

Public Environmental and Social Data Sheet

Overview

Project Name:	MONTENEGRO RAILWAYS REHABILITATION
Project Number:	2020-0001
Country:	Montenegro
Project Description:	Rehabilitation along the Vrbnica - Podgorica - Bar railway line forming a part of the Orient/East Mediterranean TEN-T Core Network corridor, indicative extension to the Western Balkans.
EIA required:	Possible, multi-investment project, requirements vary.
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The project consists of several components, virtually all of them related to rehabilitation and modernisation of the existing Bar-Podgorica-Vrbnica railway line. In particular, the works will consist of:

- Rehabilitation of approximately 20 kilometres of single track between Lutovo and Bioce in central Montenegro;
- Rehabilitation of 13 steel bridges with a total length of approximately 2,6 kilometres;
- Rehabilitation of 8 tunnels with a total length of approximately 2,6 kilometres; and
- Modernization and rehabilitation of workshops and depots for rolling stock in Podgorica, Bar and Niksic.

The components included in the project will be implemented within the existing right of way, and no land acquisition is expected.

The Montenegrin Transport Strategy 2019-2035 was developed with environmental sustainability as a high level objective in line with the principles of the SEA Directive 2001/42/EC. Concerning the need for an Environmental Impact Assessment (EIA), the requirements in the Montenegro law are essentially the same as those in the EU law. Therefore, all four components of the project fall under Annex II of the Directive 2011/92/EU as amended by Directive 2014/52/EU and are subject to screening by the Competent Authority for a possible regulatory EIA procedure. In 2022, the Competent Authority screened out the bridge and tunnel rehabilitation components. The application for screening for the trackworks was submitted to the Competent Authority in early 2022. Given the nature of works and the location, it is expected that the Competent Authority will also screen out these works. Any launching of the procurement process and disbursement for this component will be subject to completion of the procedure. During 2023, once the final designs are ready, the

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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Promoter is expected to submit to the Competent Authority a request for screening concerning the workshop and depot component; this component includes some limited expansion of buildings and access tracks within the existing site (brownfield development). A positive conclusion on the screening of this component (written evidence by the relevant competent authority that it is screened out, or, in the case that it is screened in, that an EIA has been prepared and that the subsequent environmental decision has been provided by the relevant authority) will be a condition precedent for disbursement as well as launching the tender for the component works.

Regarding nature conservation, the railway line along which the project will take place runs through the entire country from North to South and intersects or is adjacent to some sensitive sites, in particular, Skadar Lake National Park (RAMSAR site), Biogradska Gora National Park, Tara river basin (UNESCO World Heritage Site) and Komovi Regional Park. In its screening out decisions, the Competent Authority effectively has concluded or is expected to conclude that the works components are not likely to have any significant impact on protected sites or species.

Moreover, the sector's railway track investment strategy is flanked by an environmental protection programme for works, which stipulates that the reconstruction of individual railway sections should minimise impact on the operation's surroundings and ensure that the terrain occupied during construction be returned into the pre-construction state. This includes guidelines for i) the general set-up of sites and the preparation of works and workers; ii) the protection of existing infrastructure, community assets, flora, fauna and ecosystems; iii) mitigation measures against pollution, noise, and vibration; and iv) measures for the disposal of construction waste and land rehabilitation.

Combined with the existing technical assistance for project preparation and works supervision contracts to be put in place, and based on the Bank's previous experience with the Promoter, the environmental capacity of the Promoter is deemed satisfactory for this project.

Without prejudice to the conclusion of the remaining screening process (and where necessary, assessment), due to the nature of the works, only localised and temporary adverse residual effects on the environment are expected during the construction phase.

Vulnerability to climate change

The project's residual climate change sensitivity is deemed low, although the country does face climate change risk. The possible impacts from climate change include: (i) flooding including through more extreme precipitation events, (ii) landslides and (iii) damage to superstructure due to an increase in the temperature range (especially extreme heat in summer). The designs for bridge sub-structure and tunnel works take into account hydraulic risks and slope stability, the track works will accommodate wider temperature ranges and the workshops will be better adapted to extreme weather events and see some energy efficiency gains through insulation.

Paris Alignment

The project has been assessed by the Bank's services for Paris alignment in accordance with the policies set out in the Climate Bank Roadmap 2020. The project consists of reconstruction of infrastructure for zero direct emission transport, therefore, it is considered to be aligned with the low carbon goal. The climate risk of the project is assessed as low and, therefore, it is considered to be aligned with the resilience goal.

Social Assessment

The project is neither expected to require any new land nor is likely to have any impact on cultural heritage due works taking place within the established railway corridor along the existing alignment. Based on information received from the Promoter, no involuntary resettlement or significant private land acquisition is expected. There may be small temporary

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disturbances to the environment and nuisances to inhabitants adjacent to the tracks, mostly related to dust and noise emissions, whilst passengers and freight operators may also suffer possible temporary interruption of traffic. The usual mitigation measures during the construction phase, such as the appropriate timing of works, waste collection and avoiding the use of heavy machinery during certain times, are normally sufficient for avoiding any unacceptable impacts on local communities.

Construction works will have to be carried out in accordance with national laws, including the Labour Law and Health & Safety Law, as well as the International Labour Organisations (ILO) conventions, ratified by Montenegro. Specific requirements in relation to labour and working conditions, including occupational health and safety, are contained within the Environmental and Social Management Plan to be included in the works contract conditions.

During the construction phase, the main health and safety occupational issues will include movement of vehicles and traffic management; working at heights; working in confined spaces; working on operational lines; management of electrical hazards; prevention of unintended ground movements and collapse; and biological hazards (CV19 or other pandemics, poisonous snakes). A Construction Site Organization Plan will be developed by selected contractors and implemented according to national law containing provisions for health and safety during construction.

During operation, the Promoter is expected to have sufficient precautionary measures, including procedures for railway and railway crossing safety, regular inspection and maintenance works and a safety management programme in compliance with national and EU railway safety propositions.

The need for public consultation and risk of complaints are deemed very low. Nevertheless, an Environmental and Social Management Plan (ESMP) for each component is expected to ensure compliance of works with national laws and regulations, as well as the requirements of the EIB and the handling of unexpected issues and grievances.

The social negative impacts of the project during the construction and operation phase are thus likely to be minor and substantially offset by the expected improvement of reliability, efficiency and safety of railway services. Furthermore, the Project is expected to contribute to the balancing or preventing of modal shift towards the road, thereby reducing environmental externalities as well as road accidents.

Conclusions and Recommendations

Prior to disbursement of funds for the trackworks and workshop components, the Promoter will be required to submit evidence of the completion of the corresponding environmental consent procedures.

Overall, the project will result in environmental benefits and is acceptable from the environmental perspective. Negative social impacts are expected to be minimal, manageable and acceptable, notably when compared to the social benefits of the project.

The project is therefore acceptable for EIB financing in both environmental and social terms.