

Environmental and Social Data Sheet

Overview

Project Name:	RESEAU FERROVIAIRE RAPIDE II
Project Number:	2015-0288
Country:	Tunisia
Project Description:	This operation aims to finance 28 trains that are necessary for the operation of a new rapid mass transit system including two suburban railway lines (Line D and Line E) of approximately 17 km with 14 stations. The infrastructure, which also includes a new maintenance centre and additional recovery areas at terminus stations, is under construction and is part of the Project. It is financed by the Bank under operation 2009-0154 RESEAU FERROVIAIRE RAPIDE.
EIA required:	Yes
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The Project was subject to a full Environmental Impact Assessment (EIA) in 2009 according to Tunisian legislation. The procedure followed by the Promoter was assessed at the time of the first appraisal and was deemed to be compliant with the spirit of the EIA Directive in force at that time with some caveats as further explained below.

Environmental Impact Studies (EISs) were carried out separately for each line and identified environmental and social impacts according to three main activities: clearing of the right of way (see Social Assessment below), construction and operation. Both studies included specific sections related to the Environmental Management Plans (EMPs).

Concerning the construction phase, the environmental impact was considered to be mainly negative and related to air and noise emissions and traffic disruptions: to this regard, some usual mitigation measures were identified and included in the EMPs (e.g. watering of construction sites, optimisation of construction timetable, traffic flow management).

On the other hand, during the operation phase, minor residual negative impacts were identified and were expected to be limited to noise emissions, vibrations, severance and visual impacts. Examples of mitigation measures proposed in the EIEs included the adoption of advanced technical solutions for rails and rolling stock to minimize vibrations, physical barriers and screens to reduce noise and minimize the visual impacts of the Project and landscaping measures. The construction of specific pedestrian crossings was also foreseen to mitigate the severance effect of the infrastructure.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

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On the other hand, the Project was and still is expected to produce a positive impact on the environment and on society once completed. In particular, the Project is expected to tackle the increasing reliance on private cars and, by this means, to reduce noise and air pollution, improve transport safety and favour energy efficiency and climate mitigation through a decrease of greenhouse gases emissions in the order of some 17.6 kilotons of CO₂ per year. Moreover, the Project should increase accessibility and mobility of local population, thus fostering social inclusion.

Such assessment of the Project's impacts is still valid at the current stage of its implementation. As the Project is located in a predominantly built-up urban environment, natural conservation areas are not directly affected, though the alignment of Line E is close to the Ramsar site "Sebkhet Sejoumi", one of the three seasonal salt flats around Tunis.

At the time of the first appraisal these two EISs had not received the formal approval of the competent authority (*ANPE – Agence Nationale pour la Protection de l'Environnement*) which constituted a condition precedent to the loan disbursement. ANPE eventually issued its favourable opinion in September 2009 conditioned to the preparation of a complementary study to further assess impacts and related mitigation measures in the area of Bardo in terms of traffic disruption, severance, water evacuation and flood.

Such complementary study received the favourable opinion of ANPE in March 2011 despite the fact that its conclusions were not supportive of the envisaged technical solution and with a recommendation to foster consultation with the civil society. In addition, the design of a major structure on line E (OAE5/6) was subsequently modified during construction to eventually build a rail viaduct instead of a rail underpass as initially planned. The new design was the object of a complementary EIS which received the favourable opinion of the competent authority in September 2015.

Finally, in December 2015 the Project's Engineer reported that key mitigation measures foreseen in the EMPs were not adequately implemented and may affect both the environment and the safety of workers and of the general public. Due to this situation, which was in part resulting from economic and financial difficulties of the two construction companies at that time, the Bank decided to suspend disbursements during 2016 and to require an action plan to ensure that the Project's implementation would be in line with the EMPs.

The Project's Engineer prepared an EHS Plan (*Plan Hygiène, Sécurité, Environnement*) in May 2016. This plan includes specific measures to be implemented by the construction companies on the working sites and to be reviewed and updated as necessary on a regular basis. In addition, the plan foresees the reinforcement of procedures for supervision and monitoring of EHS aspects and a higher involvement of the Promoter whose capacity has been reinforced with an expert dedicated to the implementation of the EMPs. The current execution of the Plan HSE is satisfactory.

Social Assessment

At the time of the first appraisal, the available EISs pointed out that the clearing of the right of way would entail impacts in social terms due to expropriations along the Project's alignment. It was then expected that expropriation procedures would take place according to the Tunisian law and include consultations with the affected stakeholders while the monetary compensations would be based on market values and concern also stakeholders that may not be expropriated but may incur in a loss of property values or business turnovers.

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However, limited information was provided in the EISs that were available at the time of the first appraisal. In this respect, several exchanges occurred between the Bank and the Promoter during the negotiation of the finance contract in 2010 but the Promoter failed to provide at that time a sufficient level of information enabling the Bank to understand the socio-economic baseline and assess the social impacts of the Project as well as the compliance of the procedures to be followed by the Promoter with the Bank's standards applicable in 2009. For this reason, a condition precedent requiring the Promoter to provide an updated version of the EMPs addressing resettlement issues, which was formerly approved by the EIB's Board of Directors in 2009, was eventually included in the finance contract signed in December 2010.

Further exchanges with the Promoter could only be resumed at the beginning of 2012 after the Jasmin revolution of January 2011 and the subsequent political turmoil and social unrest which led to uncertainties about the Project's implementation. As the land acquisition process had already started by then, with 102 out of 239 expropriation files already finalized, the Bank commissioned an independent study to assess the gaps between the resettlement procedures followed by the Promoter and the Bank's social standards applicable to the Project in 2009.

Based on the results of such study, at the beginning of 2013 the Bank proposed an Action Plan of Corrective Measures (APCM) to the Promoter, which aimed to reducing such gaps and minimising the negative social impacts of the Project. However, the Promoter rejected certain actions proposed in the APCM claiming that it could not commit to a structured set of actions to address resettlement activities as proposed by the Bank in the fragile social context which followed the Jasmin revolution.

Remedies accepted by the Promoter have eventually replaced the provision of the updated EMPs as condition precedent in the finance contract which was amended in August 2013. They include the reinforcement of its capacity on social matters through the recruitment of a social development specialist and additional resources to be allocated to resettlement issues. The Promoter also engaged in preparing a Communication and Stakeholder Engagement Plan, as well as a Coordination Plan among different governing bodies and a Monitoring and Management Plan related to resettlement activities.

Such measures were implemented by the Promoter by August 2014 which allowed the Bank to pursue the disbursements to the Project. The implementation of the three plans has been closely followed by the Bank since then and is currently deemed satisfactory. Only 61 expropriation files are still pending, while the Promoter works in close cooperation with the local authorities to find acceptable solutions to address the few cases of informal resettlement as well as to enhance support to vulnerable groups.

Public Consultation and Stakeholder Engagement

At the time of the first appraisal, there was no clear evidence that public consultation had been carried out according to acceptable standards which constituted a condition precedent to the loan disbursement.

Such condition was fulfilled before signature, though the process followed to involve the population in the decision process was not similar to what would normally be considered a direct public consultation in the European Union. Public consultation was in fact carried out at an institutional level as it was often the case in the Country before the revolution.

On request of the Bank, the Promoter is currently implementing a Communication and Stakeholder Engagement Plan (see Social Assessment above) to enhance the acceptability

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of the Project to the wider public, as also recommended by ANPE in relation to the complementary EIE on the area of Bardo, and to target specific social groups that may be more exposed to the Project's negative impacts.

Examples of measures that have been put in place by the Promoter include the implementation of a grieving mechanism, enhanced social dialogue with retailers in the area of Melassine, the involvement of the civil society in the area of Bardo and the consultation of people that may be potentially affected by the change in the design of the structure OAE5/6 (see Environmental Assessment above). The Promoter is also taking further steps to improve its global communication on the Project which eventually allows for more transparency on its implementation and encourage stakeholder participation.

The Bank is closely monitoring the implementation of the Communication and Stakeholder Engagement Plan which is deemed satisfactory and actively supports the Promoter in the constant improvement of social actions.

Other Environmental and Social Aspects

The implementation of environmental and social mitigation measures as described above is summarized in specific reporting provided by the Project's Engineer and the international consultant providing technical assistance to the Promoter as well as in the progress reports related to the implementation of the Communication and Stakeholder Engagement Plan, the Coordination Plan and the Monitoring Plan related to resettlement activities.

Moreover, in the context of the implementation of the EHS Plan mentioned above, the Bank has required the Promoter to carry out a review of potential safety and environmental matters of the Project during operation in particular at specific critical locations.

Conclusions and Recommendations

The Project will have some negative residual impacts but adequate mitigation and compensation measures were identified at the time of its Environmental Impact Assessment in 2009. Overall, the Project is expected to eventually engender a positive effect on the environment and on society as it will help in reducing air and noise pollution and GHG emissions. It should also increase accessibility and mobility of local population, thus fostering social inclusion.

The Bank approved a first financing of the Project in 2009 (operation 2009-0154) entailing two finance contracts, one for the infrastructure and one for the rolling stock. Due to delays in the Project's implementation, this latter could not be signed before expiry of the Bank's approval. This second approval is therefore necessary to make the funds for rolling stock available again.

In this respect, the environmental and social due diligence was carried out in 2009 based on standards applicable at that time, as reflected in the Environmental and Social Practices Handbook of September 2007, which remain the current reference for the Project as a whole including both infrastructure and rolling stock.

Despite the conditionality on the loan disbursement that were initially foreseen by the Bank at the time of the first appraisal, the Project's implementation has diverged from the Bank's environmental and social standards that were applicable at that time.

Remedy measures have been put in place on request of the Bank and consists of a number of plans to address communication and stakeholder engagement, institutional coordination,

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the monitoring of resettlement activities with a particular attention to vulnerable groups and the adequate implementation of environmental and safety measures on the working sites.

The current implementation of such plans is satisfactory. Notwithstanding, due to the difficult political and social context and the fragile situation of the main construction companies, environmental and social risks are still not negligible.

In order to mitigate such risks, the Promoter, whether it be the Ministry of Transport, the company in charge of the implementation of the infrastructure (*Société du Réseau Ferroviaire Rapide*) or the company in charge of the acquisition of rolling stock (*Société Nationale du Chemin de Fer Tunisien*), shall therefore:

- prior to each disbursement, provide evidence of the satisfactory implementation of the Communication and Stakeholder Engagement Plan, the Coordination Plan and the Monitoring and Management Plan of resettlement activities;
- prior to each disbursement, provide evidence of the satisfactory implementation of the EHS Plan;
- engage to carry out a review of potential safety and environmental matters of the Project during operation in particular at specific critical locations.

Under such conditions, the Project is acceptable for EIB financing in environmental and social terms.