



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Moldova	EUROPE AND CENTRAL ASIA	P180153	
Project Name	Moldova Solidarity and Regional Connectivity Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Transport	Investment Project Financing	10/16/2023	10/26/2023
Borrower(s)	Implementing Agency(ies)		
Ministry of Finance	State Road Administration, Customs Service of the Republic of Moldova		

Proposed Development Objective

The Project Development Objective is to facilitate road transit through Solidarity Lane border crossings with the EU and to improve the quality of connectivity that selected local communities have to international corridors.

Financing (in USD Million)	Amount
Total Project Cost	120.60

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]

Moldova’s road network is strategically vital and is a critical component of the Solidarity Lanes intended to support Ukraine during and after Russia’s invasion. The national road network in Moldova is 2,598 km in length. The secondary and local road network is over 7,000 km. About 80 percent of the transport of goods from the Republic of Moldova are transported by road. Relative to its territorial size, Moldova has a comparatively dense network of transport infrastructure. However, the Soviet-era stock of assets has suffered from underinvestment in renewal, modernization, and maintenance since transition. In 2020, 46.8 percent of Moldova’s road network was assessed to be in poor condition. Investment gaps are clear when comparing Moldova to international peers. According to the



2019 Global Competitiveness Report, the quality of Moldova’s road infrastructure is the worst in the entire ECA region and one of worst in the world and was ranked 126 out of 140 countries considered. Russia’s invasion in Ukraine has significantly impacted Moldova’s transport sector, due to the high number of refugees fleeing the war, the re-routing of freight transport as a result of the closure/destruction of specific routes on the territory of Ukraine and disruptions to Black Sea ports. Additionally, the Danube Solidarity Lane is currently used as an option for facilitating the export of Ukrainian grain aside from fully restoring Black Sea access, thus Moldova’s transport network is likely to remain strategic while the war continues. Romanian and Republic of Moldova borders continue to experience significant pressure. For example, land routes to transport grain out of Ukraine operate through border crossing points in the two countries, resulting in lorry queues of up to 20 kilometres. Despite severe capacity constraints, Moldova’s road Border Crossing Points have managed to increase throughput capacity throughout 2022 (see below) but will require additional investment to continue expanding support to Solidarity Lanes. The project activities will respond to these challenges under the following four components:

Component A: Facilitating trade and expanding Solidarity Lanes (US\$ 18.0 million)

A.1: Solidarity Lane road access to BCPs (Ungheni & Leuseni): This subcomponent will include: (i) constructing a new access road to the Ungheni bridge; (ii) upgrading the access road to the Ungheni BCP facility; (iii) upgrading the access road to the Leuseni BCP; and

A.2: Solidarity Lane customs facilitation and BCP Upgrades (Galati/Giurgiulesti/Leuseni): This subcomponent will include: (i) BCP traffic organization and electronic queuing on the Moldovan side of the Giurgiulesti BCPs; (ii) works for expanding the capacity of the existing parking / waiting facility in Giurgiulesti and providing basic services (toilets, water supply points) to truckers; (iii) procurement and installation of scanning equipment and software at the Giurgiulesti-Galati BCP facility; (iv) expansion of the Ungheni BCP facility; and (v) expansion of the Leuseni BCP facility.

Component B: Linking local communities with economic opportunities (US\$ 77.8 million)

B.1: Upgraded local road links to national and international corridors: This subcomponent will include: (i) road upgrading along three local corridors for enhanced access and increased climate resilience; and (ii) new road safety improvements along those same corridors;

B.2: Community inclusion & accessibility: This subcomponent will include: (i) Community requested complementary works; and (ii) Non-Motorized Transport (NMT) infrastructure along and adjacent to project road corridors. The approach to identifying community requested works will be linked to the project’s citizen engagement activities and Stakeholder Engagement Plan. Examples of community requested works include sidewalks, development of public green space, rehabilitation of public parking at amenity sites (monuments, parks, public services buildings), and ; and

B.3: Safer roads for Moldova: This subcomponent will include: (i) remediation of road safety “black spots” (6 locations) for reducing known risks of road crash fatalities; and (ii) road safety educational and informational campaigns. For the avoidance of doubt, the location of “black spots” selected for remediation is outside the corridors selected under Component A.

Component C: Building delivery capacity and project management support (US\$ 4.2 million)

C.1: Project audit and supervision structure: This subcomponent will finance: (i) annual project audits; and (ii) Supervision Engineers for overseeing all civil works.

C.2: Incremental operating costs, project management, staff development, and support to SRA’s corporatization: This subcomponent will include: (i) salary top-ups for staff in each PIU in accordance with Moldova’s civil service regulations; (ii) consultancy support to each PIU (including 1 social and 1 environmental specialist); and (iii) incremental operating costs for each PIU; and (iv) consultancy support for enabling SRA’s transition to a corporatized



entity that operates under commercial principles. The project will establish two PIUs, one for the State Roads Administration (SRA) under the Ministry of Infrastructure and Regional Development (MIRD) to manage Component B and one for the Moldovan Customs Service under the Ministry of Finance (MoF) to manage Component A.

Component D: Contingent emergency response (US\$ 0 million):

Given the inherent uncertainty created by the ongoing war in Ukraine, this zero-dollar component is designed to provide swift response in the event of an emerging crisis or emergency. The Government of Moldova (GOM) would be able to request the World Bank to reallocate project funds to address an eligible crisis or emergency needs that may materialize. The activities financed by the CERC will be demand- and event-driven and will be detailed in a GoM Action Plan of Activities, which together with an official declaration of a specific emergency by the GoM represent the two obligatory conditions for triggering the component. The definition of an eligible emergency and a positive list of activities will be included in the project's legal documents, and the mechanics of the decision-making process and implementation of the will be reflected in the CERC Operational Manual, part of the overall Project Operations Manual (POM).

Relationship to Country Partnership Framework (CPF): The overarching objective of the draft Moldova CPF 23-27 is to support green, resilient, and inclusive development (GRID) and competitiveness in Moldova. It is designed to provide key elements to support the country in its efforts to transition to a new growth model, delivering targeted activities that respond both to the immediate crisis and to address Moldova's longer-term development agenda with the goal to advance the agenda toward EU accession. The framework is based on three high-level objectives: (i) increased formal employment; (ii) improved human capital; and (iii) increased green and resilient investments. The project will help address all HLOs, as investments in rural roads are currently prioritized by the Government, due to its immediate effect on local jobs creation and formal employment. Investments in TEN-T infrastructure and border crossing facilitation are green transport investments that would foster the country's economic integration with the EU. The project would also support the capacity building theme of the CPF through enhancing the expertise of the local industry to implement and manage roads projects, as well as the digitalization theme through the modernization of the equipment and processes at BCPs. Enhanced road safety is directly supporting the human capital objective, as it leads to decreased number of road accidents and fatalities around the country, while protecting the most vulnerable road users. In relation to the CPF's climate change cross-cutting theme, the proposed project will aim to maximize the climate adaptation and mitigation co-benefits through improved infrastructure and adaptation of road design standards for enhanced climate resilience. The proposed project would build on and enhance the results of the ongoing LRIP (P150357).

D. Environmental and Social Overview

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

The project Component A will finance selected civil works at three border crossing points over the Prut river between Moldova and Romania (at Ungheni, Leuseni and Giurgiulesti). The works include constructing a new (1km) access road and upgrading two existing access roads (widening from 2 to 4 lanes, construction of facilities at checkpoints themselves such as toilets, waiting and parking bays, service infrastructure and provision of equipment. These activities are a part of modernization of the transborder crossing points co-financed by a Connecting Europe Facility



(CEF) grant. The CEF grant to Moldova for partial financing of activities under the project supports complementary investments on both sides of the border with Romania as part of an application submitted by Romania as the EU member state with Moldova as a beneficiary (since they are allowed to benefit from CEF grants but not allowed to submit their own application). Works on the Romanian side will be assessed as associated facilities under the World Bank-financed project but are considered outside of the control of the Borrower (see analysis under other relevant risks section). They will include installation of weighing systems and construction of necessary platforms, set up of lanes for freight transport and authorized operators and procurement of equipment for facilities for customs control and the rehabilitation of existing bridges and construction of new ones. In addition to benefiting Moldovan trade and transport integration, the activities respond to the objective to develop ‘Solidarity Lanes’, essential corridors for Ukraine's agricultural exports, as well as the export and import of other goods in response to Russian aggression in Ukraine and the reorientation of trade routes towards the West. The project Component B will also finance the rehabilitation and upgrading of rural corridors as part of improvements to the broader national road network. The locations of local roads have been identified and technical designs and site-specific Environmental and Social Management Plans (ESMPs) following the old WB safeguards were prepared by the ongoing Local Roads Improvement Project (LRIP). They involve areas further away from the large urban settlements in the north and south of the country. The works will include rehabilitation and periodic maintenance of roads. Participatory community involvement in road design is to be integrated into the project activities to ensure road upgrade maximizes local benefits by enhancing access to education, health, and market facilities. This component will also promote road safety through an audit of black spots and remedies in 14 locations. The COVID-19 pandemic and the Russian invasion and outbreak of war in neighbouring Ukraine have accelerated an already existing process of economic contraction and pressure on rural livelihoods in Moldova due to effects on agricultural production of recent severe drought. This small landlocked country of 33,850 km² located between Ukraine and Romania with continental climate and some stepic and ponto-samartic influences is largely rural with agriculture covering 75 percent of the land area. The country has a population of 2.6 million people and poverty is estimated to have increased by 15.5 percent since 2020. Rural communities tend to have poorer and aging populations, reliance on remittances, and may also include groups with ethnic and linguistic differences to the urban population, particularly Roma in isolated settlements, Russian and Turkic speakers in the southern autonomous region of Gagauzia and in separatist Transnistria. Local roads are characterized by low traffic volumes and a mixture of intra-village and farm-to-market use including for movement of agricultural machinery, commuting to school, shepherding of livestock, public and private transport of workers to nearby farms and town employment. The war in Ukraine has generated new movement of people and goods in border areas.

D. 2. Borrower’s Institutional Capacity

The project will have two implementing agencies: the State Roads Administration (SRA) under the Ministry of Infrastructure and Regional Development (MIRD) and the Moldovan Customs Service under the Ministry of Finance (MoF). MCS operates Border Crossing Points and associated procedures required for freight to enter into or exit from the territory of Moldova. MCS will be the implementing agency for border crossing enhancements and associated activities under Component A of the project. MCS does not have recent experience of implementing IBRD financing, and while these activities under Component A are expected to be within their implementation capacity, they will be required to hire a dedicated and trained environmental specialist and social specialist to manage the risks and requirements associated with the investments. In addition, they will need to hire specialist consultants to implement the environment and social impact assessments, resettlement actions, and management plans. The assessment during preparation will identify specific roles and resource requirements for managing significant risk actions. The project Component A consists of activities on Moldovan territory co-financed by CEF funding received from the EU and managed by the Government of Moldova. The activities on the Romanian side of the border are not funded as part of the project and since they take place within a separate sovereign territory are considered outside of the



control of the Borrower but will need to be included in the environmental and social assessment to identify risks and impacts these associated facilities may present to the project. MCS will also need to coordinate works under Component A with the Romanian authorities to mitigate risks to the achievement of the project objectives including potential for lack of coordination between the two sides, delays in contracts, or changes to design.

SRA will be responsible for procurement, financial management, contract management, project and program monitoring and evaluation, and reporting, as well as environmental and social risk management under Component B. SRA has ongoing experience in managing the World Bank-supported LRIP (P150357) prepared under the Bank’s operational safeguards policies. The previous operation integrated engagement with local communities by convening Social Impact Management Committees (SIMC) to address community requests and concerns along each new road rehabilitation corridor and maintained a project grievance register. The new operation offers the opportunity to build on lessons learned and formally integrate community participation in decision-making on road design under Component B. The SRA shall appoint an experienced environmental specialist and an experienced social and stakeholder engagement specialist. These specialists will be responsible for developing site-specific ESMPs, and implementing participatory community engagement to inform project design. ESF capacity building will be included in the Environmental and Social Commitment Plan (ESCP) and the Borrower’s Environmental and Social (E&S) performance will be assessed regularly based on project reports and site visits during the implementation phase.

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

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Substantial

The environmental risks associated with the proposed project are assessed as Substantial. The project will provide a combination of investments in connectivity and rural roads rehabilitation on at least three main corridors (Component B), road safety, upgrade border crossing physical capacity and improve key roads level crossings by construction of short section of new access road, upgrading of an exiting road and expansion the capacity of existing parking (Component A), technical assistance and support for specific regulatory and institutional reforms. Although the long-term impacts of the project are likely to be positive, all anticipated civil works activities could, cumulatively, result in potential significantly environmental risks and adverse impacts that are mainly generated by the activities under Components A and B. Except the construction of a short (1 km) new access road to Ungheni bridge and a short (0.5 km) road widening in Leuseni, the proposed activities are essentially road rehabilitation and maintenance within the "Right of Way" (ROW) areas. Thus, the substantial environmental risk rating is justified mainly because the cumulative impacts related to air and water pollution, solid and hazardous wastes, labor security etc., may be significant, but site specific, mostly temporarily, predictable, and/or reversible and the magnitude and spatial extent are likely to be limited in geographic scope and within the technical footprint of the project. The impact on natural vegetation associated with operating the quarry and borrow areas and constructing detour and access roads to the borrow material pits and quarry sites, will not be applicable as there will be used the existing borrow/quarry sites which operate based on legal licenses and permits. All these can be managed through conventional mitigation and management measures. It is also expected that the project will have very limited adverse impacts to environmentally or socially sensitive areas. These impacts most commonly include possible temporary disruption of current traffic circulation, traffic safety, damage to access roads, dust nuisance, and gaseous emissions, potential pollution of soil

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and water resources, brief disturbance to biotope, and momentary interference to neighboring settlements through various operation activities. Off-site activities include quarry, burrow pit and asphalt plant operations, which if not managed properly, may cause localized adverse impacts. The project will not support any activities which might involve conversion of natural protected areas and forests or impacts on them as all project activities will be implemented on ROW and in small areas of agricultural land. It is expected that there will be no impact on physical cultural resources as the proposed activities will be implemented on existing local roads and on small expansion of agricultural land. Long-term impacts of the project are considered positive. The project is designed to improve accessibility and facilitate trade by modernizing three BCPs and the access roads that connect to them, to improve the links of rural communities with basic services, with economic opportunities and access to markets. It will contribute also to increasing the roads safety and reducing air pollution. The above specified environmental risks will be managed through robust and well-implemented mitigation measures, which will be described in site-specific ESMPs and/or checklists as well as the Contractors' Codes of Conduct that will be prepared by MIRD and MCS. ESMPs/ESMP Checklists will refer to activities that can be addressed with good engineering and construction practices, as well as by preparing and implementing adequate mitigation measures and applying the adequate work-related health and safety practices (OHS aspects) during construction both for the construction workers and the related communities. If the project activates CERC, an ESMF will be prepared to provide E&S guidance.

Social Risk Rating

Substantial

The project social risks are assessed as Substantial. The project's key interventions under Component A will include roadworks and infrastructure development that require Right of Way land access and expropriation of new areas of farmland to build a new road and customs facilities estimated to involve economic displacement of more than a dozen agricultural land owners. Associated facilities developed across the border by the Romanian authorities are not under the control of the Borrower but will be considered as part of the project's environmental and social assessment and social risks associated with land taking are to be clarified. Road traffic safety and indirect impacts on local communities of the facilitation of expansion of trade and transport in previously quiet rural areas also need to be further assessed and addressed. Other activities include minor rehabilitation works on existing local roads including upgrading of ancillary facilities such as sidewalks, pedestrian bridges, bus stops and associated small scale community works such as side roads, car parks, farm entrances, safety fences and others still to be identified. Road rehabilitation activities under Component B will take place on the existing right of way and are not expected to involve land acquisition. Displacement will be avoided in design of the activities. There are some minor and relatively easily manageable risks associated with community health and safety, including risk of traffic accidents, injuries and fatalities, and potential for road rehabilitation to redirect storm water and cause localized flooding of private property if not well designed. Border works and local road works will be undertaken mainly by groups of local community workers with some skilled migrant workers. There is low risk of gender-based violence being exacerbated or associated with project activities. The project activities will be designed and implemented in close collaboration with local stakeholders through the established SIMCs and it will be important to ensure that these function so as to identify and represent the interests of local stakeholders and vulnerable groups who might otherwise be left out of decision-making. These include women, youth, the elderly and disabled, and residents who may be living informally in local communities such as ethnic minorities and refugees. Social assessment and stakeholder mapping will be undertaken and protocols for effective local community inclusion in design decision-making included in a Stakeholder Engagement Plan (SEP) and Grievance Mechanism (GM).

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

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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:

Environmental and social risks associated with project activities include a range of small to medium-scale localized excavation and construction activities under components A, B as well as component D if activated for emergency response financing. Different types of construction works under Component A include a short (0.5 km) expansion of the width of existing roads from two to four lanes, construction of new roads stretching small distances (about 1 km) and construction of buildings and parking facilities at three border crossing points. Further assessment of cumulative risks and impacts associated with the effects of project activities on both sides (impact of bridge works on waterway, increase in non-local traffic to and from Ukraine) will be taken into account and associated facilities outside of the control of the Borrower on the Romanian side of the border will be considered in the site specific ESMPs required for each of the sub-activities under Component A.

Various types of construction works under Component B range from minimum maintenance work (patching, crack sealing, vegetation control, and guardrail repair and replacement), to surface treatment, shape correction, resurfacing and strengthening by overlay, to strengthening by reconstruction in different road segments. In addition, cross drainage structures such as runoff trenches, water bypasses, and bridges may need to be repaired or cleaned in some locations. While land acquisition and physical displacement is not anticipated for Component B, project works may require minor relocation of public utilities such as gas, electricity, water, sanitation networks and temporary restrictions in access to public facilities or businesses during rehabilitation works. The extent of this risk will be assessed further during preparation. The project also involves the financing of extension works selected by local communities to enhance the benefits of local roads such as parking, sidewalks, greenspaces and other small works involving small amounts of equipment, small-scale construction and rehabilitation of activities on available public land, criteria for which will be determined during project preparation.

Potential adverse environmental impacts will be primarily related to the generation of dust and noise, vehicle emissions, and other forms of pollution from construction, drainage blockage/flooding, traffic interruption, removal of vegetation, disruption of economic activities, as well as increased traffic flow and speed during operations. Off-site activities include quarry, borrow pit and asphalt plant operations, which if not managed properly, may cause localized adverse impacts. The contractor's site offices can be potential sources of temporary 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. Additionally, while improving road conditions would greatly contribute to better access to public facilities, it could also increase access to natural resources, forest in particular, which could exacerbate deforestation from logging and land clearance/grabbing in the areas. Potential adverse social impacts include economic displacement from the acquisition of farmland under component A, potential for exclusion of vulnerable and marginal groups (women, the elderly, ethnic minorities) from decision-making on the design of rehabilitation activities under component B. Local roads in Moldova are quiet but changed conditions and new users due to improved road conditions may cause an increase in traffic accidents involving injury and fatality of local pedestrians and road users, particularly vulnerable school children and the elderly with devastating impact on families and community cohesion.



The locations and general arrangement of road and infrastructure segments for Components A and B are known. For Component A, based on the nature and scale of the potential risks, the Borrower will prepare, consult and disclose prior to appraisal for Component A an ESMP which will include and assessment of environmental and social aspects for all three BCP. The ESMP will be informed on social aspects and through a process of stakeholder engagement. During the Project implementation, site-specific ESMPs will be prepared for each subproject under Component A. ESMPs have been prepared following the WB Safeguards Policies under the previous operation for activities to be supported by Component B and these will be updated and revised accordingly following the requirements of the ESF, disclosed and consulted upon, before appraisal. The site-specific ESMPs will be finalized for both components during implementation after detailed technical designs have been confirmed in collaboration with local host communities. These will include site-specific E&S impact assessment and will represent the basis for Moldovan Environmental Protection Agency (EPA) to carry on the ecological expertise for the respective investments. Based on this ecological expertise of E&S assessment for each site-specific, EPA will issue the environmental permit for each subproject. These ESMPs and ESMP Checklists will include the provision of safety measures for workers and local communities, and measures to be taken by the civil works contractors to ensure that health, safety and environmental standards are met.. Mitigation measures in all these documents will be developed following the mitigation hierarchy commensurate with the activities' risks and impacts in line with Good International Industry Practice (GIIP), and World Bank Group Environmental, Health and Safety Guidelines (EHSG). It is expected that ESMP checklist will be used for plain, less risky subprojects that usually only involve change of asphalt or drainage on exiting road, while site specific ESMPs would be used in more complex rehabilitation when locations of segments are more sensitive or involve works on existing structures (bridge rehabilitation). In addition, the ESMPs will provide monitoring requirements as well as roles and responsibilities for ensuring effective implementation of the requirements throughout the project lifecycle. All Technical Assistance (TA) under the project conducted for subprojects preparation and for developing feasibility/technical studies for other investment projects will be based on Terms of Reference prepared in line with the World Bank's ESF and reviewed by the Bank. The subproject specific ESMPs will be a part of the bidding documents and subsequently become part of the construction contract. The awarded contractors will be responsible for the preparation and implementation of the Contractor's ESMPs (C-ESMPs), LMPs, and relevant elements of SEP as well as setting up a site-specific Grievance Mechanism (GM) for the public in general and the workers more specifically. The SRA and MCS will be responsible for the review and approval of all documents and the quality of each ESMP and C-ESMP, and overall SEP implementation for their respective project components. They will also be responsible for closely monitoring the effective implementation of the site-specific assessments and plans and report the status of implementation to the Bank. The final site-specific ESMPs/ESMP Checklists will have to be disclosed by the client prior the starting of the bidding process for the respective construction works. The ESCP along with the Component A - ESMP , revised ESMPs for Component B, and overall project LMP, SEP, and GM will be prepared, disclosed, and consulted, upon prior to Appraisal.

Areas where “Use of Borrower Framework” is being considered:

The Borrower's framework will not be used for the project. However, the proposed operation will comply with relevant national legal and regulatory requirements.

ESS10 Stakeholder Engagement and Information Disclosure

Project-affected stakeholders include the populations from the small rural villages and larger towns located along the rehabilitation corridors and close to the border crossing points who rely on them for transit and transport. They also include numbers of transnational transport operators and passengers who will come into increasing interaction with

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farmers and other users of slow-moving agricultural machinery and cattle herders, local pedestrians including the elderly and persons with disabilities. They also include groups of workers who are picked up by public and private transport for farm and town labor, and students of all ages who commute to school. In border areas they may also involve new road users from Ukraine who are unfamiliar with local conditions but are either residing in Moldova as refugees or transporting goods and people across the border. The most vulnerable stakeholders associated with the project are likely to be small farmers who will lose agricultural land to expropriation at the sites of the civil works for the proposed checkpoints, as well as the elderly and school children who utilize local roads and may be at increased risk of road traffic-related incidents due to the changed conditions and the presence of increased traffic from neighboring countries. Local community members will also have an interest in the unskilled labor positions that are generated by the road rehabilitation activities. Local village and district administrations have an interest in encouraging further investment in roads and infrastructure and will likely seek to capitalize on the presence of the project to request further development activities for their constituents or for the purposes of achieving or maintaining office during election periods. Other interested parties will include non-government organizations engaged in road safety and local community development programs.

Innovation in design involves engaging the interests of a range of non-technical stakeholders such as women, underserved and vulnerable groups and their representatives. Even low-volume roads with few apparent multiplier effects and limited visibility of benefits are avenues for driving change and sharing resources. They lead to community facilities, local jobs, more efficient farm to market access, tourism for local business, safe commutes to school, scenic places to visit, and relatives returning home. Conversely, poorly designed or rehabilitated roads and changed traffic conditions with heightened speeds and new users can present a range of community health and safety concerns, particularly for vulnerable children and the elderly. Issues raised by local communities during the previous operation included requests for improved access to local social infrastructure and market sites (construction of side roads to schools, sidewalk replacement and access for all households, rehabilitation to village access roads) construction of new facilities (bypass roads, intersections, footbridges, parking access, water tanks and drainage and sewer systems) and rehabilitation of existing facilities (bridges, bus stations, fences, pavements, street lighting, safety fences and barriers and signs). Other complaints and concerns involved localized water drainage issues including the flooding of gardens and changed road access and egress conditions from private properties as a result of road redesign. It is important for the project to ensure that local users and those affected by the project are consulted on the design alternatives and options.

The implementing agency will prepare, disclose and consult on the SEP prior to appraisal. The SEP will build on the previous project's use of SIMCs to map stakeholders and undertake needs assessments that incorporate the interests of local stakeholders, particularly those who may be vulnerable to the impacts of the road rehabilitation and changed conditions (students, the elderly, persons with disabilities, refugees and migrants, agriculturalists with slow moving machinery). The SEP will describe the operating procedures for these SIMC to ensure that they are inclusive and representative of the concerns and interests of vulnerable groups, that consultations are inclusive and accessible (format, languages and location), and that all stakeholders can obtain the information they need regarding the issues that will potentially affect them. The SEP will describe how the SIMC will inform investment prioritization, infrastructure monitoring and feedback. The PIU will establish and publicize a project-level GM and maintain it throughout project implementation dedicating sufficient resources, and staff time to receiving and responding to complaints and concerns. The GM will include procedures and capacity to handle complaints associated with SEA/SH including referral to specialist national service providers. The PIU will compile a six-monthly report summarizing



issues raised during local consultations, and grievances received and progress of resolution. The project will also include citizen engagement-specific indicators such as community satisfaction with the quality of investments, community feedback on the effectiveness of engagement processes; and responsiveness of implementing entities to grievances. These indicators will be developed further during preparation.

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 work force will include small groups of local unskilled laborers and a small number of skilled workers most likely from neighboring countries (contracted workers who are employees of civil works contractors and sub-contractors) as well as direct workers (administrative staff and consultants) in the SRA's PIU. Other collaborating local and regional government staff will remain subject to the terms and conditions of their existing employment. Local employment opportunities are highly sought after as they bring income to rural communities so it will be important to ensure that the preferential terms of recruitment for the project are fair and localized among affected communities. While incidents of child labor are reported in primary agriculture in Moldova they are not associated with local road construction and Moldovan labor inspection requirements are more easily able to be observed to in this area. A range of typical occupational health and safety (OHS) risks associated with road construction and rehabilitation need to be factored into specifications for project contract management including risk of accident, injury and fatality due to interactions with community traffic, and unsafe operation of construction machinery. The Borrower will prepare LMP for the project outlining the expected number and type of workers, key gaps between national legislation and regulations that need to be addressed at the project level, as well as monitoring and supervision arrangements. Key aspects of the LMP pertaining contracted workers, such as OHS, adequate working conditions, terms of contract, adequate living conditions in the event of work camps, and a functioning GM for workers will be included in Contractors' ESMP. LMP will also include codes of conduct to prevent and manage incidents of SEA/SH. The LMP will include measures to ensure that contractors screen for and monitor activities to prevent occurrences of SEA/SH and that grievance mechanisms are available for direct and contracted workers.

ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is relevant. The overall level of environmental risks associated with the project is considered moderate. Project's physical activities refer to road reconstruction and rehabilitation works, and will include the use of a range of materials like asphalt, cement and others. In addition, the project might be a significant user of material resources like gravel and stone from borrow pits and quarries. The project will not be a significant user of energy or water resources. Large quantities of construction and demolition waste are expected, as asphalt might be removed from current roads and replaced. Ideally construction waste would be reused where feasible, while unusable fractions will be disposed at dedicated sites agreed with the municipalities and SRA. The selected works contractors will be required to develop detailed Waste Management Plans (WMPs) prior to commencement of the civil works and enforce these during contracts implementation. WMPs will include specific instructions on how the waste will be segregated, stored and disposed at approved sites. In particular, the WMPs will consider the proper management of hazardous waste such as asbestos and asbestos containing materials (ACM) in accordance with the WBG EHS Guidelines for removal, transport and final disposal. Activities related to road rehabilitation require civil works, will



address resource efficiency and pollution prevention and management measures through the project lifecycle consistent with WB ESF and GIIP to ensure sustainable use of resources and minimizing adverse impacts on human health and the environment. The potential risks and impacts of sub-project activities during associated civil works might include noise and dust emissions and the generation of construction wastes, including hazardous and non-hazardous waste, as well as workers health risks related to construction activities. Mitigation measures such as dust suppression, vehicle maintenance etc. will be applied to minimize the impacts and residual impacts are expected to be limited in scope and duration. Noise will likely be generated from use of construction machinery and vehicle movements. The relatively small/medium scale nature of the works suggest that noise levels will not be excessive and of a long duration. Other relevant mitigation and management procedures will be outlined in the ESMP and will apply the ESF requirements. Mitigation and monitoring measures will be further elaborated in detail in site-specific ESIA/ESMPs/ESMP Checklists where required by applicable national regulations, ESS3 and the ESF's mitigation hierarchy, WBG's EHS General, and sector-specific (if applicable) guidelines, and GIIP. Only existing legal, licensed quarries would be considered for supplies of material needed for rehabilitation. Guidelines for quarries' management and selection will be included in the ESMPs.

ESS4 Community Health and Safety

This standard is relevant to the project. Roads construction, rehabilitation and maintenance works are associated with dusts/noises, soil disturbances, traffic management, waste disposal, and associated disturbance to local communities and these will be further assessed. The ESMPs will include measures to address work-related health risks; works and road safety; excessive noise and dust levels; site safety awareness; traffic management; and access restrictions to the satisfaction of the Bank. Given the linear character of the sub projects, full partition or fencing of construction sites might not be possible, therefore, signaling will be installed and mitigation measures to control excessive noise and dust levels will be ensured through a robust mitigation and management plan in the proposed site-specific ESMPs or ESMP Checklists. Traffic/Road Safety Management Plans with measures to ensure the safety and well being nearby communities and road users during construction / rehabilitation and for the operation phase, together with the Emergency Response Plans with procedures to respond to accidental leaks, spills, emissions, fires, and other unforeseen crisis events, will be prepared by contractors and reviewed by SRA. These plans will factor in the potential increase in non-local passenger and goods traffic transiting to and from Ukraine and the different types of interaction with local communities that this may involve. General guidelines for traffic management plans will be included in ESMPs to guide contractor to prepare site specific plans. Special guidelines will be given for sensitive sites like schools, hospitals, religious places, etc. The project will ensure community safety during the works by adopting adequate OHS protocols following the World Bank Group Environmental Health and Safety Guidelines. Rehabilitation works are temporary, will involve workers from host communities and are unlikely to increase SEA/SH risk for local communities or refugees. Despite this, preventative measures will be included in worker codes of conduct and a referral process involving national service providers. In addition to the upgrading of the systems for inspection at the checkpoints themselves, staff awareness and management measures at border crossing points will also be considered to prevent risk of human trafficking.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This standard is relevant since the project works under Component A will require acquisition of ROW land parcels for the expansion of small stretches of existing roads linking border checkpoint facilities (hundreds of meters) as well as



the expropriation of over a dozen agricultural land parcels for the construction of a 1km long new road. Whilst design locations are not finalized initial plans identify productive agricultural land parcels of approximately 17 land users that will need to be acquired for project works. A Resettlement Policy Framework (RPF) will be prepared prior to Appraisal and a Resettlement Action Plan (RAP) will be developed prior to commencing land take required for Component A. Acquisition of land and related assets in preparation for civil works may only take place after the RAP is finalized and compensation is paid or agreed. Once the land acquisition procedure is ongoing, there are options for the works to proceed where the owner has provided written consent to civil works in agreement to clearly defined compensation arrangements or, where rejected, the compensation has been placed in escrow and due process described for resolution. Relevant local authorities, contractors, and institutional stakeholders need to communicate that there is to be no land acquisition prior to RAP preparation, review and clearance by the Bank, disclosure, consultation with stakeholders, and payment of or agreement on compensation with each land user. Compensation and livelihoods restoration will be implemented prior to the beginning of construction in accordance with the project's RAP. Consultations with affected communities should aim to ensure that they are aware of the health and safety risks associated with the construction activities and given that the project has no direct benefits for communities the key to resolving stakeholder concerns will be clear communications on the fairness and adequacy of compensation and clear communications on the secondary benefits (improved transport, induced benefits for local business and trade). Rehabilitation of existing local roads under Component B is unlikely to involve requirements for land acquisition or associated economic and physical displacement. Work will be conducted on existing ROW and activities that require acquisition of private land will be avoided in design where feasible. The previous operation undertook similar roadworks on a number of local roads and land acquisition and displacement was avoided by redesigning the rehabilitation works. At most works are likely to involved minor relocation of public utilities such as gas, electricity, water, sanitation networks. The extent of this risk will be assessed further during preparation and the project RPF will apply.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Potential environmental risks and impacts associated with this ESS have been screened and determined to be minimal given the project's scope. The project will not support any activities which might involve conversion of natural protected areas and forests or impacts on them as all project activities will be implemented on ROW and o small areas of agricultural land. However, the ESMPs will provide guidance on screening and instituting mitigation measures to ensure that project activities do not impact negatively any critical or sensitive natural habitat, especially wetlands, or biodiversity and living natural resources. In the unlikely event that significant risks and adverse impacts to biodiversity and habitats have been identified, a biodiversity management plan (BMP) will be prepared either as a standalone document or as part of the construction ESMP.

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

This standard is not relevant. No indigenous peoples who meet the criteria described under this standard reside in the territory of Moldova.

ESS8 Cultural Heritage



The risk of damage and restrictions on access to cultural spaces or archaeological heritage as a result of project works is likely to be negligible but will be assessed as part of the ESIA's and the views and heritage values of different stakeholders including women and community groups taken into consideration. Design options will be screened for the presence of culturally important sites near areas to be developed and measures taken to avoid any impacts. Chance find procedures will be developed and included in the ESMPs, defining the procedural steps to be followed if a previously unknown cultural heritage is encountered during project activities. Such Chance Find Procedures will be included in all contracts relating to civil works in the project as a precautionary measure regardless of the site having known or unknown cultural heritage or physical cultural resources.. Opportunity to improve the preservation values of cultural heritage sites and spaces will also be considered as part of community decision-making activities to enhance the value and utility of local roads being rehabilitated under Component B. Local cultural spaces and heritage sites have been identified in proximity to local roads under the previous LRIP operation. Impacts of road rehabilitation on such sites have been successfully avoided and measures to enhance the value of these heritage sites have been incorporated into project design such as provision of protective fencing, perimeter pathways and parking spaces. The new operation aims to enhance this type of activity by clarifying the engagement process on road design to ensure that the views or women, minorities and others in the community are heard and incorporated into decision-making.

ESS9 Financial Intermediaries

This standard is not relevant. There will not be any financial intermediation under the Project.

B.3 Other Relevant Project Risks

Associated Facilities risks: The CEF grant to Moldova for partial financing of activities under the project supports complementary investments on both sides of the border with Romania as part of an application submitted by Romania as the EU member state with Moldova as a beneficiary (since they are allowed to benefit from CEF grants but not allowed to submit their own application). The activities are to be carried out contemporaneously with the project as part of the rehabilitation of crossing points along the river border between the two countries. The activities on the Romanian side are considered Associated Facilities in that they are necessary for the fulfilment of the project development objective to facilitate road transit through Solidarity Lane border crossings with the EU. The Romanian activities would not be constructed if the complementary facilities and activities under the project were not undertaken. However, the Government of Moldova has effectively no legal or financial recourse or control over the Government of Romania's components and would have no role in managing Romania's CEF funds as these would run through Romania's budget. The activities carried out on the Romanian side involve rehabilitation or relocation of existing facilities with some air and noise pollution, localized water, air, soil, subsoil, biodiversity, landscape impacts, and some occupational and community health and safety risk during construction. Risks to the achievement of the project objectives overall involve potential for lack of coordination between the two sides, delays in contracts, or changes to design which could conceivably result from impacts on land use or environmental conditions but are expected to be easily mitigated with Environmental and Social Impact Assessment and associated measures given that Romanian works will follow relatively advanced EU regulations for environmental and social assessment.

CERC Activation risks: The project includes a CERC which would draw on uncommitted loan resources under the proposed project to cover emergency response. The activities financed by the CERC will be demand- and event-driven



and detailed in an action plan. Environmental and Social due diligence for the CERC will be carried if and when the component is activated during project implementation, with an ESMF prepared and RPF amended accordingly. The CERC ESMF and RPF will be prepared to describe the procedure for screening, assessing and managing risks associated with CERC activities to be implemented alongside an operations manual once request has been received by the Government of Moldova to activate the CERC.

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

A Common Approach is not being considered.

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

Actions to be completed prior to Bank Board Approval:

Prior to project appraisal, the following environmental and social tools should be developed, disclosed and consulted upon:

- Environmental and Social Commitment Plan (ESCP)
- Component A - ESMP
- Revised ESMPs for Component B
- Labor Management Procedures (LMP)
- Stakeholder Engagement Plan (SEP) and Grievance Mechanism (GM)
- Resettlement Policy Framework (RPF)

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

- Ensure capacity building to enhance the environmental and social performance on ESF application and ESS compliance by hiring and maintaining in the PIU environmental and social specialists for the whole project duration; Site Specific ESMPs for Component A;-Prepare and implement Resettlement Action Plan (RAP) for Component A prior to acquisition of land and start of civil works;
- Prepare, consult, disclose and implement site-specific ESMPs for Component A and B;

Public Disclosure



- Require companies bidding for the delivery of civil works under the project to include their Environment, Social, Health and Safety Codes of Conduct (including SEA/SH protections), labor management procedures and GM in the bidding documents;
- Reporting to the Bank on the environmental and social performance of the project as part of the established progress reporting procedure;
- Establishment and operationalization of project-level GM.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

04-May-2023

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Ministry of Finance

Implementing Agency(ies)

Implementing Agency: State Road Administration

Implementing Agency: Customs Service of the Republic of Moldova

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s): Dominic Pasquale Patella, Elena Lungu

Public Disclosure



Practice Manager (ENR/Social)

Anne Olufunke Asaolu Recommended on 20-Apr-2023 at 22:01:18 EDT

Safeguards Advisor ESSA

Sunrita Sarkar (SAESSA) Cleared on 03-May-2023 at 09:59:48 EDT