

Public

Environmental and Social Data Sheet

Overview

Project Name:	MEDWAY CARGO ROLLING STOCK
Project Number:	2020-0410
Country:	Portugal
Project Description:	Acquisition of 16 electric locomotives and 113 intermodal wagons to provide new rail cargo services in Spain and Portugal.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	yes

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

The project concerns the acquisition of around 16 new electric locomotives and 113 new intermodal wagons, which will increase capacity for rail freight operations in Spain and Portugal.

Locomotive and wagon acquisition is not part of a plan or programme subject to the Strategic Environmental Assessment (SEA) Directive 2001/42/EC. The project components do not fall under either Annex I or II of the Environmental Impact Assessment (EIA) Directive 2011/92/EU as amended by Directive 2014/52/EU, as manufacturing and use of rail rolling stock is not included in either list.

The new locomotives and wagons will comply with all European Technical Standards for Interoperability (TSI) including those related to noise emissions (Regulation 2014/1304).

Their maintenance will be done by Medway Maintenance & Repair (ECM or Entity in Charge of Maintenance) in their existing workshop in Entroncamento. No construction works or retrofits will be needed on the workshops.

The new rolling stock will allow the provision of incremental rail services, thus diverting traffic from road to rail and increasing modal share of rail in Spain and Portugal with the subsequent savings of external costs (pollution, noise, congestion, CO₂ emissions, etc.).

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.

Luxembourg, 17 June 2021

EIB Carbon Footprint Exercise

The project is included on the following basis:

Estimated annual greenhouse gas emissions from the use of the project in a typical year of operation over a 25-year operating assessment period:

- Forecast absolute (gross) emissions are about 11,800 tonnes of CO₂ equivalent; and
- Forecast emissions savings are about 48,200 tonnes of CO₂ equivalent.

The project assessment boundaries are:

- In the absolute case: the new rolling stock operating on the corresponding rail network in line with the business plan of Medway OFM;
- In the baseline case: road transport and shipping that is expected to be captured by rail in the absolute case (from road (80%) and shipping (20%)).

The forecasts in the baseline and absolute cases are based on project specific assumptions about productivity of the new fleet and energy consumption of transport modalities.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

These forecasts may differ from those of Medway OFM due to different assumptions, boundaries and baselines.

Other Environmental and Social Aspects

The project will be implemented by Medway OFM (Operador Ferroviário de Mercadorias), a rail operator established under Medlog (logistics arm of the MSC group). MSC is a vertically integrated group with activities in shipping, port and inland terminal operations, logistics and railways, thus controlling the entire transport value chain with a presence in 70 countries. MEDWAY OFM has implemented and certified an Integrated Quality and Environment Management System (SGI) in accordance with NP EN ISO 9001, since 2008 and ISO 14001, since 2011, respectively. In March 2020, MEDWAY saw its SQAS System - Safety & Quality Assessment for Sustainability, successfully evaluated for the Rail, Transport Service and Warehouse modules.

Conclusions and Recommendations

The project is expected to contribute to increasing the modal share of rail and have positive environmental impact in terms of safety, energy savings, air pollution, noise and CO₂ emissions.

Considering the above, the project is acceptable to the Bank from an environmental point of view.