

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC6250

Date ISDS Prepared/Updated: 13-Nov-2013

Date ISDS Approved/Disclosed: 14-Nov-2013

I. BASIC INFORMATION

A. Basic Project Data

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|---|--|------------------------------|------------------------------|
| Country: | Macedonia, former Yugoslav Republic of | Project ID: | P148023 |
| Project Name: | Macedonia National and Regional Roads Rehabilitation (P148023) | | |
| Task Team Leader: | Liljana Sekerinska | | |
| Estimated Appraisal Date: | 21-Apr-2014 | Estimated Board Date: | 27-May-2014 |
| Managing Unit: | ECSTR | Lending Instrument: | Investment Project Financing |
| Sector(s): | Rural and Inter-Urban Roads and Highways (90%), General public administration sector (10%) | | |
| Theme(s): | Regional integration (50%), Trade facilitation and market access (50%) | | |
| Financing (In USD Million) | | | |
| Total Project Cost: | 70.00 | Total Bank Financing: | 70.00 |
| Financing Gap: | 0.00 | | |
| Financing Source | | | Amount |
| Borrower | | | 0.00 |
| International Bank for Reconstruction and Development | | | 70.00 |
| Total | | | 70.00 |
| Environmental Category: | B - Partial Assessment | | |
| Is this a Repeater project? | No | | |

B. Project Objectives

The objective of the proposed project is to enhance the connectivity of national and regional roads, primarily to Corridors X and VIII, and to improve their safety and climate resilience.

C. Project Description

The proposed project will finance the rehabilitation of key state road sections to improve road

connectivity, safety and climate resilience. As transport costs and travel time decrease, more direct travel between origins and destinations will be generated, therefore creating a more accessible and reliable transport system. It will also allow cost savings for road users and traveling will become safer than it is today. The proposed project will also address the mobility and accessibility needs of the poor in lagged regions, and by doing that, the project will maximize the poverty impact and promote shared prosperity in the Macedonia. Well-managed and adequate transportation systems, particularly inter-urban and regional corridors, are a key part of a country's economic structure, providing efficient and low cost access of goods and people. Two of the regions where the project will be implemented rank low in terms of accessibility and are amongst the poorest in the country, with poverty rates higher than the national average. Financing road improvements and improving connectivity in these lagged regions could directly benefit low-income populations by improving access to markets and social services on one hand, and securing short term and long-term employment opportunities on the other.

In addition, the project will contribute to the ongoing efforts by the Government and the current World Bank road project (Regional and Local Road Program Support Project or RLRSP) to improve road condition in an efficient manner through better road asset management practices (introduced and currently under implementation of RLRSP). The project is envisaged to have three components.

Component 1: Rehabilitation Works of Key Road Sections (Estimated Cost: US\$60 million). The rehabilitation of some road sections would include pavement rehabilitation, drainage rehabilitation, small repairs of bridges and structures, and installation of road safety equipment/signs. This component will also support the incorporation of road safety measures and climate resilience measures in the design of the Project's road sections. The three sections that have been identified with PESR for the first year program are:

- Rehabilitation of national road M5 from Bitola to Makazi (23km) – about US\$5.2 million
- Rehabilitation of national road M5 from Resen to Bukovo (11km) – about US\$4.3 million
- Rehabilitation of regional road P409 from Boskov Bridge to Debar (8 km) – about US\$ 2.6 million

In addition, another road section was identified with PESR for the second year:

- Rehabilitation of regional road R2233 from Tetovo to Gostivar (16 km) – about US\$2.6 million.

More road sections for rehabilitation (about US\$45.3 million) will be further identified through the road asset management system being developed under the ongoing Bank-financed Project, and further supported as described in Component 2 below.

Component 2: Technical Assistance in Road Safety and Continued Improvement of Road Asset Management (Estimated Cost: US\$5 million). This component consists of two sub-components:

- Technical assistance to support Macedonia's objective of improving road safety. This sub-component will include the preparation of road safety audit guidelines, the preparation of a safer road investment plan for state roads, and to help start the implementation of the plan.
- Technical assistance for the PESR to develop its capacity to monitor the road network, and plan and program road investments, and support the ongoing PESR efforts to establish a sustainable road asset management system. This sub-component will include (i) financing of the road network condition data collection surveys for four years covering all state roads, and (ii) identification of rehabilitation and periodic maintenance priorities for state roads through the preparation of a five year rolling program of preservation works for state roads.

Component 3: Technical Assistance to Support Implementation Support (Estimated Cost: US\$5 million). This component will include project design for later year road works, supervision and is expected to finance the provision of goods, consultants' services, and training, including a financial audit to support project coordination, implementation, and management.

The road sections that will be part of the second to fourth year program of the Project will be selected during the first year of project implementation following defined eligibility criteria that ensure economically viable, satisfy social and environmental safeguards and are in line with the objective of the Project. The definition of the second to fourth year program will benefit from PESR's implementation of a Road Asset Management System currently introduced with support from the ongoing Regional and Local Roads Program Support Project.

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

The location of the project is determined by the location and configuration of the roads proposed for the rehabilitation, as well as by the location of affiliated facilities such as construction materials borrow areas, material processing plants, and construction plants.

E. Borrowers Institutional Capacity for Safeguard Policies

The Public Enterprise for State Roads (PESR) will be responsible for the implementation of the project. The PESR (earlier ASR) has been involved in the implementation in similar projects for several years. Since 2010, the ASR employed a full time Environmental Specialist who has been responsible for the project environmental management and has been trained at the World Bank organized safeguard training. After the institutional restructuring and establishing the PESR, a specialized Environmental and Social Unit has been set up within PESR. The Unit was reinforced by the second Environmental Specialist and a Social Specialist. The staff of the Unit is knowledgeable in the environmental management practices and the requirements under the World Bank policies, and is able to carry out proper supervision of the implementation of environmental mitigation measures. The staff of PESR is as well familiar with the Bank Social Safeguard requirements given that the agency implemented projects financed by the Bank in the past. The newly formed unit, Environmental and Social Unit, will be also responsible for addressing social issues including cases that will trigger Involuntary Resettlement safeguards.

F. Environmental and Social Safeguards Specialists on the Team

Gulana Enar Hajiyeva (ECSEN)

Bekim Imeri (ECSSO)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

| Safeguard Policies | Triggered? | Explanation (Optional) |
|---|-------------------|---|
| Environmental Assessment OP/ BP 4.01 | Yes | This policy is 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 destabilization of slopes in sensitive areas, loss of tree plantations in various sections alongside the existing road, disturbance of drainage systems, extraction of |

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| | | <p>road construction materials, increased dust production and air and noise pollution, disturbance to wildlife in the project area, etc. Because of the programmatic approach of this project, an Environmental Assessment and Management Framework will have to be prepared by the client, which will underline the main environmental risks associated with the implementation of the road rehabilitation projects, and define the procedures, institutional responsibilities and implementation arrangements for the preparation of road-specific Environmental Assessments and Management Plans (EAMP) for the roads to be identified later in the course of program preparation and implementation. The EAMF will also provide for an assessment of client's capacity to manage environmental risks and ensure implementation of mitigation measures. In addition, the client will prepare separate and specific Environmental Assessment Reports and Management Plans for each of the road sections already identified for the first year of the program of Project 1. Those EAMPs will determine site-specific impacts which are likely to occur due to the program implementation, propose adequate mitigation measures, define responsibilities and arrangements for the implementation of those measures, and outline the monitoring mechanism.</p> |
| Natural Habitats OP/BP 4.04 | No | <p>The policy is not triggered because rehabilitation of roads is not expected to cause any considerable impacts on natural habitats. In addition, the road specific Environmental Assessments and Management Plans will provide for the consideration of anticipated impacts and for the identification of adequate mitigation measures.</p> |
| Forests OP/BP 4.36 | No | |
| Pest Management OP 4.09 | No | |
| Physical Cultural Resources OP/BP 4.11 | No | <p>The policy is not triggered, however, the respective EAMP will include provision to be followed by the client and contractor in case of any chance finds.</p> |
| Indigenous Peoples OP/BP 4.10 | No | |

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| Involuntary Resettlement OP/BP 4.12 | Yes | The policy is triggered because of programmatic nature of the road rehabilitation program. The program, beyond the first year, will invest in national roads that will be rehabilitation only and thus there will be unlikely need for Involuntary Resettlement, or perhaps impacts on livelihood. However, there might be need for small scale of temporary land acquisition or right of way agreements. Because of unknown rehabilitation works to be financed beyond the first year, in order to avoid need for restructuring if small scale temporary or permanent land acquisition is needed, we would propose that the implementing agency prepares Resettlement Policy Framework whereby impacts such as: temporary or permanent land acquisition, right of way impacts will be addressed. The framework would define the sequencing, implementation arrangements and entitlements for each potential impact separately and will also specify a template for specific Land Action Plan. For the first year program which most likely there will be no impact on private assets or any other asserts that are of any use. Potentially there might be need for a right of way agreements or temporary land use, but most likely without impacts on livelihood. Once the works are defined for the first year, the implementing agency will prepare abbreviated R/LAPs for each road sections in the first year, in case there is a need. Thus the implementing agency will prepare abbreviated RAPs if needed for the first year program once the works for the first year are specified and proposal is to prepare Resettlement Policy Framework for all over project span (from the impacts such as temporary land acquisition, right of way agreements and potentially permanent land acquisition). |
| 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

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.

A. Tentative target date for preparing the PAD Stage ISDS: 05-Mar-2014

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:

The PESR is preparing the Terms of Reference to employ the consultancy services for the preparation of safeguard (same consultant should prepare both Environment and Social safeguards studies) documentation. It is expected that the studies will start by mid-November 2013 and should be finished by end February 2014, prior to the project appraisal tentatively planned for March 2014.

IV. APPROVALS

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| Task Team Leader: | Name: Liljana Sekerinska | |
| <i>Approved By:</i> | | |
| Regional Safeguards Coordinator: | Name: Agnes I. Kiss (RSA) | Date: 14-Nov-2013 |
| Sector Manager: | Name: Juan Gaviria (SM) | Date: 14-Nov-2013 |