

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 04/12/2007

Report No.:

1. Basic Project Data

Country: Macedonia, former Yugoslav Republic of	Project ID: P091723	
Project Name: Second Trade and Transport Facilitation Project		
Task Team Leader: Paulus A. Guitink		
Estimated Appraisal Date: April 6, 2007	Estimated Board Date: May 29, 2007	
Managing Unit: ECSSD	Lending Instrument: Specific Investment Loan	
Sector: General transportation sector (100%)		
Theme: Trade facilitation and market access (P); Small and medium enterprise support (S); Other accountability/anti-corruption (S)		
IBRD Amount (US\$m.):	20.00	
IDA Amount (US\$m.):	0.00	
GEF Amount (US\$m.):	0.00	
PCF Amount (US\$m.):	0.00	
Other financing amounts by source:		
<u>Borrower</u>		7.50
		7.50
Environmental Category: B - Partial Assessment		
Simplified Processing	Simple <input type="checkbox"/>	Repeater <input type="checkbox"/>
Is this project processed under OP 8.50 (Emergency Recovery)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Project Objectives

The project development objective is to speed up the movement of rapidly expanding trade along major trans-European transport corridors crossing the Former Yugoslav Republic of Macedonia, focusing on Corridor X which forms the backbone of the Western Balkans transport infrastructure.

3. Project Description

The project will include (i) upgrading to motorway standards of the road corridor X section border crossing Tabanovce to Kumanovo; (ii) modernization of the passenger border crossing at the Blace border crossing with Kosovo; (iii) modernization of the road toll collection system along main transport corridors; (iv) creating a rail communication system on Corridor X and designing an EDI based solution for freight and freight train management information sharing between customs and railways, and (v) services required to support the successful implementation of the project (procurement, financial management, audits).

4. Project Location and salient physical characteristics relevant to the safeguard analysis

The proposed upgrading of the road corridor between Tabanovce and Kumanovo and the proposed modernization of the passenger border crossing at the Blace border are the only two components which have potential environmental and social impacts. These impacts are not likely to be significant because the proposed interventions will be limited to modernization or upgrading of existing infrastructure. The project is not located in an environmentally sensitive area and only small portions of agricultural land will be acquired for expanding the existing road corridor. The only key impact would be the need to relocate a portion of a graveyard in the Tabanovce village.

5. Environmental and Social Safeguards Specialists

Mr Panneer Selvam Lakshminarayanan (EAPCO)

Ms Radhika Srinivasan (ECSSD)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
Natural Habitats (OP/BP 4.04)		X
Forests (OP/BP 4.36)		X
Pest Management (OP 4.09)		X
Physical Cultural Resources (OP/BP 4.11)	X	
Indigenous Peoples (OP/BP 4.10)		X
Involuntary Resettlement (OP/BP 4.12)	X	
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts: Potential environmental and social issues/impacts are related to expansion of the existing road between Tabanovce and Kumanovo (upgrading to motorway standards) and modernization of the passenger border crossing at the Blace border with Kosovo. Potential environmental impacts are mostly construction related, reversible in nature and can easily be minimized or mitigated by applying relevant design and construction standards. Accordingly, the proposed project is categorized as a B project and the borrower has prepared a stand alone EA/EMP in accordance with Bank OP 4.01 Environmental Assessment.

A small portion of a graveyard currently used by Tabanovce village will be affected by the proposed expansion of the existing road corridor and as a result, seventeen graves need to be relocated to a nearby site identified by the local community. Therefore, the proposed project will assist the local communities in purchasing a new piece of land,

close to the existing graveyard, and in actual relocation process, in accordance with OP/BP 4.11 Physical Cultural Resources.

Potential social safeguards related impacts are primarily due to the proposed land acquisition for expanding the Tabanovce and Kumanovo section. A total of 102 households are expected to lose part of their land holdings and the borrower has prepared an abbreviated Resettlement Action Plan in accordance with Bank OP 4.12 Involuntary Resettlement.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

No significant adverse long term or indirect impacts are anticipated.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The proposed project involves modernization of existing border crossing infrastructure as well as expansion of an existing road corridor. As a result, there are not many alternatives to consider, except for a no-project alternative. The chosen option would result in environmental (reduced emissions due to smooth flow of traffic and less idling and reduced waiting time at the border crossing etc.) and social (increased safety etc.) benefits compared to a business as usual situation.

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. Borrower has prepared draft EA, including a plan for relocation of seventeen graves, and draft abbreviated RAP which has been disclosed locally as well as in Bank Infoshops in Washington DC and Skopje, Macedonia.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. There are 294 parcels of land affected by the Project, owned by 102 households, some of which own more than one of the affected parcels. No residences are adversely affected; so there will be no physical displacement of persons. There are no buildings that will need to be demolished --- there is one gas station that sits along the side of the current road, but the building will not be affected by the Project. A census of persons affected is available in the Project files.

The Fund for National and Regional Roads held several meetings with the local population in the period between January and February 2007. Around 80 representatives from the local communities -- persons whose properties will be expropriated for the construction of the Tabanovce-Kumanovo motorway, the persons affected by the exhuming of the graves, representatives from the relevant church authorities -- Kumanovo and personnel from the Department for Property Issues in the Municipality of Kumanovo, took part in the meetings and public debates.

Specific objectives of the public information campaign and public consultation were (i) to fully share information about the proposed project, its components and its activities, with affected people; (ii) to obtain information about the needs of the affected people, and their reactions to proposed policies and activities; (iii) to ensure transparency in all activities related to land acquisition and compensation payments.

The socio-economic survey of 294 affected households revealed that 100% of the respondents were aware of the project prior to the survey taking place. Project authorities will ensure that local authorities, as well as representatives of PAPs, will be included in the implementation process. The project team plans to hold additional meetings (during project appraisal) to further discuss compensation levels and time schedule for payment and implementation of civil works, procedures of grievance, and mechanisms for monitoring and evaluation. The project authorities will continue the dialogue with local officials and representatives of the PAPs during the project implementation process. PAP participation would also be ensured during final assessment of compensation and monitoring.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Date of receipt by the Bank	01/11/2007
Date of "in-country" disclosure	02/05/2007
Date of submission to InfoShop	02/23/2007
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	

Resettlement Action Plan/Framework/Policy Process:

Date of receipt by the Bank	02/27/2007
Date of "in-country" disclosure	02/05/2007
Date of submission to InfoShop	04/05/2007

*** If the project triggers the Pest Management and/or Physical Cultural Resources, 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:

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?	Yes
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes
Are the cost and the accountabilities for the EMP incorporated in the	Yes

credit/loan?

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property? Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property? Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared? Yes

If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan? Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop? Yes

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

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? Yes

Have costs related to safeguard policy measures been included in the project cost? Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? Yes

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Mr Paulus A. Guitink	04/06/2007
Environmental Specialist:	Mr Harikrishnan Panneer Selvam	04/06/2007
Social Development Specialist Additional Environmental and/or Social Development Specialist(s):	Ms Radhika Srinivasan	04/06/2007
<i>Approved by:</i>		
Regional Safeguards Coordinator: Comments: Cleared for safeguards	Mr Ronald N. Hoffer	04/12/2007
Sector Manager: Comments: Cleared	Mr Motoo Konishi	03/29/2007