

Environmental and Social Data Sheet

Overview

Project Name:	TANTA-EL MANSOURA-DAMIETTA RAILWAY UPGRADING
Project Number:	2018-0764
Country:	Egypt
Project Description:	<p>The project consists of the upgrading of the 119 km Tanta-El Mansoura-Damietta railway line. The project scope includes the upgrading of the double-track section Tanta-El Mansoura (54 km), the doubling of the single-track section El Mansoura-Damietta (65 km) and the re-signalling of the whole Tanta-El Mansoura-Damietta railway line.</p> <p>Moreover, the project includes the purchase of railway maintenance machines to be used on the Egyptian railway network, including the Tanta-El Mansoura-Damietta line.</p>
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	yes

Environmental and Social Assessment

Project description

The project entails upgrading of 119 km of existing railway line between Tanta, a city located about 100 km north of Cairo, and Damietta, a city with a major port on the Mediterranean coast. This railway line is part of the Cairo-Damietta corridor, which crosses the Nile delta and is the second busiest railway corridor in Egypt after Cairo-Alexandria.

The upgrading of the mixed traffic (passenger and freight) non-electrified railway line includes an increase of capacity and speed as well as major safety improvements mostly coming from the installation of a new signalling system.

The Project consists of the following components:

1. Upgrading of the 54 km Tanta-El Mansoura existing non-electrified double-track railway section;
2. Doubling and upgrading of the 65 km El Mansoura-Damietta existing non-electrified single-track railway section;
3. Re-signalling of the whole 119 km Tanta-El Mansoura-Damietta railway line;
4. Purchasing of 26 railway maintenance machines to be used for the entire Egyptian railway network, including the Tanta-El Mansoura-Damietta railway line.

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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The Tanta-El Mansoura-Damietta project is at preliminary design stage. The EIB is providing technical assistance to the Promoter for project preparation and is also expected to finance a TA to support the Promoter's project implementation unit (PIU), which is required for supporting the various stages of project implementation. The project is planned to be procured in a "design and build" format, so the final alignment will result from the detailed design.

Environmental Assessment

If the project was located in the European Union, the component concerning the doubling of the El Mansoura-Damietta section (point 2 in the project description) would fall within the scope of Annex I of the Environmental Impact Assessment (EIA) Directive (2011/92/EU as amended by 2014/52/EU). The re-signalling of the entire Tanta-Damietta line (point 3 in the project description) includes the construction of some technical buildings, which might fall under the scope the EIA Directive. The other project components would not fall within the scope of the EIA Directive. In order to comply with requirements of the EU legislation, the EIB financed Technical Assistance (TA) for project preparation that, among other tasks, is carrying out an Environmental and Social Impact Assessment (ESIA) covering the aforementioned project components no. 2 and 3.

Identified impacts during the construction and operation phase, classified as low or medium, are mainly emission of air pollutants and GHGs as well as dust in building sites, noise and vibration from construction activities and train operations, potential pollution of surface and ground water caused by leakages of oil and lubricants, production of hazardous and non-hazardous waste, impacts on soil and biodiversity, cultural heritage, traffic and visual impacts. Moreover, some potential impacts during the construction phase were classified as high, such as occupational as well as community health and safety, reduced accessibility to various facilities in the area of construction sites and impacts on land use; these impact will require specific mitigation measures.

An Environmental and Social Management Plan (ESMP) was drafted to propose mitigation measures to environmental and social impacts both during the construction and operation phase. These mitigation measures are outlined in the current version of the ESMP and, once the detailed design is completed, should be tailored to the project and the ESMP updated accordingly.

The project does not cross any of the 30 Egyptian protected areas. The closest protected areas are Ashtum El Gamil on the eastern side of the project (31°13' N - 32°19' E) and El Burullus on the Western side of the project. (31°30' N - 30°50' E). Their distance from the project is 35 km and 55 km respectively and they are not affected by project implementation and operation.

Overall, the project will contribute to journey time savings, railway capacity increase and improvement of quality and reliability of railway services for both passengers and freight. The project will generate modal shift from road to rail with reduction of congestion on the road network as well as reduction of road accidents and emissions of pollutants and CO₂. The "with project Scenario", despite some local negative impacts, will bring an overall improvement to the environment if compared with the "without project scenario".

Moreover, the purchase of maintenance machines is aimed at keeping the quality of operations of the infrastructure to high standards, which would avoid modal shift from railway back to road.

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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. The project consists of construction of infrastructure for low 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.

EIB Carbon Footprint Exercise

Based on Promoter's forecast of passenger and freight volumes, it was estimated that the project would produce about 40 ktonnes CO₂e/year (absolute emissions). Project emissions savings (relative emissions) are estimated to be about 34 ktonnes CO₂e/year. The estimated values refer to an average year of the 30-year appraisal period. The absolute emissions (with project scenario) calculation assumes the effects generated within the project boundaries. The baseline (without project scenario) considers emissions from existing railway line of both passenger and freight traffic as well as emissions from road traffic shifting to rail in the with project scenario. Relative emissions are calculated considering modal shift from the road network to the upgraded railway and the overall savings at network level.

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.

Social Assessment, where applicable

The construction of the second track between El Mansoura and Damietta, as well as the new technical buildings needed for the signalling system, will be carried out on land which is owned by ENR and in a smaller proportion on land which is privately owned. Consequently, potential impacts from expropriation and resettlement activities will affect tenants/users of land owned by ENR and individuals who privately own land, as well as tenants/users of the affected privately owned land.

However, at the current preliminary design stage, the exact alignment of the second track and the location of technical buildings has not been exactly determined. For this reason, the size and severity of the impact on the use of land still needs to be properly defined and the number of Project Affected Persons (PAPs) resulting from land acquisition is still uncertain.

A Resettlement Policy Framework (RPF) was defined in order to clarify resettlement principles, organisational arrangements, and design criteria to be applied to project components during project implementation as well as funding mechanisms for any resettlement operation that may be deemed necessary. The RPF aims at ensuring that PAPs are fairly and transparently compensated for their loss of land (whether permanently or temporarily), assets, loss of access to natural resources and economic activities, which affect their livelihood.

The extent of land acquisition, based on the preliminary design, was estimated at about 3.5 hectares, which is partially used as agricultural land and partially occupied by 37 buildings belonging to ENR, 12 houses, 6 businesses and 14 mosques belonging to ENR. Moreover, a number of informal economic activities, which are currently allowed along the alignment, such as animal stalls, kiosks and street vendors, could be affected. However, the impact on the aforementioned assets could change, and maybe be reduced, at detailed design stage.

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Once the detailed design is completed and the necessary information becomes available, the RPF will be expanded into a project specific Resettlement Action Plan (RAP), which will take into account potential risks and impacts. The various steps in preparing a RAP have been outlined in the RPF. The RAP will follow the rules set out both in the Egyptian legal framework and the social standards of lenders, i.e. EIB and AFD.

Project activities, which will cause physical and/or economic displacement, will not commence until such specific RAP has been finalised and approved by the lenders and the Promoter. The application of the Egyptian Legal framework and the lenders' standards will be Promoter's responsibility.

ENR has developed a mechanism for handling grievance to ensure that all complaints that may be related to project activities are addressed in a timely and transparent manner. The current grievance mechanism in ENR is implemented through two levels: (i) the first assigned to the project at local level and (ii) the central level for all railway lines and sectors, which is embedded in ENR as an institution.

Health and safety conditions during the project construction phase as well as operations is another point of focus. A health and safety plan will be requested to be prepared by the contractor who is awarded the contract, together with regular monitoring of working conditions and correct applications of the plan. Moreover, the detailed design will have to pay particular attention to the safety of operations from both railway users and others who use the area occupied by the infrastructure for different purposes.

Child labour in project construction activities has also been identified as a risk in the ESIA. In order to mitigate this risk, contracts of contractors, subcontractors, suppliers and service providers working for the project will contain provisions to prohibit child labour, as required by the EIB environmental and social standards and the EIB Guide to Procurement.

The potential impact that the project may have on cultural heritage shall be mitigated with consultation activities with community members and with coordination between the various authorities/Ministries involved.

Finally, the TA associated to the project, which is aimed at improving project preparation, includes a study of gender elements to be incorporated into the design. The Promoter agreed to take into consideration the outputs of the study. However, the nature of the project, consisting of railway track and signalling upgrading but not including station buildings, may offer only a limited potential to address gender equality.

Public Consultation and Stakeholder Engagement

Public consultation and stakeholder engagement activities were carried out in the context of the ESIA financed by the Bank.

The Consultant carried out stakeholder engagement activities through a community engagement plan, which has been developed for different stakeholders. The consultation activities started in August 2020 and ended in November 2020.

The Consultant conducted consultation activities with the local communities close to the project site, e.g. residents in the surrounding project areas, railway users, informal economic activities, governmental authorities including local units and environmental departments in the three Governorates Gharbia, Dakahlia and Damietta.

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The study team conducted multiple site visits to the project area. In addition, field observations were organised at project activities points to define various stakeholders, and the potential impacts of the project, and carried out stakeholder engagement activities through focus group discussions as well as interviews.

A public consultation event was announced by ENR's environment department with publication on ENR's official website on 22 August 2021 and held online on 22 September 2021. When the procedures related to the public consultation are completed, the competent authority is expected to issue a development consent for the project components subject to ESIA.

Conclusions and Recommendations

The project components, which would fall under the scope of the EIA Directive if the project was located in the EU, are being subject to ESIA. The ESIA is part of the scope of a TA financed by the Bank and aimed at improving project preparation. The ESIA identified potential impacts and proposed general mitigation measures, which have to be tailored to the project when the detailed design is completed and the project scope fully defined.

The project is far from protected areas, so no impacts from project implementation and operation are expected on these areas.

The project will have a positive contribution to the environment by generating modal shift from road to rail following the improvement of quality and reliability of railway services. The project's residual negative impacts during construction and operations are expected to be acceptable and partly offset by the foreseen modal shift facilitated by the investment.

The Promoter was made aware of the EIB's environmental and social standards and the need of all projects financed by the Bank to comply with these standards.

No social/environmental conditions are required for the project preparation activities, including preparation of detailed design and establishment of a Project Implementation Unit (PIU), or the procurement of the railway maintenance machines.

Disbursements to finance construction activities of the project Tanta-EI Mansoura-Damietta railway line can only be released if the following conditions are met to the Bank's satisfaction and before starting the construction activities:

1. prior to the first disbursement, the Promoter sends to the Bank updated versions of the ESIA and the ESMP, including their approval issued by the competent authority, incorporating the outcomes of the public consultation, the gender equality study as well as the completion of the design for both sections Tanta-EI Mansoura and EI Mansoura-Damietta. In addition, the update of the ESIA shall include preparation of a Climate Risk Vulnerability Assessment (CRVA) and specific adaptation measures, a vibration and noise study as well as mitigation measures required by the updated ESMP;
2. prior to the first disbursement, the Promoter submits to the Bank the RAP including its approval issued by the implementing authorities as well as a health and safety plan for construction activities related to the project section financed with this disbursement. The RAP shall incorporate the precise definition of the project footprint. The Promoter shall not start any construction and resettlement activities prior to the Bank's agreement of these plans;

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3. prior to each disbursement, the Promoter will send to the Bank the relevant building permits issued by the competent authority for the works financed within the specific disbursement request. In addition, the Promoter will send to the Bank a report documenting evidence that:
 - all environmental and social measures part of the ESMP have been implemented;
 - compensation and restoration of PAPs have been carried out in accordance with the RAP requirements and implementation schedule;
4. prior to the last disbursement, the Promoter will send to the Bank a RAP completion report containing evidence that all the measures defined in the RAP, including compensations, have been completed.

Moreover, the Promoter will commit to the following **undertakings**:

1. If the implementation of the RAP is under the responsibility of an authority different from ENR, the Promoter will proactively liaise with this authority to coordinate the implementation of the RAP.
2. The Promoter will set up a RAP monitoring system to ensure that the progress of the implementation of the RAP by the responsible authorities including resettlements for each individual PAP is duly monitored.
3. The Promoter will set up a monitoring system for noise and vibrations during the whole construction phase and the first year of operations.
4. The Promoter will inform the Bank about any changes to the project which may have environmental and social impacts and any changes to the mitigation measures prescribed in the ESIA.

Under the conditions indicated above, the project is acceptable for EIB financing from an environmental and social perspective.