

Social Due Diligence Report

November 2018

Sri Lanka: Railway Efficiency Improvement Project

Construction of New Workshop and Stores for Chief Mechanical Engineer's Subdepartment at Ratmalana

Prepared by the Project Management Unit, Colombo Suburban Railway Project, and Ministry of Transport & Civil Aviation for the Asian Development Bank.

CURRENCY EQUIVALENTS

(as of 14 October 2018)

Currency unit	–	Sri Lanka Rupee/s (SLRe/SLRs)
SLRe1.00	=	\$0.005891
\$1.00	=	SLRs169.74

ABBREVIATIONS

ADB	–	Asian Development Bank
CMESD	–	Chief Mechanical Engineers Subdepartment
CSRP	–	Colombo Suburban Railway Project
DMU	–	diesel multiple units
GRC	–	grievance redress committee
MOTCA	–	Ministry of Transport & Civil Aviation
PMU	–	project management unit
SLR	–	Sri Lanka Railways
TA	–	technical assistance

This due diligence report is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

CONTENTS

I.	Introduction	1
II.	Objectives and Methodology	2
III.	Document Verification and Field Observations	2
IV.	Other Social Impacts and Mitigation Measures.....	4
V.	Grievance Redress Mechanism.....	4
VI.	Conclusion	5

LIST OF ANNEXES

Annex 1: Details of the Civil Work under the Subcomponent of the Project.....	0
Annex 2a: Relative Location and Surroundings as Visible in a Satellite Image.....	2
Annex 2b: Relative Locations of Subcomponent items showing in the Survey Plan	3
Annex 3: Resettlement and Indigenous Peoples Impact Screening Checklists	4
Annex 4: Grievance Redress Mechanism Process (Flow Chart)	9

LIST OF FIGURES

Figure 1: Site for the Proposed New Workshop with Discarded Wagon Wheels.....	3
Figure 2: Land for New Stores with Abandoned Carriages Parked at the Site	3
Figure 3: Vacant Land for the New Armature Cleaning Facility (encircled)	4

I. INTRODUCTION

1. Sri Lanka Railways is a government department under the Ministry of Transport & Civil Aviation (MOTCA), which owns and operates approximately 1,500 kilometers of rail tracks, about 21 different types of 180 locomotives, 800 passenger coaches, about 1,500 freight wagons, and a signaling network. Established during the colonial period, SLR transports both passenger and freight. Current transport statistics of the country reveals that the present market share for passenger transport by rail is about 6.0% while the freight transport is only 1.0%.¹

2. The National Transport Policy of the Government of Sri Lanka has articulated a program to increase the market share for passenger and freight.² The program aims to modernize the railway transport system by enhancing the interconnection between different regions of the country both economically and efficiently. As indicated in the annual report 2017 of the Central Bank of Sri Lanka, the lack of timely investment in fleet replacement, lack of technology usage by Sri Lanka Railways (SLR), and frequent trade union actions have resulted in overcrowding the trains and delays. These have reduced reliability of the railway transport system. The Colombo Suburban Railway Project (CSRP) has been initiated by MOTCA together SLR to address some of these constraints. The MOTCA has requested Asian Development Bank (ADB) assistance to implement the program. The program aims to increase the railway market share to 10% of passenger and 5% of freight demand in 2020 and leverage the competitive advantage of rail transport in three market segments: suburban passenger services in Colombo and Kandy, redevelopment of freight transport to increase revenues and export capacity, and long-distance express services where rail can compete with road and air transport. Specific investment priorities are to: (i) rehabilitate and increase rolling stock fleet; (ii) expand railway lines and improve track capacity; (iii) improve signaling and telecommunications; (iv) enhance railway stations, and ticketing and information systems; (v) improve railway land management; (vi) increase private sector participation; and (vii) rationalize subsidies and tariffs. The strategy complements urban and suburban transport strategies for Colombo and the Western Province, which notably emphasize the development of a rapid transit network and of multimodal transport hubs.

3. Under CSRP, ADB's interventions include (i) a technical assistance (TA) approved in 2015 to prepare a prefeasibility study for suburban railway network improvements; (ii) a TA loan approved in 2016 for \$24.4 million to prepare feasibility and detailed design studies for four suburban lines; and (iii) a TA approved in 2017 to prepare a nationwide railway master plan.³ The Railway Efficiency Improvement Project (REIP). This project is the first physical intervention of ADB in the railway sector of Sri Lanka. Future assistance of ADB is expected to support the electrification and double tracking of the Kelani Valley Line in 2020, followed by future improvements of the Main Line and Coast Line. The project will (i) improve the efficiency of suburban railway operations by addressing key operating bottlenecks through the modernization of the telecommunication, ticketing, operations headquarters, and train control center systems; (ii) upgrade the railway workshop in Ratmalana; (iii) improve railway safety through the construction of housing blocks to support future resettlement of informal dwellers, improvements of Colombo Fort and Maradana stations, and upgrade of a railway underpass; (iv) upgrade the capacity of the Sri Lanka German Railway Technical Training Center; and (v) support project implementation capacity and readiness, notably to support the future modernization of the Kelani Valley Line and other suburban lines. The project will increase the

¹ [Sri Lanka Railways Website](#).

² Government of Sri Lanka, MOTCA. 2018. *National Transport Policy*. Colombo; and Government of Sri Lanka, Ministry of National Policies and Economic Affairs. 2017. *Public Investment Program, 2017–2020*. Colombo.

³ ADB. [Sri Lanka: Colombo Suburban Railway Project](#); ADB. [Sri Lanka: Transport Project Preparatory Facility](#); and ADB. [Sri Lanka: Railway Master Plan](#). Manila. The master plan will assess needs for institutional strengthening, identify and prioritize investments, support a tariff reform, and identify potential for private sector participation and development of freight supply chains. It is expected to be completed in October 2019.

efficiency and attractiveness of the railway system, thus increasing its market share and financial sustainability, and reducing road congestion.

4. The Ratmalana railway workshop operated under the Chief Mechanical Engineers Subdepartment (CMESD) plays a vital role in maintaining the rolling stock of SLR which presently include 180 locomotives of 21 different types, 800 passenger coaches, and 1,500 freight wagons. This workshop was built during the colonial period and is located in a land approximately 33 hectares in extent which is owned by SLR.⁴ Location map of this facility is presented in Annex 1. Since SLR intends to introduce another 22 diesel locomotives and 15 diesel multiple units (DMUs) under CSRP, it is necessary to increase the capacity of Ratmalana workshop. This expansion will be supported by REIP. Details of civil works of the subcomponent is presented in Annex 1. Location map of the proposed site for the new workshop buildings is presented in Annex 2a. This report summarizes the social safeguards due diligence on the potential involuntary resettlement and indigenous peoples impacts and risks of constructing the Ratmalana workshop.

II. OBJECTIVES AND METHODOLOGY

5. The objectives of this social due diligence report are to (i) confirm that the land selected for this component is a government property; and (ii) determine the social impacts of construction of new buildings within the Ratmalana workshop; (iii) recommend measures to address the impacts and risks, if any, in line with the government policy and ADB Safeguard Policy Statement.

6. After obtaining a footprint of the proposed buildings, the social safeguard team of the Project Management Unit (PMU) consulted the SLR officers particularly with CMESD staff, Divisional Secretary Ratmalana, and Grama Niladhari of Ratmalana East, Grama Niladhari Division with respect to the ownership status of this land. The team also discussed with officials from SLR, Urban Development Authority, and Central Environmental Authority. Field visits to the site were conducted to confirm whether there are any settlements within the proposed land, and if so, to determine the nature of impact such settlements will have due to the proposed project. Discussions and site investigations were carried out during the period from 15 April 2018 to 30 May 2018.

III. DOCUMENT VERIFICATION AND FIELD OBSERVATIONS

7. Based on the preliminary design information, a total footprint of approximately 2,900 square meters or 0.29 hectares land area within the existing CMESD premises shall be required to construct the new workshop, additional rooms and/or facilities, including new armature cleaning facility, and painting workshop and stores. Proposed ground layout of these facilities within the CMESD premises is presented in Annex 1. Discussions with Divisional Secretary, Ratmalana and Grama Niladhari of Ratmalana East, Grama Niladhari Division, and relevant documents, including maps and plans, confirmed that this land (CMESD premises) is a government property belonging to SLR. Therefore, acquisition of any private land for the proposed development works does not arise. Layout of the subcomponent items are in the survey plan attached as Annex 2b.

8. Visit to the proposed construction sites (within CMESD premises) confirmed that the entire facility is well-fenced off from the surrounding and have no encroachments or any permanent buildings, including residential type. However, some of the land lots have been used as sites to park discarded locomotives and passenger coaches, and to stock used and discarded locomotive, passenger coaches, and freight wagon parts. Below are photographs taken at the site to illustrate this situation.

⁴ The Sri Lanka – German railway technical training centre is also located within this land.



Figure 1: Site for the Proposed New Workshop with Discarded Wagon Wheels



Figure 2: Land for New Stores with Abandoned Carriages Parked at the Site



Figure 3: Vacant Land for the New Armature Cleaning Facility (encircled)

9. The involuntary resettlement and indigenous people impact screening checklists for this subproject are attached as Annex 3.

IV. OTHER SOCIAL IMPACTS AND MITIGATION MEASURES

10. Health and safety of construction workers and employees of SLR working within CMESD premises shall be the main impact and/or issue that needs to be addressed during the construction stage. In order to avoid and mitigate such issue, it is important to implement a stringent health and safety management plan during the construction stage.

11. There shall be no significant noise and vibration issues to nearby residents as there will be no heavy foundation works which involve piling works. Residential structures are located more than 100 meters away from the proposed building sites.

V. GRIEVANCE REDRESS MECHANISM

12. A three-level grievance redress mechanism shall be formulated for REIP. The first shall be at the site level where complaints will be directly received and addressed by the contractor, project implementation consultant, or PMU representative on site. The second shall be at the regional level which shall address grievances that are simple but cannot be addressed at the site level. The Divisional Secretary will chair the regional level grievance redress committee (GRC). More complex grievances which cannot be addressed at the regional level and require inputs of Secretary for the Ministry will be addressed at the national level. Proposed grievance redress mechanism flow chart is attached as Annex 4.

13. Each GRC shall include at least one female member to represent the local community of women to exercise gender responsiveness. When grievances or complaints are submitted to the GRC, they will be treated equally irrespective of their gender.

VI. CONCLUSION

14. The assessment of potential land acquisition, involuntary resettlement and indigenous peoples impacts and risks for the proposed construction of the new workshop building indicates that:

- (i) the land lot identified for the proposed subproject components is a government-owned land; hence, no acquisition of private land is required;
- (ii) there are no encroachments to the land or any structure that needs to be shifted;
- (iii) there are no impacts on indigenous peoples communities; and
- (iv) that the health and safety issues for both workers and employees of SLR working within CMESD shall be avoided and mitigated through the implementation of a health and safety management plan.

ANNEX 1: DETAILS OF THE CIVIL WORKS UNDER THE SUBCOMPONENT OF THE PROJECT

1. The details of the civil works and technical items under the subcomponent are given below.

Table 1. Detail of Civil Works and Technical Items

Type of Building	Purpose of the Building	Floor Area	Details
Work shop	New workshop to carry out intermediate shop overhaul of six DMUs	1,300 m ² (450' x 32')	Includes two lifting bays (two tracks) and one of them shall be six berthing slots. Out of six berths, one single berth shall be with four numbers of 20 tons synchronized jacks and each of other berths shall be equipped with four numbers of 15 tons synchronized lifting jacks (motor-driven screw type). A cat walk platform and roof level platform shall be erected on one side of this track. The other bay (track) is dedicated for bogie and brake repairs. Also, two numbers of 20 ton EOT under slung jib cranes shall be installed in the same workshop.
Additional facilities	Six rooms adjoining the workshop and additional facilities	Six numbers each having 6x15 m (x06 numbers)	Include machine section, break equipment repairs section, store room, tool room, compressor and other auxiliary and office rooms. Wash rooms, common bathing area, overhead water tank, oil separator, and workers changing room shall be incorporated in this work shop.
Armature cleaning facility			
Painting workshop	Carry out painting works of DMUs	48.0 m x 6.5 m	A fully-enclosed facility to be used in all weather conditions
Stores	For storage of spare parts and equipment	720 m ² (200' x 39')	This will be separately built.

m = meter; m² = square meter; DMU = Diesel multiple units; EOT = extension of time.

2. Above new buildings shall include the following facilities:

- (i) Necessary partitions and stair cases
- (ii) Drinking water with overhead tanks
- (iii) Sewage disposal (septic and soakage pits)
- (iv) Waste oil separator and/or filter system
- (v) Water sumps for clear water
- (vi) Firefighting system requirements
- (vii) Drainage system for waste water and storm water

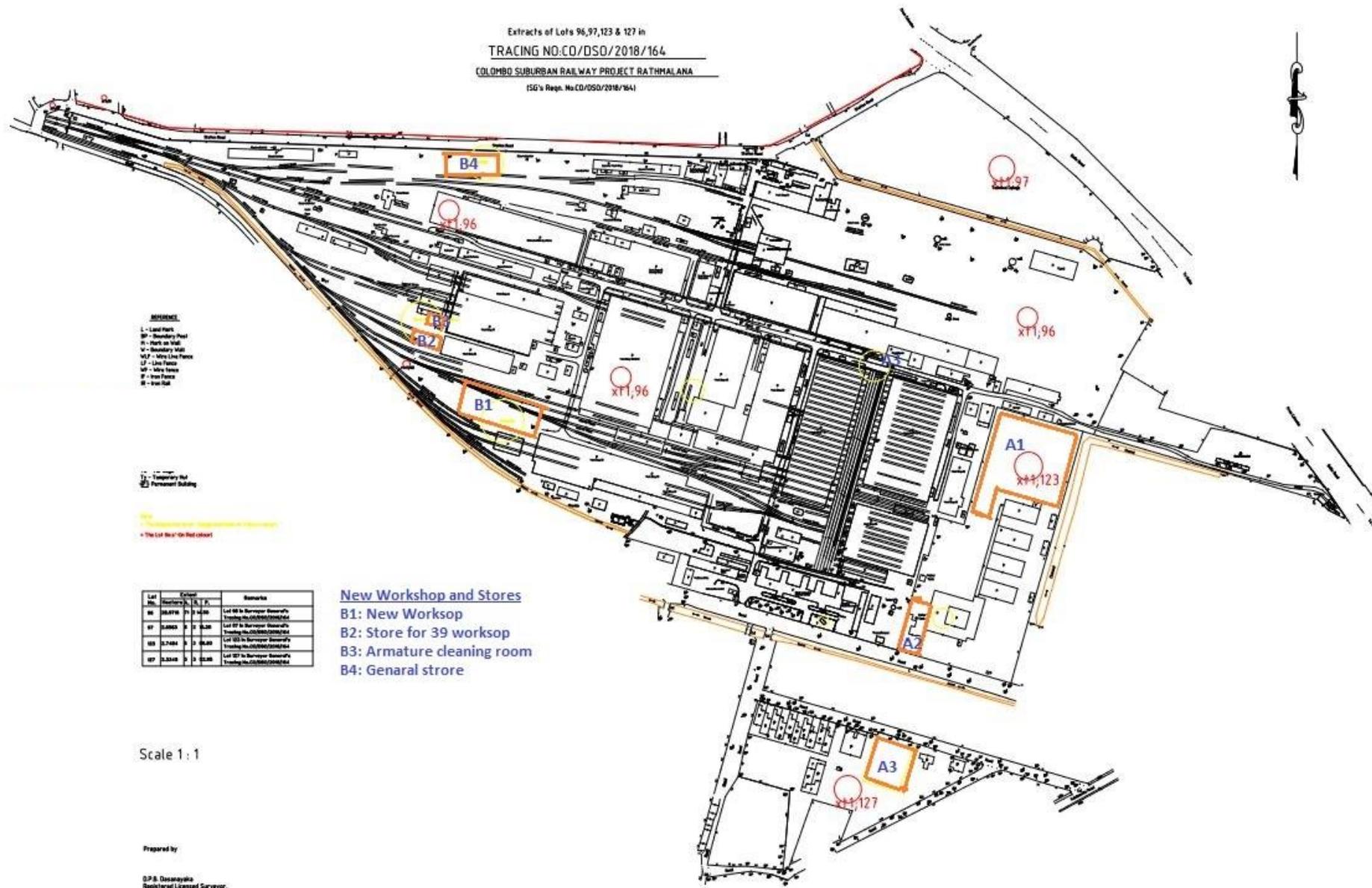
- (viii) Lightning protection system
- (ix) Landscaping, gates, and fences, as necessary

3. All technical designs and provisions are in accordance to National Standards of Institute of Construction Training and Development and British Standards specifications, Urban Development Authority, and Central Electricity Authority guidelines, and will be done in close coordination with safeguard team of PMU and design consultants.

ANNEX 2A: RELATIVE LOCATION AND SURROUNDINGS AS VISIBLE IN A SATELLITE IMAGE



ANNEX 2B: RELATIVE LOCATIONS OF SUBCOMPONENT ITEMS SHOWING IN THE SURVEY PLAN



ANNEX 3: RESETTLEMENT AND INDIGENOUS PEOPLES IMPACT SCREENING CHECKLISTS

A. Subproject Details: Construction of New Facilities at Chief Mechanical Engineer's Subdepartment in Ratmalana.

B. Information on Project/Subproject/Component:

- a. Administrative division name: Dehiwala–Mount La Vinia Divisional Secretary, Colombo District
- b. Location: Western Province, Sri Lanka
- c. Civil works details (proposed): Construction of new chief mechanical engineer's workshop and stores in Ratmalana
- d. Technical description: These works are related to the construction of a new building complex and supply equipment for the existing workshop.

C. Screening Questions for Involuntary Resettlement Impact

Involuntary Resettlement Impacts	Yes	No	Not known	Remarks
Will the project include any physical construction work?	✓			Construction of new chief mechanical engineer's workshop and stores in Ratmalana
Does the proposed activity include upgrading or rehabilitation of existing physical facilities?		✓		
Will it require permanent and/or temporary land acquisition?		✓		
Is the ownership status and current usage of the land known?	✓			The land is owned by SLR.
Are there any non-titled people who live or earn their livelihood at the site or within the corridor of impact (COI) / right-of-way (ROW)?		✓		
Will there be loss of housing?		✓		
Will there be loss of agricultural plots?		✓		
Will there be losses of crops, trees, and fixed assets (i.e. fences, pumps, etc.)?		✓		There is no loss of crops.

Involuntary Resettlement Impacts	Yes	No	Not known	Remarks
Will there be loss of businesses or enterprises?		✓		
Will there be loss of incomes and livelihoods?		✓		
Will people lose access to facilities, services, or natural resources?		✓		
Will any social or economic activities be affected by land use-related changes?		✓		
Are any of the affected persons (AP) from indigenous or ethnic minority groups?		✓		

D. Involuntary Resettlement Impact

1. The PMU-CSRP safeguard team confirms that the proposed subsection/section/subproject/component has no involuntary resettlement impact. Hence, a resettlement plan or corrective action plan is not required.

E. Screening Questions for Indigenous People's Impact

Key Concerns (Please provide elaborations on the Remarks column)	Yes	No	Not Known	Remarks
A. Indigenous Peoples Identification				
1. Are there socio-cultural groups present in or use the project area who may be considered as "tribes" (hill tribes, schedules tribes, tribal peoples), or "indigenous communities" in the project area?		✓		
2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the project area as belonging to "ethnic minorities", scheduled tribes, tribal peoples, national minorities, or cultural communities?				No indigenous people; not applicable

Key Concerns (Please provide elaborations on the Remarks column)	Yes	No	Not Known	Remarks
3. Do such groups self-identify as being part of a distinct social and cultural group?				Not applicable
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?				Not applicable
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?				Not applicable
6. Do such groups speak a distinct language or dialect?				Not applicable
7. Has such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?				Not applicable
8. Are such groups represented as "Indigenous Peoples" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?				Not applicable
B. Identification of Potential Impacts				
9. Will the project directly or indirectly benefit or target Indigenous Peoples?				Not applicable
10. Will the project directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (e.g. child-rearing, health, education, arts, and governance)		✓		

Key Concerns (Please provide elaborations on the Remarks column)	Yes	No	Not Known	Remarks
11. Will the project affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)		✓		
12. Will the project be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?		✓		
C. Identification of Special Requirements <i>Will the project activities include:</i>				
13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?		✓		Not required as there are no indigenous peoples
14. Physical displacement from traditional or customary lands?		✓		Not required as there are no indigenous peoples
15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples?		✓		Not required as there are no indigenous peoples
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?		✓		Not required as there are no IPs
17. Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?		✓		Not required as there are no IPs

F. Indigenous People Impact

1. The PMU-CSR safeguard team confirms that the proposed subsection/section/subproject/component has no potential to impact on indigenous peoples communities. Hence, an indigenous peoples plan/specific action plan is not required.

ANNEX 4: GRIEVANCE REDRESS MECHANISM PROCESS (FLOW CHART)

