

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

**Report No.:** ISDSC1144

**Date ISDS Prepared/Updated:** 07-Aug-2015

**Date ISDS Approved/Disclosed:** 13-Aug-2015

## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Rwanda	<b>Project ID:</b>	P150844
<b>Project Name:</b>	RW-Urban Development Project (P150844)		
<b>Task Team Leader(s):</b>	Meskerem Brhane, Jonas Ingemann Parby		
<b>Estimated Appraisal Date:</b>	11-Jan-2016	<b>Estimated Board Date:</b>	29-Mar-2016
<b>Managing Unit:</b>	GSU13	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Urban Transport (20%), Sub-national government administration (50%), General water, sanitation and flood protection sector (20%), Water supply (10%)		
<b>Theme(s):</b>	City-wide Infrastructure and Service Delivery (30%), Urban planning and housing policy (15%), Urban services and housing for the poor (40%), Municipal governance and institution building (15%)		
<b>Financing (In USD Million)</b>			
Total Project Cost:	85.00	Total Bank Financing:	85.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			85.00
Total			85.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

The project development objective is to support urban management for the delivery of basic services and to promote local economic development in selected urban centers.

### C. Project Description

The project supports Rwanda's six secondary cities to improve access to services, build the capacity of districts for urban management, and spur local economic development. District capacity building will be in relation to functions that they actually perform (“learning by doing”); they will be held to account (by citizens and national government) and will be rewarded for the performance of these functions. Key elements of the project would include the following but will be further elaborated and refined during the project preparation process (US\$ 85m total project cost):

**Component 1: Improving urban management for basic services in the six secondary cities (US\$70m)**

This component will support provision of basic infrastructure in the 6 secondary cities to enhance living conditions for residents and also support local economic development. The funds for the investments will be allocated through annual Urban Development Grants consisting of two elements: an unconditional formula (e.g., percent urban population and urban area) and performance criteria. An independent entity will carry out annual assessments and a baseline will be established during preparation. The grant will be phased in order to ensure that there is full uptake of the performance requirements. The grant will be in addition to existing GOR grants and transfers, and will be specifically targeted to finance investments in urban areas of the districts. Assuming a phased introduction of the grant, each district would receive around 11m US\$ in total (or about 180\$ per capita) over 5 years, or about 37\$ per capita per year. The Assessment, operational and fund disbursement procedures will be closely aligned with the existing government grant mechanisms.

**Component 2: Modeling Inclusive Urbanization in Nyarugenge District of Kigali (US\$10m)**

This component will support the upgrading of the Nyarugenge District and in particular Agatare neighborhood in the City of Kigali. This site is located within the Central Business District and comprises an 80 hectare informal settlement site and is home to 3,000 households. The upgrading of the site is to serve as a model for community based urban regeneration that can be scaled up to other parts of Kigali and to secondary towns. A learning-by-doing approach will be adopted to identify the most appropriate approach for upgrading in the Rwandan context and these lessons will be shared and disseminated among key stakeholders, especially district leaders with the hopes of scaling it up.

**Component 3: Technical support for implementing some aspects of the National Urbanization Strategy (US\$2.5 m)**

This component will include three subcomponents: (i) support to local economic development; (ii) capacity building for urban management; and (iii) enabling coordinated urban planning.

**3.1 Support to local economic development:** This component will finance TA for the six secondary cities to facilitate the implementation of local economic development plans. This could include: (a) TA to One Stop Centers and the Business Development Units to meet their existing and additional responsibilities to help accelerate permit and lic ensing times for infrastructure, land, construction and private sector registration and growth, and (b) advisory support and training to districts to conduct detailed economic feasibility studies for their potential LED focused investment projects. This would also include direct technical support for district officials to design better updates to and next set of LED plans, taking into account budgeting, staffing and other implementation strategies. Additional TA areas being considered include design and implementation of business or market centers and integration of local economic development and urban planning principles. If any of the identified TA activities under Component 3.1 should trigger safeguard policies, the necessary safeguards documents will be prepared prior to project appraisal.

**3.2 Capacity Building for urban management:** Technical Assistance will be provided to the six

Districts to enable them to improve their performance as measured through the criteria for allocating Urban Development Grants (e.g., planning, managing local finances – such as asset management, O&M, budget execution - and project management). This will be delivered through a combination of coaching, training and peer-to-peer learning.

3.3 Developing information systems for coordinated planning and strategic decision making: The project will support a geodata platform that integrates GIS data that are currently scattered across a number of national agencies and district governments in order to better integrate information on all municipal infrastructure services. This will allow for better coordination in service delivery/ infrastructure investment. The project will also ensure that the portal will be shared across key national and local actors operating in the urban sector. This national system will be rolled out to the six districts and training will be provided in the analysis and use of GIS data for local level decision making. This GIS will also be complemented with a system for collecting and curating data on urbanization (e.g., data on demand and supply of housing; employment in urban areas; number of off farm jobs created etc – all data that are expected to be tracked under the government's EPDRS2).

Component 4: Project management support (US\$2.5 m)

Support will be provided to the implementing agencies at national (Ministry of Infrastructure, Rwanda Housing Authority and Local Development Agency) and District levels on project management, including for the recruitment of staff as needed (e.g. engineers, financial management, procurement, social and environmental safeguards specialists). The districts may also be provided with technical assistance for managing and supervising infrastructure works.

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

The project will include a number of infrastructure activities, such as construction of secondary urban roads, drainage, medium to small scale water and sanitation facilities, small scale solid waste management interventions, street lighting, etc. Based on the initial screening, field visits and interviews with the project stakeholders, the proposed activities will potentially trigger WB OP 4.01 – Environmental Assessment, OP 4.11 – Physical Cultural Resources and OP 4.04 – Natural Habitats. The policy on Natural Habitats may be relevant to the project, as several of the secondary cities are located in proximity to lakes, rivers and wetlands, which may require specific design and/or mitigation measures. The exact scope of the project interventions, and environmental risks relevant to the project will be confirmed during preparation stage.

On social safeguards, the project interventions will trigger World Bank Operation Policy on Involuntary Resettlement OP 4.12 although field visits suggest that the social and environmental impacts will neither be large scale or irreversible. There is a risk that informal settlement upgrading in secondary cities and Kigali may result in displacement of households and expropriation of land. Hence every effort will be made to avoid, minimize and/or manage the displacement and expropriation through: (i) flexibility in applying construction standards with the appropriate authority where permitted; and (ii) applying an active community participatory planning, implementation and maintenance process for neighborhood improvement. This approach not only strengthens the social capital within the community but also ensures ownership and sustainability of the investments. For the construction of potential urban infrastructure in the secondary cities, while the land requirements are minimal, expropriation of land from private owners will potentially pose a funding challenge for some of the District governments. The Bank team recommends a cost-benefit analysis of the urban infrastructure when planning and prioritizing for these investments.

## E. Borrowers Institutional Capacity for Safeguard Policies

Current capacity to manage the social and environmental impacts of the project preparation and implementation is not sufficient both at MININFRA/RHA and the District levels.

On social safeguards, some districts are including CSOs as implementers of the District development Plans through formal agreements to fill the capacity gap. The Bank team is cognizant of the structural and staffing change at the national and district levels to strengthen the decentralization process. The project will require that Districts, when assessing their need for expertise, identify a social development expert to manage the social impacts of investments (these could be sourced from CSOs on a competitive basis as part of regular procurement process). The Project Management Unit should include a full time Social Development Expert and an assigned budget to provide technical assistance to the districts in strengthening their capacity to manage the environmental and social impacts of the urban investments.

In the new structure of district staffing, District Units will continue to include an environmental specialist, who will need to take on responsibilities, among other duties, for environmental management in the Urban Development Project investments. District Units will continue to include an environmental specialist, who will need to take on responsibilities, among other duties, for environmental management in the Urban Development Project investments. Such responsibilities include (1) collaboration with the project engineers and with the PMU to contribute to environmental sustainability of the project designs, and (2) environmental due diligence, e.g. oversight of timely ESIA/ESMP development, disclosure and implementation, monitoring and auditing of the subprojects. At the national level, the Mission recommends that the Project Management Unit includes a full time Environmental Expert with an assigned budget to provide technical assistance to the Districts in strengthening their capacity to manage the environmental impacts of the urban investments.

## F. Environmental and Social Safeguards Specialists on the Team

Svetlana Khvostova (GENDR)

Yasmin Tayyab (GSURR)

## II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project will include a number of infrastructure activities, such as construction of secondary urban roads, drainage, medium to small scale water and sanitation facilities, small scale solid waste management interventions, street lighting, etc. Based on the initial screening, field visits and interviews with the project stakeholders the project is assigned EA Category B as the proposed projects will have environmental and social impacts, which are expected to be reversible and limited to the project site. The project will prepare ESMF and ESIA/EMP for any of the investments identified during project preparation. The ESMF (and ESIA) will be

		consulted upon and publicly disclosed in Rwanda and in the World Bank InfoShop prior to project appraisal.
Natural Habitats OP/BP 4.04	Yes	The policy on Natural Habitats may be relevant to the project, as several of the secondary cities are located in proximity to lakes, rivers and wetlands, which may require specific design and/or mitigation measures. The exact scope of the project interventions, and environmental risks relevant to the project will be confirmed during preparation stage.
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	Yes	The policy is triggered since the project works will include excavations, demolition, movement of earth, and potentially other environmental changes. However, there are no known physical cultural resources identified in the vicinity of proposed project sites during screening. The ESMF will include a chance finds procedure to be incorporated into subproject EMPs, once these will be identified.
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	The policy is triggered due to identified potential investments in informal settlement upgrading in secondary cities and Kigali, which may result in displacement of households and expropriation of land. Hence every effort will be made to avoid, minimize and/or manage the displacement and expropriation through: (i) flexibility in applying construction standards with the appropriate authority where permitted; and (ii) applying an active community participatory planning, implementation and maintenance process for neighborhood improvement. The project will prepare an RPF, and RAPs for any of the investments identified during project preparation. The RPF (and, if applicable RAPs) will be consulted upon and publicly disclosed in Rwanda and in the World Bank InfoShop prior to project appraisal.
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	
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### III. SAFEGUARD PREPARATION PLAN

- A. Tentative target date for preparing the PAD Stage ISDS:** 30-Nov-2015
- B. Time frame for launching and completing the safeguard-related studies that may be needed.**  
**The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

Safeguards documents can be prepared when the first draft of the feasibility study is ready (October 2015). The ESMF and RPF will be prepared from August to December 2015. Site specific RAPs and EMPs will be prepared as soon as final investments for Y1 for the Urban Development Grant have been determined (November 2015).

### IV. APPROVALS

Task Team Leader(s):	Name: Meskerem Brhane, Jonas Ingemann Parby	
<b><i>Approved By:</i></b>		
Safeguards Advisor:	Name: Johanna van Tilburg (SA)	Date: 13-Aug-2015
Practice Manager/ Manager:	Name: Sameh Naguib Wahba (PMGR)	Date: 13-Aug-2015

<sup>1</sup> 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.