capital and the village of Pantufo, with a total length of approximately 3.1 km.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB 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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Relevant National Environmental Legislation

Sao Tome and Principe's environmental legislation is broadly in line with the relevant EU Directives. The country has an Environmental Framework in place (Lei de Bases do Ambiente), Law no 10/1999. The national decree no 37/1999 regulates the Environmental Impact Assessment procedures and is in line with the principles of the EU Directive. The national decree no 35/1999 regulates the extraction of materials, covering in detail the exploitation of materials from coastal zones and rivers, and establishes the need for a license by the Ministry of Defence for the extraction of construction materials. Other legislation relevant for the project includes: i) Law no 9/2001 regulating fisheries and fisheries resources; ii) Law Act no 11/1999 regulating fauna, flora and protected areas conservation, and iii) Law no 3/1991 regulating land acquisition. Though environmental and social legislation is relatively well structured, implementation lags behind.

Compliance with applicable Environmental Legislation

The three project schemes consist of coastal protection works and road reconstruction in a sub-urban and urban environment, with only minor and localised alteration of the current footprint. If located in the EU, these schemes would fall under the provisions of Annex II of the EU EIA Directive 2014/52/EU of 15 May 2014, and the national competent authorities would have to decide whether an EIA is required.

A preliminary ESIA, commissioned and financed by the project's co-financier RVO (the Netherlands Enterprise Agency), has been prepared for the project. The Competent Authority (Direção Geral de Ambiente), under the Ministry for Infrastructure, Natural resources and Environment, having reviewed the preliminary ESIA, issued an Environmental Permit (Licença Ambiental no 01/2018) on 20th November 2018 stating that the works will need to comply with all the specific conditions and undertakings identified in the preliminary ESIA.

The Netherlands Environmental Assessment Agency (NCEA), having reviewed the preliminary ESIA upon RVO's request, has identified a few gaps in the study. The missing information mainly concerns: i) the extraction and transport of materials for coastal protection and road reconstruction; ii) the impact of the project on tourism and consultation of tourism stakeholders; iii) the impact of the project on flora and fauna; and iv) the Environmental and Social Management Plan (ESMP). The NCEA has also mentioned the need for a sensitivity analysis regarding the impacts of Climate Change, the need for examining options for tackling issues related to sewerage, wastewater treatment and solid waste collection, as well as the need to consider alternatives to the coastal protection solutions and to reinforce public consultation.

The EIB has reviewed the preliminary ESIA and NCEA's recommendations and acknowledged the need to complete the analysis. A Technical Assistance (TA), financed with EIB and RVO grants, will be in place to assist the promoter in both project preparation and implementation, including assistance to complete and update the ESIA.

Environmental Impacts

At this stage and pending the ESIA update, the residual impacts are expected to be low to moderate given the type and scale of the investment. The negative impacts should largely relate to extraction and transport of construction materials, involuntary resettlement and some severance during construction. Environmental management measures during construction will

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be included in the contract conditions for works contractors and enforced by qualified third party supervision consultants.

The project is expected to have positive socio-economic impacts in and around the city, particularly in connection with urban regeneration and tourism development, which in turn will contribute to employment growth and social equity. The project aims at increasing accessibility within the capital area and in the region, connecting Sao Tome city to satellite communities and to the airport (the only international airport in the country).

By improving the quality and climate resilience of the Marginal road, the project is expected to generate savings in maintenance costs, vehicle operating costs, reduce accident rates and reduce negative environmental impacts. The new coastal defence infrastructure will protect the Marginal boulevard as well as the city's urban seafront. Road users will benefit from the project when traveling to or within the capital and when connecting to the main radial roads from the city to the north, west and south of the island.

No protected areas or monuments are affected by the project.

The impacts and mitigants are to be further assessed during the update of the ESIA.

This is the first EIB operation with this promoter. The capacity of the promoter will be complemented with technical assistance (TA) for both project preparation and project implementation. With these TAs, the promoter should have adequate capacity to complete the preparatory work and to implement the project in compliance with the EIB's Principles and Standards.

Biodiversity Issues

The preliminary ESIA provides a broad and limited description of biodiversity values that may be influenced by the project. The preliminary conclusion is that impacts should be moderate. The preparatory TA will further assess the impact of the project on biodiversity and the updated ESIA shall contain information on the direct and indirect impacts on flora and fauna in the area of influence of the project, both marine (coral reefs, benthos, fish, etc.) and terrestrial. The final opinion by the competent authority on the absence of significant impacts on protected areas will be a disbursement condition.

Social Assessment

The project area concentrates most of the economic activities of the capital and the country and provides access to some of the main fishery sites. The Marginal road also crosses the most densely populated and built area of the country and borders the majority of landmarks and tourist attractions. The project is expected to require some minor land expropriation that may cause economic and/or physical displacement of affected households, street vendors and fishermen. However, as there will be no substantial modifications to the current road alignment, no significant permanent social negative impacts are expected. The number of affected people, which should be low, will be determined during the finalisation of designs.

In 2018, the promoter prepared a Resettlement Policy Framework (RPF) for the Transport Sector Development and Coastal Protection Project. Furthermore, as presented in the environmental section a preliminary ESIA already developed. Before disbursement, the TA financed by the EIB and RVO will assist the promotor in finalizing the ESIA, that will include a

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Stakeholder Engagement Plan (SEP) and in the preparation of the Resettlement Action Plan (RAP) for the project.

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

Road safety audits, consistent with the principles of the Road Safety Directive 2008/98/EC are to be performed on the final designs for each scheme.

Public Consultation and Stakeholder Engagement

The promoter, with the support of the consultant responsible for the preliminary ESIA, conducted public consultation for the project. A public meeting was held in February 2019 where the project was discussed with different stakeholders such as local citizens and associations, the National Road Institute (INAE), officials of the concerned municipality (Câmara Distrital de Água Grande), owners of hotels and accommodations along the road's alignment, and fishermen. The minutes of the public consultation were recorded including the comments from the participants. No objections to the project were raised.

During the preparation of the project design, tender documents and associated safeguards, the TA consultant will prepare a SEP that will describe the needs for further public consultation.

Conclusions and Recommendations

Due to its nature and scale, the project is likely to have low to moderate adverse environmental and social impacts. The main social impact is related to the land expropriation and potential economic or physical displacement of affected households. No significant environmental impacts are expected if mitigation measures are properly implemented.

This is the first road operation with this promoter, whose environmental and social capacity is deemed limited. Pending the finalisation of the E&S preparatory work, the EIB shall condition disbursement of its financing on receipt of:

- Appointment of independent consultants (preparation TA) to assist in the preparation of the project (design, tender documents and safeguard) and appointment of independent consultants (implementation TA) to assist the promoter's PIU in technical and procurement aspects and safeguards, satisfactory to the Bank and mobilised before commencement of any activities for the project;
- Updated version of the Environmental and Social Impact Assessment (ESIA) to the satisfaction of the Bank and including any additional public consultation that may be deemed necessary;
- In case an Environmental Permit is reissued by the national competent authority, copy of the environmental and social consent or approval;
- Final opinion by the national competent authority on the absence of significant impacts on protected areas;

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- Final version of the Environmental and Social Management Plan (ESMP), including the SEP to the satisfaction of the Bank;
- Evidence that all impact management measures identified in the ESMP have been incorporated into the construction and supervision contracts;
- Final version of the Resettlement Action Plan (RAP) in accordance with the Resettlement Policy Framework to the satisfaction of the Bank.

Undertakings

- Implement the project in accordance with the Environmental Permit and the agreed ESMP, SEP and RAP.
- Present mid and end of term evaluation of ESMP and RAP(s) implementation prepared by a third party.
- Provide the Bank with any further environmental consent or approval required by the national competent authority, including but not limited to dredging works and/or the extraction of construction materials.

Subject to the above conditions, the project is acceptable for financing by the EIB in Environmental and Social terms.