

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC9839

Date ISDS Prepared/Updated: 09-Apr-2015

Date ISDS Approved/Disclosed: 18-Apr-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Ukraine	Project ID:	P149322
Project Name:	Road Sector Development Project (P149322)		
Task Team Leader(s):	Simon David Ellis		
Estimated Appraisal Date:	27-Apr-2015	Estimated Board Date:	07-Jul-2015
Managing Unit:	GTIDR	Lending Instrument:	Investment Project Financing
Sector(s):	Rural and Inter-Urban Roads and Highways (95%), General transportation sector (5%)		
Theme(s):	Infrastructure services for private sector development (80%), Trade facilitation and market access (20%)		
Financing (In USD Million)			
Total Project Cost:	960.00	Total Bank Financing:	800.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			160.00
International Bank for Reconstruction and Development			800.00
Total			960.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

14. The proposed project development objective is to develop a high standard regional road corridor between Kiev, Kharkiv and Dnepropetrovsk by improving select sections of the M-03 and P52 roads and adopting modern road management practices in investment planning, road safety and asset management.

C. Project Description

The proposed project would be an Investment Project Financing (IPF) consisting of a loan in the amount of US\$800 million to the Ministry of Finance of Ukraine. The total cost of the proposed project is US\$960 million, including value added tax (VAT). This project will be a continuation of the ongoing RSIP and RSIP2, and will leverage returns on major road infrastructure investments in Ukraine, such as the EBRD, EIB and EU-funded improvements to European priority road corridors. The main road being upgraded to Kharkiv in the East of the country is a crucial domestic and regional corridor and one that is increasingly important to maintain connectivity with the East. The project will also have a strong focus on the implementation of the sector's lagging reform process including support to: (i) the development of a robust pipeline of sustainably financed road investments; (ii) improving road safety performance through a more multi-sectoral approach and; (iii) reversing the decline in the condition of the network and the revenues available for maintenance. The project will include the following components:

Component 1: Improvement of the M-03 road corridor from Kiev to Kharkiv (total estimated cost US \$790 million of which \$660 million is IBRD loan). This component would continue World Bank support to improve to motorway standard the road between Kiev to Kharkiv to develop a high standard and safe corridor to integrate with the EU extended TEN-T network. It will also support the further development of the corridor and support ways to improve the financial sustainability of initial investments and long term operations. It would finance two sub-components as follows:

Component 1(i): Improvement of the road corridor between Poltava and Kharkiv (total estimated cost US\$780 million of which \$650 million is IBRD loan). This sub-component will finance the civil works for the improvement of the section of the M-03 highway between Poltava to Kharkiv (145 km). The road would be built to a category 1 standard, which is a four lane divided highway with high safety specifications including central crash barriers and side crash barriers where required. The project would finance all necessary bridges, interchanges, bypasses, site supervision and technical audits.

Component 1 (ii): Design and private finance options for Boryspil bypass (estimated cost \$10 million from IBRD loan). This component would finance the preparation of detailed design and bidding documents for the Boryspil bypass which is near Kiev on the Kiev to Kharkiv road corridor. Given the high traffic volume on the road consideration is being given to tolling (a first for Ukraine) and exploring other private finance options. This component will also finance studies to address the prospects for tolling, on this road and more widely, and other private finance options.

Component 2: Improved road safety (total estimated cost US\$160 million of which \$130 million is IBRD loan). This component will finance improvement to selected sections of the Reshetilovka to Dnipropetrovsk road corridor where road safety is a particular concern. It will also finance selected activities to support the now lagging implementation of the country's road safety action plan.

Component 2(i): Road safety improvements on the Reshetilovka to Dnipropetrovsk road corridor (total estimated cost US\$160 million of which US\$129 million is IBRD loan). This sub-component will finance road safety and capacity improvements to select sections of the P52 Reshetilovka to Dnipropetrovsk road corridor. Improvements would be made to category 1 standard which includes four lane divided highway and safety measures to international standards. The civil works to be financed would consist of a number of sections where road safety is a particular concern mainly because of poor alignment, where the road passes through urban areas and where there are current capacity constraints.

Component 2(ii): Activities to support implementation of the road safety action plan (estimated cost of US\$1 million from IBRD loan). Ukraine has an approved road safety action plan which is strongly supported by the development partners but where implementation has been lagging. This component will finance activities from the road safety action plan that complement the activities of the other partners. It is likely that this activity will focus in the area of enforcement which is the single largest cause of road deaths.

Component 3: Road management and maintenance (estimated cost of US\$10 million from IBRD loan). This component will finance institutional support to implementation of road management reform. This will include issues associated with asset management systems, extending private sector contracting for road maintenance, supporting the decentralization agenda on a pilot basis and addressing the long term financing needs of the sector.

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

All project locations/sites are along the existing road networks in Poltava and Kharkiv oblasts. The project will be improving the existing M-03 road between Poltava and Kharkiv between km 341 and km 472 (about 140 km) and will construct four bypasses.

The road passes mainly through the landscapes which have been significantly modified by human activities during the last centuries. The terrain is flat, lowland agricultural land: large-scale farming has dominated land use for several decades. The landscape was also significantly modified by the development of infrastructure associated with large-scale agribusiness, populated villages and towns along the road (private housing, shops, public buildings and various local infrastructure facilities). There are five railway line crossings which will require grade separation and bridges over five small rivers: Vorskla, Chutivka, Kolomak, Mza and Karamushina. In addition, the existing main road between Poltava and Kharkiv was constructed more than 50 years ago and has changed the landscape and local ecosystems in the broader road corridor. Given that the ecosystems and biological communities have been historically affected by the above economic and social activities, and taking into account that the road upgrading works generally will not result in significant conversion or degradation of natural habitats. During project preparation the team will check if there are any nature protected areas and if OP 4.04 (Natural Habitats) will be triggered.

Forested land in the project area do not represent natural forests or related natural habitats. The predominant type of land use in the project area is agricultural and not dependent on forest cover. The project may potentially affect only small segments of forested land as a result of construction of bypasses. All forested land potentially affected by the project are planted with low-value tree species. Based on the above, OP 4.36 (Forests) is not triggered.

The M-03 road is one of the main corridors in the country and mainly consists of category II road (two lanes with asphalt-concrete pavement). Some sections (i.e. exit from Poltava, between Sharivka and Sanzhari, and the approach to Kharkiv) are Category I standard (four lanes with asphalt-concrete pavement and dividing strip). The project will finance upgrade (widening) of the road from two to four lanes, and construction of associated road infrastructure (bridges, culverts, underpasses for cattle, crossings, etc.)

E. Borrowers Institutional Capacity for Safeguard Policies

Ukravtodor is the Ukrainian Government Agency responsible for the network of National roads. It is

under the general oversight of the Minister of Infrastructure. Ukravtodor will be responsible for the overall implementation of the Road Sector Development Project(RSDP). Ukrdorinvest is the Project Implementation Unit (PIU) presently carrying out many of the implementation functions for the RSIP-2, such as procurement, financial management, compliance with safeguards and others.

Ukrdorinvest has experience of working on environmental safeguards under the ongoing Road and Safety Improvement Projects (RSIP and RSIP-2 respectively). A designated staff at Ukrdorinvest has been assigned to work on environmental and social safeguards issues in close collaboration with road design institute (UKRGIPRODOR), local environmental authorities, rayon administrations and Oblast-level Road Service units. Ukrdorinvest has prior experience in organizing public consultations and will organize such consultations on Environmental Management Framework (EMF) and respective Resettlement Action Plans (RAPs) in project locations.

Supervision of environmental performance of contracts through site visits and preparation of regular environmental reports by supervision engineers under RSIP-1 and RSIP-2 suggest that environmental performance of these projects was satisfactory broadly. Works under new project will be monitored closely by the environmental specialist of Ukrdorinvest and supervision engineers. This will allow to assess compliance with environmental requirements and provide guidance, if needed.

The PIU has an experience of implementing the resettlement instruments under RSIP and RSIP-2 projects. The PIU has a good track record in reporting on the resettlement implementation to the Bank. The Bank's Social Safeguards Specialist will provide additional training and support in preparing the site specific RAPs and will supervise resettlement implementation in course of the regular supervision missions.

F. Environmental and Social Safeguards Specialists on the Team

Alexei Slenzak (GENDR)

Klavdiya Maksymenko (GSURR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This is Category B project. The environmental documentation (EIA and EMP for sections of the road where design documentation has been prepared, and EMF for sections where the design is under preparation) will be prepared by the Client, disclosed and consulted on.
Natural Habitats OP/BP 4.04	TBD	There are no formally protected habitats along the alignment but the on-going EIA will address this issue in more detail and a decision whether this policy is triggered will be made later.
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	TBD	No assessment has yet been made on the existence of cultural or historical sites. The alignment will be

		looked at from this angle and decision whether this policy is triggered will be made later.
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/ BP 4.12	Yes	It is expected that mainly private farmland will be acquired for the project however physical displacement of a few households may also be caused by construction of bypasses. The RAP for the upgrading and rehabilitation of the sections of M03 (for which the technical design is ready) will be prepared by the borrower satisfactory to the Bank and disclosed on the web-sites of UAD, administrations of the affected raions and in Bank's Infoshop prior to appraisal. The designs of the bypasses are not expected to be ready by appraisal thus abbreviated RAP(s) covering bypasses will be prepared by the borrower satisfactory to the Bank, duly disclosed and implemented prior to stating any construction works. In order to cover for all design and construction works that may be funded by or result from the project an RPF will be prepared satisfactory to the Bank disclosed on the web-site of UAD and Bank's Inforshop prior to appraisal . Ukrdorinvest has a good track record working on involuntary resettlement under the ongoing RSIP2. The staff member is assigned to work on safeguards issues and monitor implementation of the RPF and RAP by the local authorities and the Road services of the respective oblasts. The fact that the cost of land acquisition is going to be financed from the project provides the UAD more control over planning and implementation of resettlement while reducing the risks of delays in land acquisition. Poltava regional roads administration will appoint a focal responsible for implementation of the resettlement 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	

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 30-Apr-2015

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

It is expected that the EIA, EMP and disclosable draft of the EMF will be completed by April 30. It is expected that the updated version of the RPF will be available by the end of August and the draft RAP for the first section of the road will be prepared within a month after design for the section is completed (which is expected by end of September).

It is expected that disclosable draft of the RPF will be ready by April 30.

It is expected that the disclosable draft of the RAP for the linear sections of the M03 road will be ready by the end of May.

IV. APPROVALS

Task Team Leader(s):	Name: Simon David Ellis	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Agnes I. Kiss (SA)	Date: 16-Apr-2015
Practice Manager/ Manager:	Name: Juan Gaviria (PMGR)	Date: 18-Apr-2015