Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 12/23/2022 | Report No: ESRSC03182

BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Cabo Verde	WESTERN AND CENTRAL AFRICA	P178644	
Project Name	Improving Connectivity and Urban Infrastructure in Cabo Verde		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Transport	Investment Project Financing	6/20/2023	9/20/2023
Borrower(s)	Implementing Agency(ies)		
Republic of Cabo Verde	Unidade de Gestão de Projectos Especiais, UGPE		

Proposed Development Objective

To enhance road connectivity, urban infrastructure, and living conditions in targeted areas in Cabo Verde.

Financing (in USD Million)	Amount
Total Project Cost	35.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The higher-level objective of the proposed project will be to support sustainable development and reduce poverty and territorial inequalities in Cabo Verde through spatially integrated investments covering the transport and urban sectors in targeted areas of the country.

The proposed project will support the quality of life of communities through urban upgrading and housing requalification in selected neighborhoods. It will equally reduce the isolation of communities in rural areas through targeted investment in road rehabilitation or upgrade.

The proposed Project would include four components: Component 1: Urban Upgrading of selected neighborhoods; Component 2: Enhancing Road Connectivity; Component 3: Project Management and Capacity Building; and Component 4: Contingency Emergency Response Component (CERC).

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

Located 500 km off the west coast of Africa, Cabo Verde is an archipelago of ten islands. Only 10% of its territory is classified as arable land, and the country possesses limited mineral resources. The country is highly vulnerable to the impacts of climate change. The lack of arable soil (only 10% of the soil is arable) results in high dependency on imports to meet its food needs (80 – 90%). In addition, the country's coastlines are very vulnerable to rising sea levels and erosion where approximately 80% of the population resides.

The project will support activities and interventions to enhance road connectivity, urban infrastructure and living conditions in targeted neighborhoods in Cabo Verde. At this stage, the exact locations of projects activities are not yet determined.

Activities under Component 1 will take place in urban contexts. It can thus be assumed that the Component 1 activities will be located in urban or peri-urban areas in a highly modified environment.

Under Component 2, the nature of the interventions will mainly consist of rehabilitation (no new construction) and reconstruction of local roads in both rural and urban areas, as well as the improvement of local rural roads from dirt to asphalt. Given the richness of Cabo Verdean biodiversity, the proposed project will cross areas where terrestrial flora and fauna can be extremely diverse. However, as the project focuses on existing roads, the works will be carried out in areas already modified to accommodate agriculture and much of the land along the roads has been cultivated.

D. 2. Borrower's Institutional Capacity

The implementing agency has not yet been determined, and it could be a new Project Implementation Unit (PIU) under MIOTH or the existing Special Projects Management Unit (Unidade de Gestão de Projetos Especiais – UGPE) under the Ministry of Finance. The UGPE has prior experience with World Bank investment projects and has already applied the Operational Policies and the Environmental and Social Framework (ESF) in projects such as: Cabo Verde: COVID-19 Emergency Response Project (P173857) and AFs (P174299, P175807, P177181), with an overall Satisfactory ESS Performance; Digital Cabo Verde Project (P171099) with Moderately Satisfactory ESS Performance; Sustainable, Resilient and Inclusive Growth development program in Cabo Verde (P176981); Cabo Verde Renewable Energy and Improved Utility Performance Project (P170236); Cabo Verde Human Capital Project (P175828). UGPE Staff have benefited from training on the World Bank Operational Policies and, more recently, on the ESF.

Overall, it can be said that the UGPE has significant capacity and considerable experience in environmental management and stakeholder engagement. Thus far, environmental and social (E&S) performance of the ongoing projects under UGPE implementation has been rated as Satisfactory or Moderately satisfactory because ESF studies were late, or project monitoring was too limited.

This new project can use the lessons learned from the previous Transport project (P126516): an Environmental and Social Management Framework (ESMF), four Environmental and Social Impacts Assessments (ESIAs) and four

Environmental and Social Management Plans (ESMP) were prepared, respectively, for Santiago, Santo Antão, Brava, and Fogo islands where performance-based contracts for rehabilitation and maintenance were financed under the project. Based on the previous project performance experience, despite some limitations in terms of staff capacity in environmental and social management, the Government of Cape Verde has demonstrated strong commitment to implementing the project's safeguard instruments and addressing recommendations by Bank's Environmental and Social Specialists where there were some shortfalls in the implementation.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Substantial

The project will be implemented on several islands and municipalities and aims to enhance road connectivity, urban infrastructure and living conditions by : - under Component 1 - (i) installing toilets and faucets, including the construction of septic tanks; (ii) paving of streets and house entrances, energy-efficient street lighting, construction of drainage systems to improve flood protection, afforestation of housing on dirt roads, improvement of public spaces and cultural heritage properties; (iii) installing kitchen sinks, faucet fixtures, and connections to water and sewage systems; and – under Component 2 - (iv) rehabilitating and upgrading existing regional and local roads in rural and urban areas. At this time, the exact locations of projects activities are not yet determined. However, under Component 1, activities should be in urban or peri-urban areas in a highly modified environment, and, under Component 2, activities will primarily take place within the existing road easement. However, since at this stage of project design, roads passing through sensitive biodiversity areas have not been formally excluded and in order to be conservative until full details of the project activities and their locations are available and finalized, the environmental risk is considered substantial and will be reassessed at Appraisal. Some road widening will be also considered, civil works will occur in areas already modified to accommodate agriculture and much of the land along the roads has been converted to plantations. While detailed scope and locations of the project activities is not known, the potential risks and impacts are expected to be temporary and/or reversible, moderate in magnitude, site-specific, and without likelihood of impacts beyond the actual footprint of the project. The potential risks and impacts can be addressed through conventional mitigation and management measures. The negative impacts may largely arise related to sewer and water connections, drainage systems and paving of streets in urban areas (Component 1) and road reconstruction and rehabilitation (Component 2). Although these activities are not likely to have significant adverse risk or impacts on human populations and/or the environment, the following risks must be considered: i) generation of dust, noise, vibration and gas emissions due to the operation and movement of construction vehicles and machinery; ii) improper disposal of construction waste (including asphalt, oils, fuel) and asbestos (if present) or operational or accidental spills of fuel and lubricants from the construction machinery; iii) occupational health and safety (OHS) and community health and safety risks, including accidents, injuries, and exposure to chemicals and pathogens associated with the connections to water and sewage systems; iv) traffic congestion and emission during the excavation and installation of the pipe network and the new road surface; v) loss of vegetation cover, land degradation, brief disturbance to biotope, and soil erosion at the project site due to physical disturbance associated with site clearing, and earth and road construction works; and vi) loss of productive lands. Off-site activities include quarry and asphalt plant operations, which if not managed properly, may also cause localized adverse impacts. During operation phase, the risks concern only the activities of component 1, and they include: i) pollution and health risk due to inadequate management of grey water and sludge in case of increased water supply in urban areas; ii) urban flooding from solid

waste blocking the sewerage system. Resource efficiency will also need to be considered and developed in the feasibility studies and ESF instruments, particularly for Component 2, as road rehabilitation involves pavement reconstruction due to severe road deterioration.

Social Risk Rating Moderate

At this stage, the Social risk rating of the project is Moderate based on the description of proposed interventions outlined above. The proposed project activities are expected to result in largely positive socio-economic impacts for affected communities – however, risks and impacts relating to the proposed civil works must be carefully managed in order to avoid or mitigate, inter alia, (physical or economic) displacement impacts and risks relating to labor influx including but not limited to sexual exploitation and abuse/sexual harrassment (SEA/SH). Furthermore, it will be important to ensure an inclusive and comprehensive process of meaningful consultation with stakeholders throughout all phases of the project cycle – with particular emphasis on the inclusion of disadvantaged or vulnerable groups and individuals in the consultation process and, ultimately, as project beneficiaries. Activities proposed under Component 1 will entail interventions among vulnerable households and individuals, and it will be important to ensure their participation in meaningful consultation processes and inclusion of disadvantaged or vulnerable groups and individuals as project beneficiaries. Women (particularly women heads of households), youth and the elderly, persons with disabilties, as well as members of marginalized groups (e.g., SOGI minorities) must be engaged and consulted in project design in order to avoid risks to social inclusion in the project. Urban requalification interventions can result in physical or economic displacement impacts, whereby households may need to be relocated and/or economic/livelihood activities may be affected by project interventions. Under Component 2, road rehabilitation activities may result in permanent or temporary displacement (particularly economic displacement) impacts. Interventions focused on existing road alignments and rights-of-way may not result in extensive impacts to dwellings or other structures, although interventions entailing road-widening in populated urban or peri-urban areas may result in some, localized physical displacement impacts. Interventions involving road-widening in agricultural areas may result in economic displacement (e.g., loss of crops, fruit-bearing trees, or access to irrigated land). Furthermore, temporary restrictions to access to areas of economic activities may also result in economic displacement.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The following standards are screened as relevant: ESS1; ESS2; ESS3; ESS4; ESS5; ESS6; ESS8 and ESS10. Overall, the project is expected to have positive environmental and social impacts in terms of improved local connectivity through urban infrastructure and road rehabilitation, improvement and maintenance.

Under Component 1, the E&S impacts from the activities funded under the proposed project are expected to be direct at all stages of construction, operation and maintenance. The environmental risks and impacts at construction stage are likely to involve poor management of traffic and movement/operation of heavy equipment, and digging and installing pipe network, drainage systems and paving of street would generate dust, noise and daily traffic congestion and disturbances. However, these impacts are temporary and site specific. OHS and community health and safety is

an area of concern, but would be managed through strict adherence to OHS requirements including wearing PPE, safety training to workers and community awareness raising.

Under Component 2, the project will support roads improvement and maintenance which may including overlaying, improving small bridges and drainage, etc. At this stage, roads passing through critical natural areas/habitats are not formally excluded from project design, but the selected roads will pass a robust prioritization and environmental and social impacts screening to ensure the project activities will not cause major environmental or social impacts.

While detailed scope and locations of the project activities is not known, potential environmental risks and impacts are expected to be temporary and reversible, moderate in magnitude, and site specific, and without likelihood of impacts beyond the actual footprint of the project. These impacts most commonly include possible disturbance to biotope, temporary disruption of current traffic circulation, traffic safety, damage to access roads, dust nuisance, and gaseous emissions, potential pollution of soil and water resources, and momentary interference to neighboring settlements through various operation activities. Off-site activities include quarry and asphalt plant operations, which if not managed properly, may cause localized adverse impacts. In most cases such impacts can be mitigated readily through good construction practice, environmental permitting process and through implementation of site-specific environmental due diligence instruments. Some road rehabilitation and urban regeneration activities may involve land acquisition or temporary restrictions in land use, thus resulting in temporary or permanent displacement impacts (physical or economic displacement) – although resettlement will be avoided or minimized via adjustments in the design and in the scheduling of civil works. Depending on the locations of activities to be financed, there could be risks and impacts relating to labor influx, including an increase in the risk of sexual exploitation and abuse/sexual harrassment (SEA/SH).

Given that location of the project activities will not be known before the project appraisal, the PIU will prepare an Environmental and Social Management Framework (ESMF) which builds on other framework documents prepared for projects in Cabo Verde, prior to Appraisal to facilitate screening, assessment, and management of environmental and social risks and Impacts of activities / sub-projects during project implementation. The ESMF will guide the preparation of the appropriate instruments to be used for specific sub-projects. The instruments to be prepared when the sub-project locations are identified and defined include site-specific Environmental and Social Management Plans (ESMPs) and Environmental and Social Management Plan Checklists (ESMP Checklists) all prepared in compliance with the World Bank Group's Environment, Health, and Safety (EHS) Guidelines. The screening criteria for sub projects will be defined in the ESMF.

It is expected that ESMP checklist will be used for less risky sub-projects that usually only involve change of asphalt or drainage on exiting road or the installation of sinks, while site specific ESMPs would be used in more complex rehabilitation when locations of segments are more sensitive (e.g. widening of the road, passing near a house, , construction of drainage systems, etc.) or involve works on existing structures (bridge rehabilitation, improvement of cultural heritage properties, etc.).

Any economic or physical displacement impacts identified prior to contruction will be managed via measures outlined in a Resettlement Action Plan (RAP) or Abbreviated Resettlement Action Plan (ARAP), which will be prepared in accordance with a Resettlement Planning Framework (RPF) and based on information from detailed design studies – should such displacement impacts be identified in environmental and social impact assessment and not be possible

to avoid. Risks and impacts relating to labor, including labor influx, issues of discrimination in recruitment, working conditions, sexual and other forms of harrassment in the workplace, prevention of child labor and forced labor, and workers' access to grievance redress, will be addressed in Labor Management Procedures (LMP). Interventions relating to regeneration of historic centres will require the implementation of chance find procedures and a Cultural Heritage Management Plan (CHMP), should these occur in recognized heritage sites (e.g., Cidade Velha or other historic town centers with heritage designation). SEA/SH risks will be managed via the implementation of Codes of Conduct (CoCs) for project workers and contractors, as well as awareness-raising and training activities, and specific procedures (including referrals to servive providers) in the project's grievance redress mechanism (GRM).

As the project ESMF will also include Contingent Emergency Response Component (CERC) and an Emergency Response Manual (ERM). Timing for the preparation of E&S instruments for the CERC-ESMF will be assessed during project preparation.

As the project will provide support to road maintenance, guidelines on environmental best practices for road maintenance activities will be developed during implementation.

An Environmental and Social Commitment Plan (ESCP), drawn and agreed upon with the Borrower, will set out the substantive measures and actions that will be required for the project to meet environmental and social requirements over the project's lifetime. These measures shall be implemented within specified time-frame and the status of implementation will be reviewed as part of project monitoring and reporting. These site-specific documents will constitute an integral part of bidding documents for contractors. ESMF and site-specific environmental and social assessment documents (ESMPs and ESMP checklists) will be timely and appropriately disclosed and discussed with the public.

Areas where "Use of Borrower Framework" is being considered:

At this stage, the Borrower's E&S Framework is not proposed to be relied on for this project, in whole or in part. The national framework will not likely address the environmental and social risks and impacts of the project in a manner to achieve objectives materially consistent with the ESF. However, as relevant and consistent, national legal framework and legislation can be referred to and recognized.

ESS10 Stakeholder Engagement and Information Disclosure

ESS10 is relevant for the project as meaningful consultation and engagement of intended project beneficiaries, affected communities, and other stakeholders is required. To ensure a participatory approach throughout the Project's life cycle, the Borrower shall prepare, consult, disclose and implement a Stakeholder Engagement Plan (SEP) in accordance with ESS10 requirements by project Appraisal, and update it as needed throughout the project cycle. The SEP shall contain detailed identification and analysis of project stakeholders (including government and civil society organizations, as well as affected communities) and address specific risks and other issues identified by project stakeholders, including risks to vulnerable and disadvantaged groups (e.g., SOGI minorities or migrants, the need to ensure social inclusion, worker or community safety risks, and measures to enable stakeholders' effective engagement and participation in the project – including provisions for the effective management of concerns or grievances presented by members of affected communities.

The communication, information-disclosure, and engagement activities will be discussed in detail within the SEP and will be adapted for the stakeholder engagement and consultation activities of the distinct phases of the project cycle. The SEP will also include a detailed outline of a grievance mechanism (GM) to handle grievances by project-affected people regarding temporary or permanent adverse project impacts and include multiple grievance uptake channels. The project GM will include specific channels and procedures to address risks relating to sexual exploitation and abuse/sexual harassment (SEA/SH).

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The Project will likely involve government staff and consultants who will implement the project and contracted workers as well as primary supply workers who will be involved in the construction of the infrastructure subprojects and equipment in the areas of intervention. It is not expected that community workers will be involved in the project, but this will be further assessed in the LMP during the preparation for the project. All categories (and estimated numbers) of workers to be engaged by the project will be identified by Appraisal, and the risks relating to each category of workers will be addressed in the LMP.

Cabo Verde has a Labor Code that is aligned with international good practice on decent work. In practice, there are documented country risks associated with realizing safe and fair work and prevention of harmful child labor which may not be encountered during the implementation of the subprojects but rather on the tourism industry as a whole. Nevertheless, these will be explored in the ESMF and inform preventative management measures. Occupational health and safety risks for project workers on civil works sites will also be addressed with application of the World Bank EHSGs and preventative measures relevant to the response to Covid-19.

The Project will develop Labor Management Procedures (LMP) which will contain detailed information on working conditions, including the explicit prohibition of child labor (and specific conditions under which persons aged between 14 nd 18 may be engaged part-time as project workers) and measures to prevent forced labor. In addition to measures for PIU staff, the LMP will include measures to protect community members providing work on an informal basis, including the participation of women, and the health and safety of workers. Consistent with ESS2, the LMP will include the outline of a dedicated workers' grievance mechanism (GM) for all categories of project workers. The LMP will set out measures for nondiscrimination, equal employment opportunity, workers' rights of association, and measures to prevent and address sexual exploitation and abuse/sexual harassment (SEA/SH) risks.

ESS3 Resource Efficiency and Pollution Prevention and Management

As the project activities involve improvements/maintenance of existing roads, road widening, improvement of urban infrastructure and water and sewer connection activities, the borrower will consider measures that are technically and financially feasible to reduce the negative impact on surrounding communities, environment and other ecosystem services. Also complying with ESS3, a resource management in and around the proposed activities will be developed as part of sub-project project feasibility studies and update of ESF instruments would be done if needed. Furthermore, the borrower will also ensure that the resource efficiency is improved and are being implemented

throughout the project period. Nevertheless, the project is not expected to consume large amount of energy and raw materials, nor use or procure pesticides. These activities will require earthworks and the consumption of diesel for heavy machinery and generators. There will be a generation of waste such as packing materials; minor air pollution and fugitive dust; noise and vibration, management of fuel and oil spills at the construction sites will also be generated during construction rehabilitation and construction activities.

A screening will be conducted in consultation with the Climate Change Group of the Bank to determine the significance of the GHG emissions from the project activities, if the GHG emissions are significant, the client will be required to further estimate GHG gross emissions using the Bank's approved methodologies.

The ESMF and ESMP will identify mitigation measures for efficient use of these resources where technically and practically feasible as well as to prevent use of resources from unlicensed sources. Typical pollutions generated from road and urban improvement activities include: (i) dust and other forms of air pollution from construction site, transportation and auxiliary facilities; (ii) noise and vibration; (iii) solid waste (domestic waste and construction waste including used oil and lubricant); and (iv) wastewater from workers camps. These impacts are temporary, site-specific and can be managed through a set of mitigation measures to be include in the ESMF and ESMP. Road improvement may require clearance of vegetation or fauna habitats and may lead to soil loss and erosion. This could lead to substantial impacts in the areas with steep slope and vulnerable to disaster or climate variation or sensitive habitats. Soil erosion can lead to blockage of drainage or change of surface water flow or sedimentation. Off-site activities include quarry and asphalt plant operations, which if not managed properly, may cause localized adverse impacts. In most cases such impacts can be mitigated readily through good construction practice, environmental permitting process and through implementation of site-specific environmental due diligence instruments.

The ESMF and ESMP will provide guidance to screen and assess impacts and provide mitigation measures including application of good practice and close supervision of works to: (i) ensure that cutting of trees and vegetation is limited to a minimum and justified by technical requirements and that relevant national legislation is followed, and replacement where vegetation clearance is unavoidable; and (ii) soil loss and erosion is minimize/protected.

The potential risks and adverse impacts related to excavation, storage, and transportation of materials, and generation of non-hazardous and hazardous wastes will be addressed in the ESMF and the site specific ESMPs, taking into account the national standards and the requirements of the World Bank Group Environment, Health, and Safety Guidelines (WBG EHSG).

Use of construction materials that are hazardous to human health (for example, asbestos and asbestos-containing materials (ACM) will not be permitted. ACM waste (from the upgrading of public spaces and cultural heritage assets) will be collected, transported, and finally disposed of by applying protective measures following hazardous waste handling standards or national regulation on hazardous waste management.

Potential risks to potential resource efficiency shall further be investigated during environmental and social assessments and should therefore be included in the ESMF and ESIAs.
The construction contractor/s will develop a C-ESMP with various site-specific management plans for air quality management, waste and hazardous materials management, water management, soil management, and management plan for campsite and OHS for workers in line with Bank's ESHS requirements.

ESS4 Community Health and Safety

If well managed, this project has a substantial potential to improve the environmental, social, and health conditions of the communities in selected communities. However, pending further assessments and details during project appraisal stage, the project activities are likely to induce moderate risks/impacts to communities living nearby subproject sites during construction and operations of civil works.
Under Component 1, plausible risks and impacts on health and safety of communities during construction may include: community disturbance as a result of civil works (noise, dust, air, odor from waste water, possible accidents from transport of construction materials), disturbance/disruption to community in their access to home/business, exposure to hazardous risks (including asphalt, oils, fuel, asbestos, if present). And during operation phase, community health and safety risks may include community disturbance as result of operation of water/waste water treatment (i.e. noise, smell).

Under component 2, the roads in these regions, and those likely to be selected by the project are a key source of opportunity and income for the communities but, at the same time, it is also a source of nuisance (noise, dust, air pollution) and risks (especially for children and vendors working close to the road). To address road safety risks during construction and operation phases, the project's ESMF and ESMP will include road traffic safety assessment and plan for later consideration in the final design of the improved roads. A separate road safety expertise will be invited to prepare the assessment and develop road safety plan (including requirements for the post construction road safety audit). It will have to take into account potential indirect and cumulative environmental and social impacts caused by the improvement and maintenance of the roads: traffic growth, higher speeds, more trucks, etc.

The project will be screened for short- and long-term climate change and disaster risks using the Bank's screening tool. Corporate requirements regarding climate change will be fully considered during project preparation as more information is known on the specific investments to be financed under the proposed operation. The assessment will provide an indication of potential climate risks (current and future) and areas where further work may be required to understand better the climate and geophysical risks to the project. Specific climate resilience-enhancing measures will be identified and will be further detailed during project preparation, through consultation with the Government and when the technical designs for the main infrastructure are prepared and approved.

In general, the Borrower, who will prepare the ESMF, will need to assess community health and safety risks and impacts, and will include mitigation measures that can be incorporated in the ESMPs. Those measures shall be in line with national legislation and requirements, the World Bank's Environmental Health and Safety Guidelines (EHSG) and Good International Industrial Practices (GIIP). Contractor management and preparation of contractor requirements particularly for the community health and safety aspects through the operations manual and more specifically through qualifications, bidding criteria and contracts will be considered given that the project will likely involve a number of contractors.

Labor influx may occur in communities where the local labor force is not sufficient to meet the needs of contractors relating to the civil works envisaged for the project. At this stage the locations of project interventions are not known and therefore risks relating to labor influx will need to be more carefully assessed by Appraisal. Notwithstanding any measures that may be developed to maximize employment of local workers for the activities financed by the project,

inter-island movement of workers does occur where contractors need to mobilize workers with relevant qualifications or experience from other project sites. Appropriate measures to manage contractor's workforce will thus be required, for example in relation to housing/accommodations and codes of conduct, and specifically in relation to risks of sexual exploitation and abuse/sexual harassment (SEA/SH). Labor influx management measures shall be included in the ESMP and LMP.

At this stage the SEA/SH risk is rated as Low, although it may be revised once project locations and the extent of anticipated labor influx are known. Measures to prevent and mitigate SEA/SH shall be outlined in the ESMF and LMP, and shall include requirements for worker and contractor codes of conduct, SEA/SH risk awareness training, specific procedures in the GM to address SEA/SH grievances, and provisions for (legal, psychological, or medical) support services for survivors of GBV or SEA/SH.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS5 is relevant, as the activities proposed under Components 1 and 2 may result in temporary or permanent physical and/or economic displacement impacts. The extent of such impacts is not yet known, and the specific areas of intervention (and physical footprint) of the project will be defined at a later stage. Interventions relating to urban requalification may result in both physical displacement (e.g., relocation of dwellings) and economic displacement (e.g., loss of access to livelihood activities or to markets), whereas civil works relating to road rehabilitation may at least cause temporary access restrictions to economic activities and road expansion in populated areas may result in physical displacement.

At this stage it is not anticipated that there will be physical displacement of significant magnitude, although requalification interventions in some neighborhoods and particularly in informal settlements or flood-prone areas may necessitate the relocation of some households. Urban requalification of key public spaces may result in temporary or permanent economic displacement for formal commercial enterprises or informal street vendors (typically a vulnerable segment of the population). Land acquisition may be required where road width is expanded, which may result in partial loss of residential/commercial property in urban areas or productive land plots in peri-urban areas.

A Resettlement Planning Framework (RPF), possibly building on other RPFs or similar framework documents prepared for other Bank-financed projects in Cabo Verde, will be prepared by Appraisal. Once project locations (physical footprint) and specific interventions are known, mitigation and compensation measures for the above-mentioned impacts should be outlined in a Resettlement Action Plan (RAP), Livelihood Restoration Plan (LRP), or similar management plan. Furthermore, an inclusive and timely stakeholder engagement and consultation process initiated during project design will be necessary to ensure that appropriate mitigation and compensation measures are put in place where displacement impacts cannot be avoided via project design (meaningful participation by affected communities including vulnerable groups in project design may result in the development of measures to mitigate economic displacement impacts and even improve conditions – for example, via the creation of safe and commercially viable spaces for informal vendors).

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESS6 is relevant. Although civil works will occur in urban areas and existing roads, with already humanized environment, there are direct and indirect adverse risks and impacts to natural habitats as defined under ESS6.
The medium scale construction and maintenance works are likely to include: i) site clearance for construction purposes; ii) use of quarry and material laydown area; and iii) earth works consisting of excavations and trenching for transit management and signage systems which may lead to direct and indirect habitat degradation and soil disturbance leading to the introduction of alien and invasive plant species.
The rehabilitation of infrastructure under component 1 is less likely to have an impact on any sensitive biodiversity as it will take in urban areas, but it is expected to include some degree of earthworks and therefore the site clearance and soil disturbance including detrimental impacts on water quality at water crossings.
If project activities result in restrictions on the use of existing land or natural resource that could impact livelihood, or that could restrict local communities' access to provisioning ecosystem services, these will be identified during the screening and adequate mitigation and management measures will be included in the sub-level project specific ESMPs.
The ESMF shall include a list of areas that project activities should be avoided, example: protected environmental areas, or areas considered important due to its ecosystem. Moreover, the ESMF will include protection, management and mitigation measures while proposing measures to be considered during design to avoid long-term changes to water courses.
Additionally, indirect and cumulative impacts related with (i) urban expansion into agricultural areas; (ii) increased migration, which can lead to increased pressure on ecosystems (iii) Interference with migratory routes or wildlife movement; (iv) wildlife population reduction caused by increased road kills, and forestry operations. The ESMF will specifically include criteria and procedures to ensure that sub-project investments are designed and implemented in ways that avoid damage to protected areas or critical habitats in accordance with the mitigation hierarchy and GIIP and apply adaptive management practices in which the implementation of mitigation and management measures are responsive to changing conditions and the results of project monitoring. Such measures will be appliable for any associated facilities to the extent that the Borrower has control or influence over them. Furthermore, the cumulative impact assessment (CIA), included in the ESMF, will further assess the potential impacts and risks of the project and ancillary facilities (quarries, waste disposal sites) in all its phases, in the context of the potential effects of other developments and natural environmental and social external drivers on a selected Valued Environmental and Social Component (VECs) and determine wheter the project is incrementally responsible for an adverse impact on a ecosystem component.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

ESS7 is not relevant, as IP/SSAHUTLCs are not present in Cabo Verde.

ESS8 Cultural Heritage

ESS8 is relevant. Project interventions, particularly in central or historic districts of urban areas, could have an impact on tangible or intangible cultural heritage resources located within the project footprint. As the locations of the project and the likelihood of occurrence of cultural heritage resources are not yet known, the ESMF will include provisions to conduct screenings and assessment of potential cultural heritage resources and to develop relevant management plans – including, for example, a Cultural Heritage Management Plan (CHMP) – should there be

interventions in or near sites with cultural heritage or historical importance. Chance-find procedures consistent with ESS8 will form part of sub-project specific ESMPs and will be followed if previously unknown cultural heritage resources are encountered during project activities.

ESS9 Financial Intermediaries

At this stage no financial intermediaries are expected to be involved in the project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
OP 7.60 Projects in Disputed Areas	No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

N/A

B. Proposed Measures, Actions and Timing (Borrower's commitments)

Actions to be completed prior to Bank Board Approval:

1. Environmental and Social Management Framework (ESMF), including a Rapid Cumulative Impact Assessment and a Contingent Emergency Response Component (CERC);
2. Environmental and Social Commitment Plan (ESCP);
3. Labor Management Procedures (LMP);
4. Resettlement Policy Framework (RPF) and/or site-specific Resettlement Action Plan/s (RAP/s);
5. Stakeholder Engagement Plan (SEP); and
6. Chance Finds Procedures and/or Cultural Heritage Management Plan (CHMP).

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

1. The Client will prepare the Terms of References (TORs) to conduct Project's activities (study, analysis, plans, training, and capacity building, design and supervision consultants) to be reviewed by the Bank to ensure that the requirements of the World Bank's ESF is effectively integrated.
2. Preparing, disclosing and consulting site-specific ESIAs/ESMPs;
3. Application of the LMP to project activities, including the possible need to develop additional LMPs or similar instruments for some of the sub-activities;
4. Ensuring that a qualified environment specialist and a social specialist are employed to support the UGPE throughout implementation;

6. Continued stakeholder engagement throughout all phases of the project cycle including implementation and beyond project closure, and updating of the SEP as necessary; and
7. Preparation and disclosure of self-standing Emergency Response Manual (ERM) ;
8. Regular review and updating, as necessary, of the ESCP; and
9. Ensuring a Grievance Mechanism for the project is developed and implemented to address concerns and grievances of project stakeholders on issues related to environmental and social impacts, and containing specific measures to address grievances relating to SEA/SH.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS 08-Feb-2023

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Republic of Cabo Verde

Implementing Agency(ies)

Implementing Agency: Unidade de Gestão de Projectos Especiais, UGPE

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s):	Vincent Vesin, Shruti Vijayakumar, Felipe Montoya Pino
Practice Manager (ENR/Social)	Maria Sarraf Recommended on 06-Dec-2022 at 12:59:27 GMT-05:00
Safeguards Advisor ESSA	Nathalie S. Munzberg (SAESSA) Cleared on 23-Dec-2022 at 23:29:12 GMT-05:00