**Overview**

<table>
<thead>
<tr>
<th>Project Name:</th>
<th>Krakow Tramway III</th>
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<tbody>
<tr>
<td>Project Number:</td>
<td>2017-0390</td>
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<tr>
<td>Country:</td>
<td>Poland</td>
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<tr>
<td>Project Description:</td>
<td>The project includes the purchase of up to 90 new trams in order to replace the obsolete units and the modernisation of 20 existing trams</td>
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<tr>
<td>EIA required:</td>
<td>no</td>
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<td>Project included in Carbon Footprint Exercise¹:</td>
<td>no</td>
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</table>

**Environmental and Social Assessment**

**Environmental Assessment**

The project consists of the purchase of up to 90 new trams in order to replace the obsolete units and the modernisation of 20 existing trams.

The rolling stock purchase is included in the Operational Programme Infrastructure and Environment (OPIE) for 2014-2020 period, approved by the European Commission. It is also part of the Krakow Development Strategy (“Strategia Rozwoju Krakowa. Tu chcę żyć. Kraków 2030”), Krakow Transport Policy 2016 - 2025 and Krakow Multiyear Investment Plan. It is also compliant with the Malopolskie Region Transport Development Strategy by 2030.

The manufacturing and modernisation of rolling stock (new trams) and the installation of charging facilities in an existing depot fall outside the scope of the EIA Directive 2011/92/EC amended by Directive 2014/52/EU. Therefore, no EIA will be required.

The promoter plans to scrap the existing trams according to its standard scrapping and sale procedures, ensuring a consistent handling of scrapping and sale of vehicles in line with their technical conditions, safeguarding the operating safety and optimising the fleet structure. The vehicles will be separated into their constituent parts and handed over to authorised entities dealing with recycling and recovery of waste type/disposal of waste according to national Polish legislation. The Bank will request, after project completion, information from the Promoter on the disposal of the trams.

The project will not affect any critical habitats of particular ecological value and sensitivity. Within the city borders of Krakow the closest Natura 2000 site is “PLH 120069 - Nowa Huta Meadows”. The proposed project will have no effect on the integrity of this Natura 2000 site as the existing tramway network is situated outside the boundaries of this area.

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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.
The new rolling stock will meet modern specifications in respect of environment and safety and will be equipped with the most advanced regenerating braking system, enabling the energy recovered during deceleration to be used for acceleration on the same vehicle. The new rolling stock will therefore help to reduce emissions derived from the electrical energy supply and will contribute in tackling climate change. On a vehicle-km basis, the new units will consume more energy than the trams being replaced this is because they will have more amenities e.g. air conditioning, better acceleration etc.

The project is expected to contribute to an overall improvement of the urban environment by encouraging the use of public transport in a congested urban area. The project will improve public transport service quality, reliability, safety and efficiency, and help maintain and possibly enhance the share of public transport, helping thus reduce reliance on private vehicles and the associated negative impacts on the local environment (pollution, GHG emissions and noise). The charging facilities in Nowa Huta depot will enable the use of electric buses in Krakow, which will contribute to further emissions and noise reduction. The trams will also be able to recover energy under braking.

Social Assessment

The foreseen project activities and outputs are not likely to trigger any of the Bank’s social standards.

Conclusions and Recommendations

The project is expected to contribute to an overall improvement of the urban environment by encouraging the use of public transport in a congested urban area. The renewal of the tram fleet will contribute to reduced noise and pollution (CO₂, NOₓ and PM particles) by encouraging a shift to public transport use. In addition, the investment will have the capacity to improve the quality of public transport services, helping thus reduce reliance on private cars and maintain or increase public transport share.

Considering the above, the project is deemed acceptable for EIB financing in environmental and social terms.