

# Social Due Diligence Report

---

November 2018

## Sri Lanka: Railway Efficiency Improvement Project

Construction of New Training Wing for Sri Lanka German Railway Technical Training Center 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
CSRP	–	Colombo Suburban Railway Project
GRC	–	grievance redress committee
MOTCA	–	Ministry of Transport & Civil Aviation
PMU	–	project management unit
SLGRTTC	–	Sri Lanka German Railway Technical Training Center
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.



## TABLE OF CONTENTS

I. Introduction.....	1
II. Objectives and Methodology.....	2
III. Summary of 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: Proposed Subcomponent of the Project.....	6
Annex 2: Relative Location and Surroundings as Visible in a Satellite Image.....	7
Annex 3: Layout of Proposed Subcomponent Items Showing in the Survey Plan.....	8
Annex 4: Resettlement and Indigenous People Impact Screening CheckList.....	9
Annex 5: Grievance Redress Mechanism Process (Flow Chart) .....	13

### LIST OF FIGURES

Figure 1: Front View of Sri Lanka German Railway Technical Training Center.....	3
Figure 2a: Vacant Land Area for Proposed Workshops and Lecture Rooms of Training Wing for SLGR TTC.....	3
Figure 2b: Vacant Land Area for Proposed Hostel of Training Wing for SLGR TT.....	3
Figure 3: A Building of the Existing Training Center Near the Land Proposed for the New Training Wing.....	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, Sri Lanka Railways (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%.<sup>1</sup>

2. The National Transport Policy of the Government of Sri Lanka has articulated a program to increase the market share for passenger and freight.<sup>2</sup> 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 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 with 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.<sup>3</sup> 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 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 at 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 (SLGRTTC); and (v) support project implementation capacity and readiness, notably to support the future modernization of the Kelani Valley Line and other suburban lines. The

---

<sup>1</sup> [Sri Lanka Railways website](#).

<sup>2</sup> 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.

<sup>3</sup> 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.

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

4. Established in year 1984 the SLGR TTC is the only institute in the country that provides training on maintenance of rolling stock.<sup>4</sup> To help upgrade the railway system operations to state of the art, SLR's existing training facility would also require modernization. Hence, it is proposed to construct a new training wing within the SLGR TTC as a priority subcomponent under REIP. Details of the civil work of the new training wing is presented in Annex 1. The German Technical Cooperation Agency shall assist in this subcomponent through technical assistance as curriculum development. Location map of the proposed land site for the new building is presented in Annex 2.

5. The SLGR TTC is located in Ratmalana on a land adjacent to the Ratmalana railway workshop operated under the Chief Mechanical Engineers Sub Department. Both these facilities are located over a land area spanning across approximately 33 hectares belonging to SLR. This report summarizes the social safeguard due diligence on the involuntary resettlement and indigenous peoples impacts and risks of constructing the new training wing.

## **II. OBJECTIVES AND METHODOLOGY**

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

7. After obtaining the footprint of the proposed buildings the social safeguard team of the Project Management Unit (PMU) consulted the Divisional Secretary Ratmalana and Grama Niladhari of Ratmalana East Grama Niladhari Division with respect to the ownership status of this land. The team also held discussions with officials from SLR, Urban Development Authority, Central Environmental Authority, and Colombo Airport. Field visits were conducted to the site 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. The discussions and site investigations were carried out during the period from 15 April 2018 to 30 May 2018.

## **III. SUMMARY OF DOCUMENT VERIFICATION AND FIELD OBSERVATIONS**

8. Proposed new training wing will be constructed within the vacant land available approximately 1.08 hectares. Proposed ground layout of items of the new training wing within the SLR premises is presented in Annex 3. Discussions with Divisional Secretary and Ratmalana, Grama Niladhari of Ratmalana East Grama Niladhari Division, and relevant documents, including relevant maps and plans, confirmed that this land (SLGR TTC premises) is a government property belonging to SLR. Therefore, acquisition of any private land for proposed development works does not arise.

9. Visit to the proposed construction sites confirmed that the entire SLGR TTC facility is well-fenced off from the surrounding and have no encroachments or any permanent buildings, including residential type. Officers of the training center explained that in the past, this land has been used as a dumping site for discarded rolling stock parts of SLR; however, vegetation has taken over the land. Below photographs taken at site illustrate this situation.

---

<sup>4</sup> The SLGR TTC has been established through Technical and financial assistance from German Technical Cooperation Agency (GTZ) of Germany.

10. The involuntary resettlement and indigenous people impact screening checklists for component are provided as Annex 4.



**Figure 1: Front View of Sri Lanka German Railway Technical Training Center**



**Figure 2a: Vacant Land Area for Proposed Workshops and Lecture rooms of Training Wing for SLGRTTC**



**Figure 2b: Vacant Land Area for Proposed Hostel of Training Wing for SLGRTTC**



**Figure 3: A Building of the Existing Training Center Near the Land Proposed for the New Training Wing**

#### **IV. OTHER SOCIAL IMPACTS AND MITIGATION MEASURES**

11. Health and safety of construction workers and trainees within SLGRTTC premises shall be the key impact and/or issue that needs to be addressed during construction stage. In order to avoid and mitigate such issues, it is important to implement a stringent health and safety management plan during the construction stage.

12. There shall be no significant noise and vibration issues to nearby residents as there shall be no heavy foundation works which involve piling works. Such residential structures are located more than 100 meters away from the proposed building sites shall also be a positive factor in reducing any noise and vibration issues.

13. However, the PMU shall require to obtain concurrence from the Management of Ratmalana airport on building clearance height to avoid any interference with any take-off and landing aeroplanes. Further, proper sound and vibration proofing shall need to be included to the building designs to mitigate the nuisance of noise and vibration caused by aeroplanes.

#### **V. GRIEVANCE REDRESS MECHANISM**

14. 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 5.

15. 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

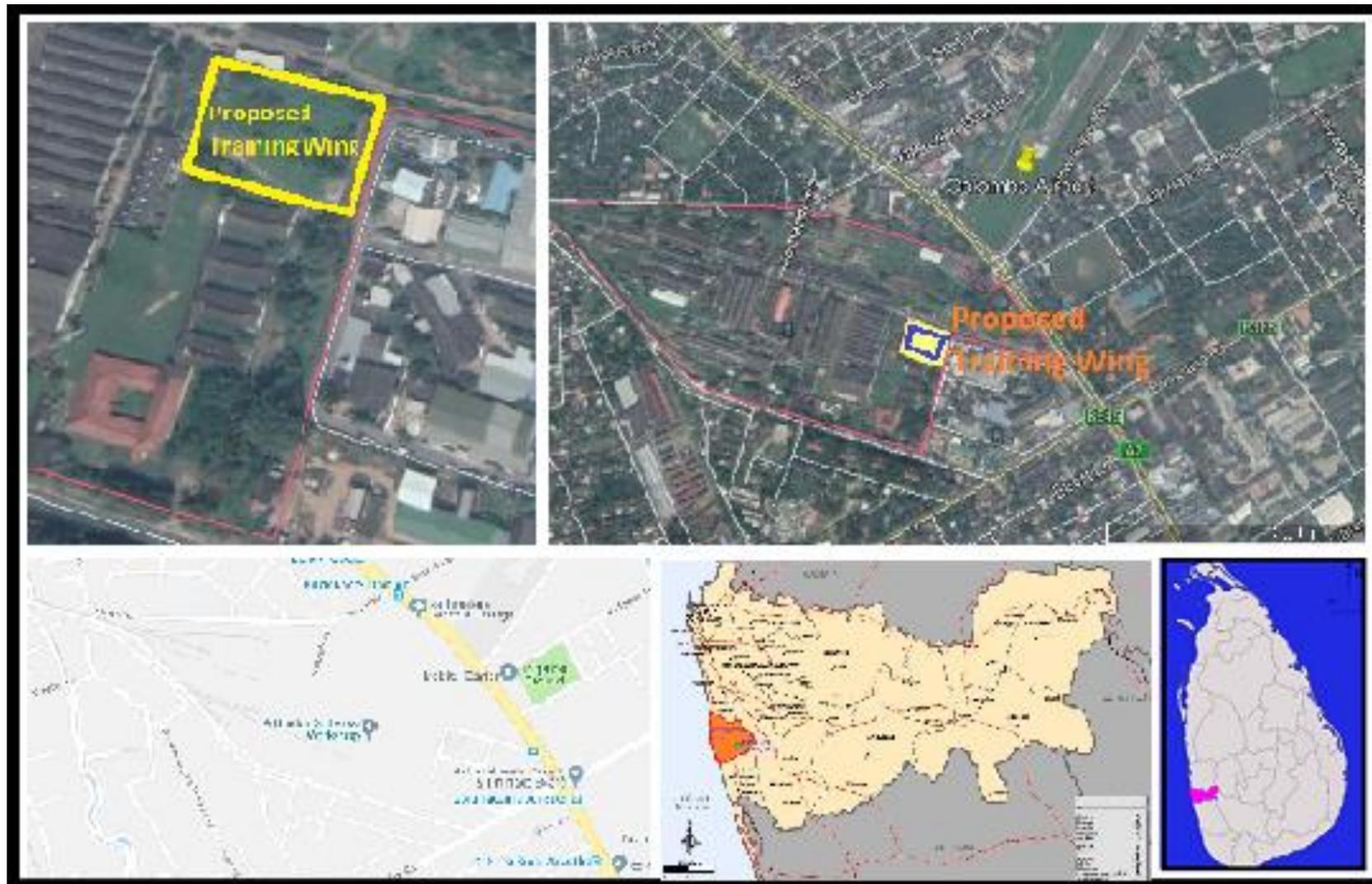
16. The assessment of potential land acquisition, involuntary resettlement and indigenous peoples impacts and risks of proposed construction of the new training wing indicates that:

- (i) the land lot identified for the proposed subproject components is a government-owned land; hence, no acquisition of private land is required;
- (ii) that there are no encroachments to the land or any structure that needs to be shifted;
- (iii) there are no impacts on indigenous peoples communities;
- (iv) the health and safety issues for both workers, staff, and trainees of SLGRTTC shall be avoided and mitigated through implementing a health and safety management plan; and
- (v) adequate noise and vibration minimizing aspects to be incorporated to the detail designs of the new training wing.

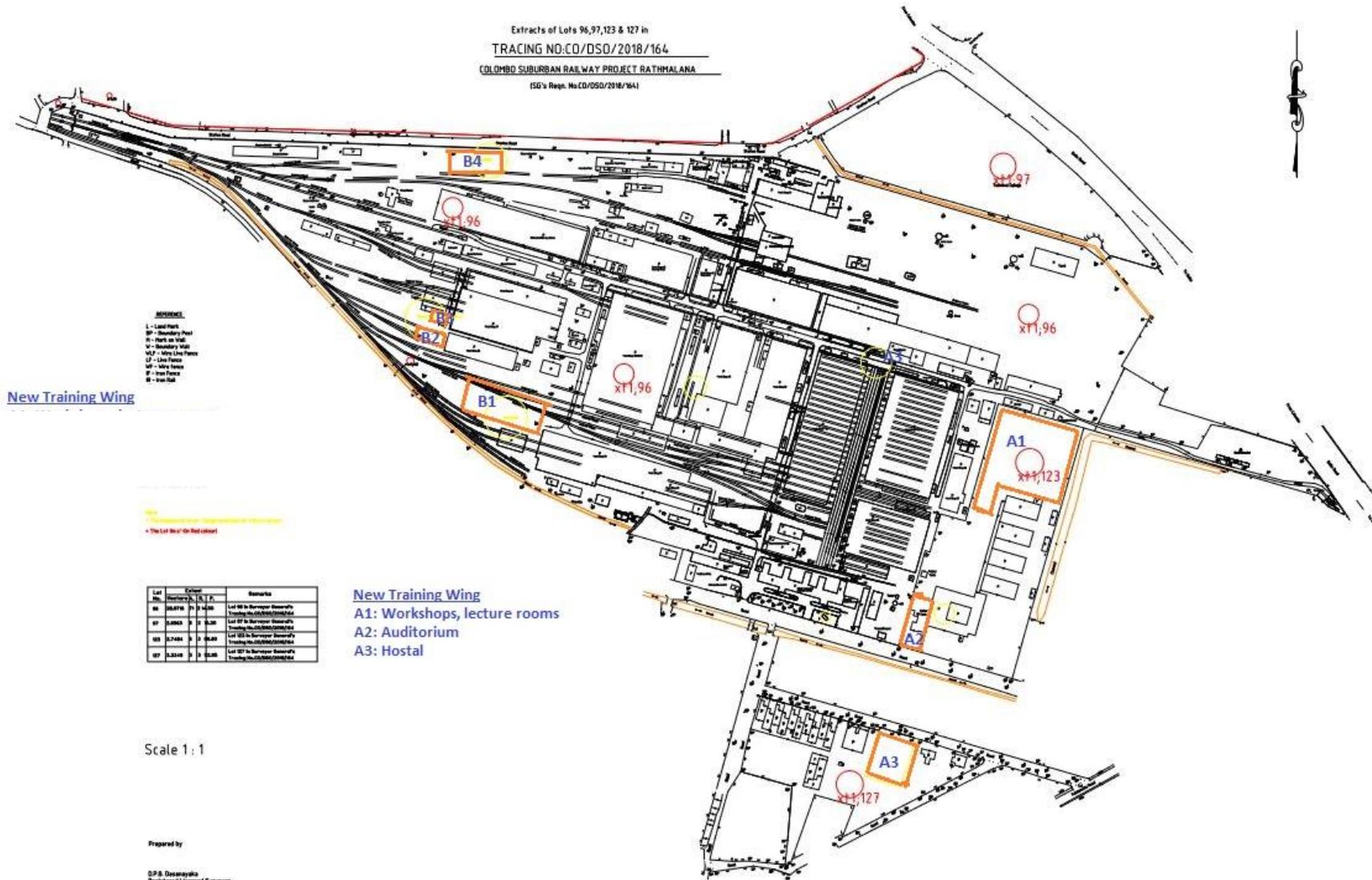
## **ANNEX 1: PROPOSED SUBCOMPONENT OF THE PROJECT**

- A. The details of the civil work under the subcomponent are given below.
1. New materials and mechatronic laboratory facilities with hi-tech equipment
  2. Computer numerical control machine center
  3. Place for locomotive driver simulating unit
  4. Library
  5. Drawing office
  6. An auditorium
  7. Video conference center
  8. Hostel facilities
  9. Construction of new training facility (two-story building), including all equipment for conducting railway specific training (railway track engineering, rolling stock (including EMU) engineering, signaling and telecommunication engineering, information communication technology, railway operations, etc.)
- B. Above improvement involves the following activities:
1. Complete building constructions with necessary partitions, disabled access, and stair cases
  2. Drinking water with overhead tanks
  3. Sewage disposal (septic and soakage pits), waste treatment plant
  4. Water sumps for clear water
  5. Solar power system
  6. Green concept adopter
  7. Firefighting system requirements
  8. Drainage system for waste water, and rain water
  9. Lightning protection system
  10. Landscaping, gates, and fence
- C. All technical designs and provisions are in accordance to National Standards of Institute of Construction Training and Development and British Standards, Urban Development Authority guidelines, and will be done in close coordination with safeguard team of PMU.

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



**ANNEX 3: LAYOUT OF PROPOSED SUBCOMPONENT ITEMS SHOWING IN THE SURVEY PLAN**



## ANNEX 4: RESETTLEMENT AND INDIGENOUS PEOPLE IMPACT SCREENING CHECKLIST

**A. Subproject details:** Construction of a new training wing for Sri Lanka German Railway Technical Training Center

**B. Information on project/subproject/component:**

- (i) Administrative division name: Ratmalana divisional secretary division in Colombo District
- (ii) Location: Western Province, Sri Lanka
- (iii) Civil work details (proposed): Construction of new training wing for Sri Lanka – German Railway Technical Training Centre
- (iv) Technical Description: These works are related to the construction of a new building complex and supply equipment for training centre.

**C. Screening Questions for Involuntary Resettlement Impact**

Involuntary Resettlement Impacts	Yes	No	Not known	Remarks
Will the project include any physical construction work?	✓			Construct a new building for trading centre and supply some equipment.
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.)?	✓			Four trees need to be removed
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?		✓		

<b>Involuntary Resettlement Impacts</b>	<b>Yes</b>	<b>No</b>	<b>Not known</b>	<b>Remarks</b>
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-CSR Safeguard Team confirms that the proposed subsection/ section/ subproject/component has involuntary resettlement (IR) impact. Hence, a resettlement plan or corrective action plan is not required.

#### **E. Screening Questions for Indigenous People's Impact**

<b>Key Concerns</b> (Please provide elaborations on the Remarks column)	<b>Yes</b>	<b>No</b>	<b>Not Known</b>	<b>Remarks</b>
<b>A. Indigenous Peoples Identification</b>				
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
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

<b>Key Concerns</b> (Please provide elaborations on the Remarks column)	Yes	No	Not Known	Remarks
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>B. Identification of Potential Impacts</b>				
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)		✓		
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?		✓		
<b>C. Identification of Special Requirements</b> <i>Will the project activities include:</i>				

<b>Key Concerns</b> (Please provide elaborations on the Remarks column)	<b>Yes</b>	<b>No</b>	<b>Not Known</b>	<b>Remarks</b>
13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?		✓		Not required as there are no indigenous people
14. Physical displacement from traditional or customary lands?		✓		Not required as there are no indigenous people
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 people
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 indigenous people
17. Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?		✓		Not required as there are no indigenous people

#### **F. Indigenous People Impact**

2. The PMU-CSRSP safeguard team confirms that the proposed subsection/section/subproject/component (tick as appropriate) has no potential to impact on indigenous peoples communities. Hence, an indigenous peoples plan /specific action plan is not required.

**ANNEX 5: GRIEVANCE REDRESS MECHANISM PROCESS (FLOW CHART)**

