

Luxembourg, 27.09.2019

Public

Environmental and Social Data Sheet

Overview

Project Name:	Niederrhein-Münsterland Netz
Project Number:	2018-0601
Country:	Germany
Project Description:	The project consists of the purchase of 60 new passenger trains and associated equipment, which could be charging infrastructure or energy storage and distribution facilities, to be operated in North Rhine-Westphalia, Germany. The new trains will have low or no local emissions, and replace existing diesel traction rolling stock.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The promoters are Verkehrsverbund Rhein-Ruhr AöR (VRR) and Zweckverband Nahverkehr Westfalen-Lippe (NWL), both of which are fully owned by municipalities and federal states (VRR is owned by North Rhine-Westphalia and 15 municipalities in North Rhine-Westphalia).

The Bank will finance up to 50% of the project of 60 low or no local emissions trains (including performance reserves). The project fleet will likely use either battery power or hydrogen fuel cells, replacing the existing diesel fleet. This new fleet is part of the promoter's program to lower transport related carbon emissions.

The promoter will purchase the trains from a supplier who will be responsible for the operational availability of the vehicles over a period of 30 years. The supplier is also responsible for the vehicles' energy supply infrastructure for the same time period.

The project fleet is scheduled to deliver a total of about 6m train-km per year on the railway network in the region Niederrhein-Münsterland (Krefeld, Kleve, Neuss, Duisburg, Xanten, Oberhausen, Bottrop, Essen and Dortmund amongst others). The new trains will gradually improve railway services through better performance on the existing network and eventual increase service frequency.

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.

Luxembourg, 27.09.2019

They will also deliver services over a yet to be reactivated line of about 10 km length, improving the attractiveness of public transport to and from the town of Kamp-Lintfort and the surrounding area by providing access to the wider railway network. The works reopening the line are subject to German and EU environmental legislation.

The project forms part of the promoter's Transport Strategy 'Zielnetz 2020-2030+' as indicated in its annual transport plan for the network of VRR ('VRR-Nahverkehrsplan 2017').

The use of modern vehicles will improve accessibility and attractiveness of public transport services for users, thus strengthening the demand for rail services in the region. The new trains will help reduce the emission of greenhouse gases by shifting from diesel to grid power or hydrogen. The energy replacing diesel will for now not necessarily be fully GHG neutral but emissions will be lower and a gradual development towards complete decarbonisation is foreseen. The improved performance of new vehicles with better quality will help railways to maintain or improve its modal share as an environmentally friendly mode of transport. The alternatively fuelled trains will be quieter and emit less local pollutants than the existing diesel trains.

The train-sets will comply with the applicable European Technical Specifications for Interoperability (TSI) for rolling stock, noise and access for persons with reduced mobility.

The existing rolling stock is owned by the incumbent railway undertaking and is to be replaced by the newly purchased rolling stock. The existing rolling stock was commissioned between 2002 and 2009, leaving it between 22 and 15 years of age in 2024, the time of scheduled beginning of operations. The present train fleet is leased or owned by the incumbent train operating companies who have the ability to reassign these widely usable trains in the German network. This is expected to initiate a cascade of reassignments of rolling stock, at the end of which some older vehicles will be scrapped. This shall be performed in accordance with applicable EU and national rules and regulations.

While there are several sufficiently equipped depots in the area, new facilities may be developed for the project fleet. Although such construction would fall outside the scope of the project, such elements could fall under Annex II of the EIA directive, and therefore may be subject to an screening by the Competent Authority. The promoter will be obliged to provide evidence that EIA (should this be required for any works associated with the Project), Habitats and Birds Directives are being followed. This also applies for charging infrastructure for hydrogen (storage and distribution) and electric charging facilities.

Conclusions and Recommendations

The project is expected to enable the railways to capture traffic growth and thus maintain the rail modal share and prevent a shift towards less sustainable modes, resulting in positive environmental impacts.

The purchase of rolling stock does 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, thus an EIA is not required.

If construction of new depot facilities will be necessary to stable and maintain the new trains, the Borrower shall be required to provide to the Bank evidence of environmental compliance by submitting a copy of the environmental screening decision, and if the depot is screened in



Luxembourg, 27.09.2019

a copy of the EIA report, as well as evidence that the requirements of the EU Habitats Directive 92/43/EC and the EU Birds Directive 79/409/EC have been fulfilled– if applicable.

Under these conditions, the project is acceptable for Bank financing from an environmental point of view.