

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA6393

Date ISDS Prepared/Updated: 09-Sep-2014

Date ISDS Approved/Disclosed: 09-Sep-2014

I. BASIC INFORMATION

1. Basic Project Data

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| Country: | Azerbaijan | Project ID: | P122200 |
| Project Name: | REGIONAL ROADS DEVELOPMENT PROJECT (P122200) | | |
| Task Team Leader: | Elizabeth C. Wang | | |
| Estimated Appraisal Date: | 22-Sep-2014 | Estimated Board Date: | 25-Nov-2014 |
| Managing Unit: | GTIDR | Lending Instrument: | Investment Project Financing |
| Sector(s): | Rural and Inter-Urban Roads and Highways (65%), Public administration-Transportation (35%) | | |
| Theme(s): | Infrastructure services for private sector development (25%), Trade facilitation and market access (25%), Administrative and civil service reform (25%), Rural services and infrastructure (25%) | | |
| Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)? | | | No |
| Financing (In USD Million) | | | |
| Total Project Cost: | 368.33 | Total Bank Financing: | 250.00 |
| Financing Gap: | 0.00 | | |
| Financing Source | | | Amount |
| Borrower | | | 118.33 |
| International Bank for Reconstruction and Development | | | 250.00 |
| Total | | | 368.33 |
| Environmental Category: | B - Partial Assessment | | |
| Is this a Repeater project? | No | | |

2. Project Development Objective(s)

The project development objectives are (i) to improve access to markets and services via project roads and (ii) to progress towards maintenance sustainability of the road network." The project region is defined as the Sabirabad, Salyan and Neftchala rayons, and Shirvan town of the Aran

region. The road network consists of magistral (M) roads (1,654 km), republic (R) roads (1,795 km) and local (Y) roads (9,867 km).

3. Project Description

The proposed Project will finance the reconstruction of R45 (the Shirvan-Noxudlu-Salyan Road) and R46 (the Salyan-Neftchala Road), a total length is 85km . The proposed Project lies in the Aran region of Azerbaijan and links the Rayons of Sabirabad, Shirvan, Salyan and Neftchala. The R45 is an important road connection between the towns of Shirvan and Salyan and the M6 and M3 highway corridors. The R46 connects the regional administrative capitals of Salyan and Neftchala. The Project will also finance the rehabilitation of 100 km of related local roads (Y roads) to enhance regional development by improving accessibility for area residents.

The Project will support ARS in a phased maintenance modernization process. In view of the substantial amounts invested in the road sector and the continued priority of roads to the country's development strategy, the sustainability of road investments has to be assured. The current maintenance organizational structure is not suitable for the upgraded road network . The Project will provide technical assistance to a phased introduction of modern maintenance practices. This Project builds on the technical review initiated in the Third Highway Project for motorway maintenance and will extend the review to maintenance options for the local roads. The reform envisages the separation of the maintenance of M and R roads (total length of about 3500 km) from the rest of the network and application of similar maintenance standards to these road categories. In the first phase, about 1000 to 1200 km of upgraded M&R roads be maintained by 6 new regional units and supervised by 1 management unit. The Project will support the first phase of reform. In the second phase, as more M and R roads are upgraded, these roads will be included in the regional units; or more units established. The new maintenance structure is expected to eventually cover up to 3500 km of roads. In the meantime, the existing 63 local units will continue to maintain the rest of the network (local roads and R roads that have not been upgraded) on a parallel structure while reform options are reviewed.

Component 1: Regional Roads Reconstruction. (i) reconstruction of R45 Shirvan-Salyan (41 km) road, (ii) reconstruction of R46 Salyan-Neftchala (44 km) road, (iii) rehabilitation of 100 km of local roads in the region, and (iv) technical supervision consultancy for the works.

Component 2: Institutional Strengthening for Maintenance and Management of the Road Network.

Component 3: Support for Roads Related Development.

Component 4: Project Implementation, Monitoring and Impact Evaluation.

4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project area is located along the 41km R45 Shirvan-Noxudlu-Salyan Road, 43km R46 Salyan-Neftchala Road, and local roads connected to them, as well as in the area of affiliated facilities, such as asphalt plant, aggregate crushing plant, borrow pits, construction camps and access roads. The area, being immediately adjacent to the Kura River and the Caspian Sea, is characterized by a number of wetlands of various size and ecological value, which are located along the existing routes of regional roads. Also, the regional roads cross several villages/settlements, small shops and social objects such as schools and pass by the agricultural lands.

5. Environmental and Social Safeguards Specialists

Daniel P. Owen (GURDR)

Gulana Enar Hajiyeva (GENDR)

Aly Zulficar Rahim (GURDR)

| 6. Safeguard Policies | Triggered? | Explanation (Optional) |
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| Environmental Assessment OP/ BP 4.01 | Yes | <p>This policy has been triggered because civil works to be implemented under the project represent environmental risks which are mainly temporary and limited by the period of construction, and manageable and mitigatable. The potential impacts may include loss of tree plantations in various sections alongside the existing road, disturbance of drainage systems, damage to soil due to extraction of road construction materials, increased dust production and air and noise pollution, disturbance to wildlife in the project area, especially disturbance to wildlife ecosystems, including those in the wetland areas, etc.</p> <p>The client prepared specific Environmental Assessment and Management Plan Report for the following two types of the roads to be dealt with by the project:</p> <ol style="list-style-type: none"> 1) two regional roads which have been identified; 2) up to 100 km local roads connected to the regional roads, which have not been identified and are not likely to be identified prior to appraisal. <p>Therefore the chosen safeguard instruments bear dual purpose: (i) for the regional roads, provide for EA and regional road specific EMPs; (ii) for local roads serve as a framework, providing for the EA review of the area from which the local roads will be selected later on, and identifying the procedure to be followed when the local roads are identified, which is the preparation of the road-specific EMP Checklists.</p> <p>The TA on formulation of development strategies for the towns within the catchment area of the project should also consider environmental and social aspects, and the results of this TA should be made publicly available.</p> |

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| Natural Habitats OP/BP 4.04 | No | This policy is not triggered. The impacts on natural habitats are duly considered and addressed by the project EAMP. For local roads those will be considered by site-specific EMP Checklists. |
| Forests OP/BP 4.36 | No | |
| Pest Management OP 4.09 | No | |
| Physical Cultural Resources OP/BP 4.11 | No | |
| Indigenous Peoples OP/BP 4.10 | No | |
| Involuntary Resettlement OP/BP 4.12 | Yes | This policy is triggered and a Resettlement Policy Framework has been prepared. While there is no envisaged land acquisition foreseen in the rehabilitation of R45 and R46 roads, as yet unidentified 100km of local roads included in the Project may involve acquisition and/or displacement of affected persons. For the R road sections, the land immediately bordering the existing road falls within the RoW under the remit of the State or respective municipalities, and acquisition of private land will not be necessary. Design modifications involving slight deviations from standard can be introduced in sections of road upgrading where encroachment risks are an issue. This might include pavement reduction to avoid cutting into orchards and modifications in areas where the slope reach from road will need to be extended to accommodate raising the embankment. A number of roadside vendors and restaurants may be affected during construction works. For the local roads, the Resettlement Policy Framework has been prepared by the Borrower and disclosed. The RPF covers: (i) the description of areas covered by the Project; (ii) the legal basis and screening process for land acquisition, resettlement and land use in connection with works and construction activities to be carried out under the Project; (iii) the resettlement principles and entitlements of Project affected people based on different categories of impact; (iv) the procedures for valuation, compensation and other assistance provided to the affected people, including the grievance process; and (v) the responsibilities, procedures and |

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| | | requirements for the development and implementation of site specific Resettlement Action Plans. |
| Safety of Dams OP/BP 4.37 | No | |
| Projects on International Waterways OP/BP 7.50 | No | |
| Projects in Disputed Areas OP/BP 7.60 | No | |

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

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| <p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>The project envisages rehabilitation of the roads within the existing ROWs, without changing the road alignment. This involves impacts which are temporary, reversible and mitigatable if duly managed. Therefore, the project has been assigned an environmental category “B” for the purposes of the environmental assessment. The potential environmental issues have been analyzed by environmental studies carried out by the client and mainly include:</p> <ul style="list-style-type: none"> - impacts associated with the extraction and transportation of road construction materials. The potential borrow areas have been proposed by the ASR and analyzed by the respective environmental studies; - disturbance to drainage systems along the project area; - increased dust and emissions. This impact is likely to occur during the implementation of civil works both at the construction sites and at the borrow pits; - impacts related to noise and vibration at selected sections of the roads passing through villages. This impact will occur during both the construction and operation phase. As the detailed design is not yet available for the environmental analyses, the environmental studies have identified potentially affected areas and specified studies to be undertaken in parallel with the design which will allow for defining the exact locations and technical design for the application of noise mitigation measures; - disturbance to wildlife, especially protected species identified in the project area. Those species have been identified and specific mitigation measures proposed by respective environmental studies; - impacts related to the vegetation clearing. Specific areas and numbers of trees to be cut, along with the required compensatory planting, have been determined and should be taken into account by designers and contractors; - impacts related to the generation and disposal of liquid and solid wastes at the construction phase, including those generated at the construction sites, camps and borrow areas; - surface water pollution, including impacts on wetlands located along the road alignment; - impacts on soil which might be caused by spills and leaks of hazardous liquids, as well as soil compaction and erosion which might be caused by poorly managed construction activities. |
| <p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p> <p>The potential long term impact related to the future activities in the project area include continued noise impact which should be mitigated through the implementation of specific measures to be</p> |

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| identified based on the additional studies to be carried by the detailed design. The potential positive impacts will be of social nature and related to the increased connectivity among the settlements in the project area and road safety due to the improved road conditions, including the local roads connecting the two regional roads. |
| 3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. |
| N/A |
| 4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described. |
| The client (ASR) has prepared an Environmental Assessment and Management Plan (EAMP) which analyzed the entire project area (geographical coverage included the areas of both regional and local roads), identified specific impacts associated with the rehabilitation of the two regional roads, proposed adequate mitigation measures and determined implementation arrangements and institutional responsibilities. For the local roads, the EAMP serves as a framework document setting forth procedures for the environmental screening of the proposed roads, and preparation of site-specific EMP checklists. The Project Implementation Unit established within the Agency for State Roads under MoT has been involved in the implementation of road projects of Category A and B for several years, and has a full time Environmental and Social Safeguard Specialist who is responsible for the supervision of the implementation of project EMPs. The PIU staff is knowledgeable about World Bank safeguard requirements and environmental management practices to be applied for the project. |
| 5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. |
| The project stakeholders include the Ministry of Transport, Ministry of Ecology and Natural Resources, local governments and municipalities, local communities and villages which will benefit from the project implementation. The draft EAMP has been discussed at the public consultation meetings held by ASR in Neftechala, Salyan, Sabirabad and Shirvan on May 29-30, 2014 and documented by the respective Minutes enclosed to the EAMP. The EAMP has been posted on the official web-site of the MoT and Bank's Infoshop. |

B. Disclosure Requirements

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| Environmental Assessment/Audit/Management Plan/Other | |
| Date of receipt by the Bank | 06-Aug-2014 |
| Date of submission to InfoShop | 11-Aug-2014 |
| For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors | |
| "In country" Disclosure | |
| Azerbaijan | 29-May-2014 |
| <i>Comments:</i> Meetings held in the towns on Neftechala and Salyan on May 29, and in the towns of Shirvan and Sabirabad on May 30, 2014. | |
| Resettlement Action Plan/Framework/Policy Process | |
| Date of receipt by the Bank | 05-Aug-2014 |
| Date of submission to InfoShop | 06-Aug-2014 |

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| "In country" Disclosure | |
| Azerbaijan | 09-Aug-2014 |
| <i>Comments:</i> Disclosed in a local newspaper "Khalg" | |
| If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP. | |
| If in-country disclosure of any of the above documents is not expected, please explain why: | |
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C. Compliance Monitoring Indicators at the Corporate Level

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| OP/BP/GP 4.01 - Environment Assessment | |
| Does the project require a stand-alone EA (including EMP) report? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Are the cost and the accountabilities for the EMP incorporated in the credit/loan? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| OP/BP 4.12 - Involuntary Resettlement | |
| Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| The World Bank Policy on Disclosure of Information | |
| Have relevant safeguard policies documents been sent to the World Bank's Infoshop? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| All Safeguard Policies | |
| Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Have costs related to safeguard policy measures been included in the project cost? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |

III. APPROVALS

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| Task Team Leader: | Name: Elizabeth C. Wang |
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| <i>Approved By</i> | | |
| Practice Manager/ Manager: | Name: Juan Gaviria (PMGR) | Date: 09-Sep-2014 |