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Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 20-Feb-2023 | Report No: PIDISDSA35431



BASIC INFORMATION

A. Basic Project Data

Country Romania	Project ID P180531	Project Name Additional Financing - Romania Strengthening Disaster Risk Management Project	Parent Project ID (if any) P166302
Parent Project Name Strengthening Disaster Risk Management Project	Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 27-Feb-2023	Estimated Board Date 27-Apr-2023
Practice Area (Lead) Urban, Resilience and Land	Financing Instrument Investment Project Financing	Borrower(s) Romania (through its Ministry of Public Finance)	Implementing Agency Ministry of Internal Affairs - Department of Emergency Situations and General Inspectorate for Emerg

Proposed Development Objective(s) Parent

The objective of the Project is to enhance the resilience of critical disaster and emergency response infrastructure and to strengthen the Borrower’s institutional capacities in disaster risk reduction and climate change adaptation.

Components

Improving Resilience of Disaster and Emergency Response Infrastructure
Enhancing Institutional Capacity for Risk Reduction Investment Planning
Project Management
CERC

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	98.00
Total Financing	98.00
of which IBRD/IDA	98.00
Financing Gap	0.00

DETAILS



World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	98.00
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Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

- Romania continues to have one of the highest economic growth rate in the EU¹, albeit volatile and unsustainable as it has been mainly driven by consumption and rising public sector - wages.** This has resulted in persistent fiscal and external deficits. The economic crisis induced by the COVID-19 pandemic, caused sizable increases in both the fiscal deficit (9.3 percent of GDP in 2020) and the public debt (47.2 percent of GDP at the end of 2020). The deficit remains high (at 7.1 percent of GDP in 2021) and could push public debt to 53.3 percent of GDP in the medium term, amid rising borrowing costs in a context of high inflation.²
- Furthermore, Romania`s growth has not been inclusive, as inequalities have increased, and Romania continues to have the highest poverty rate in the EU.** With a Gini coefficient of equivalized disposable income of 34.3 in 2021, the level of income inequality in Romania is the fourth highest in the EU. 70 percent of the country`s poor live in rural areas, and stark rural-urban disparities are visible across the board, from the access to public services to resilience to natural disasters and climate change. Due to shortcomings in rural infrastructure and service delivery, as of 2020 Romania was the only EU country without universal access to piped water³.
- Over the next years, Romania`s socio-economic development will depend on managing risks that could aggravate existing inequalities and constraints, while also finding ways ensure a sustainable growth.** In addition to the two ongoing external shocks, such as the war in Ukraine and the long-lasting impacts of the COVID-19 pandemic, that require immediate intervention to protect the most vulnerable, Romania will also need to invest in the EU-wide green and digital transition which comes with an opportunity to European Union's green and digital transitions, which have the potential to increase productivity and environmental sustainability

Sectoral and Institutional Context

¹ Annual economic growth averaged 3.7 percent over the last two decades—nearly triple the EU average, according to WB calculations using EUROSTAT data

² World Bank, Romania Systematic Country Diagnostic Update

³ World Bank, Romania Systematic Country Diagnostic Update



4. **Romania’s exposure to geophysical and climate related disasters, with past events resulting in US\$ billions of direct damages, is disproportionately affecting the poor.** Between 1900 and 2021, 101 catastrophic events were recorded in Romania, including 53 floods, 11 earthquakes, 20 extreme temperature events, 11 storms, and two major droughts, which resulted in over US\$17.18 billion in losses and damages, affected over 2 million people, and caused over 4,939 deaths⁴. Earthquakes in Romania are rare but potentially catastrophic. In 1977, a Mw 7.4 earthquake caused more than 1,500 fatalities and left 11,321 injured. As many as 156,000 residential apartments collapsed or were severely damaged, and more than 2,274 schools and 459 hospitals were severely damaged. Disaster impacts are also increasing due both to the concentration of exposed people and economic assets and to climate change. Forest fires, droughts, landslides, strong winds, and extreme heat also pose significant threats, and climate change is likely to considerably increase the occurrence and severity of weather-related disasters. It is important to recognize that in addition to damaging assets, disasters affect people’s well-being, pushing families into poverty⁵.
5. **Institutional reforms and recent investments have improved emergency response capacity, but the potential impact of disasters on infrastructure in Romania remains extremely high.** Moreover, the severity, intensity and frequency of storms, floods, droughts, wildfire and extreme temperature events are increasing as the climate warms. There is an urgent need to reduce the impact of climate disasters and prepare for more severe climate events in the future. Romania remains committed to improving its approach to managing disaster risks, prioritizing strengthening of the country’s emergency response system. Institutional reforms and recent investments have improved emergency response capacity, but the potential impact of disasters on infrastructure and the most vulnerable population in Romania remains extremely high.

C. Proposed Development Objective(s)

Original PDO

The objective of the Project is to enhance the resilience of critical disaster and emergency response infrastructure and to strengthen the Borrower’s institutional capacities in disaster risk reduction and climate change adaptation.

Current PDO

The objective of the Project is to enhance the resilience of critical disaster and emergency response infrastructure and to strengthen the Borrower’s institutional capacities in disaster risk reduction and climate change adaptation.

Key Results

The PDO indicators are:

- Number of disaster and emergency response facilities that are upgraded to be resilient
- Number of rescue personnel, emergency and disaster management staff, volunteers and administrative staff with access to disaster resilient buildings
- Number of project beneficiaries in areas covered by resilient emergency and disaster response facilities
- Enhanced Ro-Risk assessment supports enhanced risk reduction planning in other ministries
- MOIA, through DES and GIES, has strengthened institutional capacity for risk reduction investment planning

D. Project Description

⁴ EM-DAT. 1900–2019. “Global Occurrences from Natural Disasters.” EM-DAT: The Emergency Events Database, Université Catholique de Louvain–CRED (EM-DAT, CRED / UCLouvain), D. Guha-Sapir. Brussels, Belgium.

⁵ World Bank. 2021. Overlooked: Re-examining the Impact of Disasters and Climate Shocks on Poverty in the Europe and Central Asia Region. Washington, DC: World Bank.



All activities under the proposed Additional Financing (AF) are in line with the existing PDO and Project components included in the parent Project's original design.

The proposed AF in the amount of EUR 92 million would maintain the original three components and fill the financing gap in Component 1 and Component 3, allowing the Project to fully achieve its PDO, through support to: (i) retrofitting or reconstruction of the remaining 25 buildings originally on target for Component 1; (ii) covering the cost overrun for 10 buildings under the parent Project; and (iii) financing Project Implementation Unit (PIU) salaries and operational costs for project management. It will also allow for the continuation of activities under Component 2.

Component 1 (Improving Seismic Resilience of Disaster and Emergency Response Infrastructure). Under Component 1, the AF activities will include: (i) civil works for the remaining 25 buildings; and (ii) covering overrun costs for 10 buildings in progress.

Component 2 (Enhancing Institutional Capacity for Risk Reduction Investment Planning). Under Component 2, the AF activities will include:

- i. *Study on multi-risk and multi-hazard modelling and assessment.*
- ii. *Upgrade of the RO-RISK platform's hardware and software.*
- iii. *Public awareness campaign targeted on changing the human behavior*
- iv. *Optimizing the decision-making processes in the field of disaster prevention*

Component 3 (Project Management). The additional project management cost will support PIU staff salaries and operational costs during the implementation period in order to maintain a stable PIU team, ensuring adequate salaries according to the current labor market and meeting the revised Project Implementation Unit (PIU) organization chart.

Component 4 (Contingent Emergency Response Component) with a zero EUR/US\$ amount is newly added in the AF given the vulnerability of the country to disasters. The CERC is an ex-ante mechanism available to the Government for rapid access to financing to respond to an eligible crisis or emergency. The Borrower may request the Bank for a rapid re-allocation of project funds to support urgent needs such as emergency response and reconstruction in the event of a natural or man-made disaster (e.g., serious storms, floods, earthquakes, droughts), crisis, or public health emergency (disease outbreaks).

E. Implementation

Institutional and Implementation Arrangements

The implementation arrangements will remain unchanged under the proposed AF. The overall project coordination will continue to be undertaken by the Department of Emergency Situations (DES) through a Project Coordination Unit (PCU), and project implementation will continue to be done by the PIU within the General Inspectorate for Emergency Situations (GIES). The DES coordinates the GIES and the General Inspectorate of Aviation (with respect to medical missions); it also performs the operational coordination for ambulance services in counties and in Bucharest, for UPU/CPU, and for public mountain rescue services. Moreover, DES is responsible for overarching Disaster Risk Management (DRM) public policy and government commitments to the Sendai Framework for Disaster Risk Reduction as well as disaster and emergency response. The DES also has a strong and stable leadership record with a forward-looking vision and an impressive track record of organizational reform and project implementation. The PIU was strengthened during the implementation of the parent Project.



F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Civil works under the project are expected to cover the remaining 25 buildings from the Parent Project, located across Romania. The technical surveys for these buildings were completed, and the expected activities include retrofitting or reconstruction civil works. The AF is also expected to cover overrun costs for 10 buildings in progress. Of these 10 buildings, technical designs have been completed and the civil works started in five Project sites (Carei, Mizil, Tecuci, Obor, Calarasi) as the first batch. Technical design contracts for five additional sites (Vaslui, Focsani, Botosani, Slobozia, Pitesti) were signed with works scheduled to commence in September 2023, as Batch two. None of the known buildings involve land acquisition as works will take place on public land. None of the known buildings are classified as historical monuments. ESMPs for Carei, Mizil, Tecuci, Obor, Calarasi were prepared, consulted and finalised. ESMPs for Vaslui and Focsani are cleared for public consultations, which will take place by mid February. The rest of the sub-projects identified are yet to develop ESMPs.

G. Environmental and Social Safeguards Specialists on the Team

Adrian Laurentiu Mihailescu, Environmental Specialist
Chifundo Patience Chilera, Social Specialist
Flaviu Petean, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	Yes	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
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

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:

The project does not have large scale, significant or irreversible impacts. All the project risks are localized and manageable. The most significant safeguard issue associated with the project is potential noise, dust, discovery and handling of asbestos and localized environmental issues associated with rehabilitation and strengthening of the buildings. Other potential risks are damages to private properties in the event of accidents during demolition works as well as occupational health and safety risks for construction workers and staff at the sub-project sites. Some of the sites may also be located in cultural heritage designated areas, so the implementing agency will need to consider the potential for chance finds of cultural significance. During relocation of staff to temporary facilities while works are in progress, the project will ensure that that relocation facilities are appropriate, and emergency response services are not disrupted due to the relocation. An emerging risk is related to employment of foreign workers who live at the project site, which contextually, is an increasing trend in the construction sector in Romania. The project's management of labor will need to ensure that risks associated with labor management such as health and safety, access to a worker's GRM, communication in appropriate language and adherence to the project code of conduct are well managed.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
No long term or indirect impacts are expected.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
Not relevant, no project alternatives are being considered.

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 borrower will need to update the Environmental and Social Management Framework developed for the Parent Project, to reflect the details of the current AF Project.

The current PIU has experience of developing and implementing safeguards instruments as well as conducting consultations with potentially affected parties, through the parent Project. The Bank team has provided the PIU, including their Environment and Social specialists as well as their field officers who supervise the works; with training and collaborative technical working sessions to enhance their capacity to develop and monitor instruments such as ESMPs, conduct public consultations and ensure OHS measures are followed by the contractors as per Bank Policies and in line with national legislation.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Key stakeholders include emergency response staff working in the selected buildings, neighboring properties, local communities and authorities, users of the future buildings, including persons with disabilities, women and other



vulnerable categories. Each sub-project will develop a site-specific ESMP that is disclosed and consulted with stakeholders and potentially affected persons. Low attendance in the public consultation process under the Parent Project has been addressed by face-to-face consultations, direct meetings and diverse channels to reach the interested stakeholders.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other		
Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors

"In country" Disclosure

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

CONTACT POINT

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Borrower/Client/Recipient

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APPROVAL

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Approved By

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