



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 02/09/2024 | Report No: ESRSA03258



I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P180153	Investment Project Financing (IPF)	MRCP	2024
Operation Name	Moldova Rural Connectivity Project		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Moldova	Moldova	EUROPE AND CENTRAL ASIA	Transport
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Ministry of Finance	Customs Service of the Republic of Moldova, State Road Administration	12-Feb-2024	29-Apr-2024
Estimated Decision Review Date	Total Project Cost		
24-Jan-2024	151,007,276.00		

Proposed Development Objective

The Project Development Objective (PDO) is: (i) to improve climate-resilient road connectivity in selected rural communities; (ii) to enhance road transit through selected border crossings with Romania; and (iii) in case of an Eligible Crisis or Emergency, to respond promptly and effectively to it.

B. Is the operation 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 Activities

[Description imported from the PAD Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

The proposed Project’s design consists of four components: (i) Component A will finance physical works needed to link local communities with public services and economic opportunities, building on the previous support to the Government’s upgrade of a prioritized network of local and regional roads ; (ii) Component B will facilitate trade and expand Solidarity Lanes, by increasing capacities and modernizing the Ungheni, Leuseni, and Giurgiulesti border crossing



points (BCPs) and the access roads connecting them; (iii) Component C will support interventions aimed at enhancing delivery capacity and supporting essential project management functions, and (iv) Component D will provide a standby Contingent Emergency Response (CERC) capability should the need arise.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

[Description of key features relevant to the operation's environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 10,000]

The project is nationwide in scope designed to support Moldova's strategically vital road network that 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 goods from the Republic of Moldova are transported by road. Russia's invasion of 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. Russia continues to target Ukraine's port infrastructure, disrupting agricultural exports. Simultaneously, the EU land route is experiencing logistical issues, and neighboring European countries are blocking Ukrainian grain imports. Considering the current situation, Ukraine has increased grain exports to European countries via land routes and utilized its Danube ports. This has made the Danube Solidarity Lane with Moldova's transport network a strategic option for facilitating Ukrainian grain exports while the war continues. As long as Black Sea access remains compromised, Moldova's transport network is likely to remain strategically important. Within this context the project supports rehabilitation and upgrades of specific sections and facilities within the road network.

The project Component A will finance the rehabilitation and upgrading of three existing local roads corridors (C-8, C-5, C-24) 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 WB operational Safeguard Policies were prepared under the recently closed Local Roads Improvement Project (LRIP). The layouts of these corridors cross various rural settlements and improvement of these roads will have a significant positive impact on rural communities in various aspects. According to the endline beneficiary satisfaction survey conducted for the LRIP, satisfaction with road conditions among beneficiaries increased to up to 60-80% after road rehabilitation. The works of the new road Project will include rehabilitation and periodic maintenance of roads. The detailed designs for these specific Corridors are being updated. The detailed design for Corridor C-8 is complete, while C-5 and C-24 will be finalized during preparation. This component also includes a sub-component for complementary interventions along Project road Corridors requested by communities to improve Non-Motorized Transport (NMT) infrastructure. Selection of community-requested works is part of the Project's citizen engagement activities.

Moldova still has one of the highest levels of road crash fatalities per capita in the ECA region. In 2020, Moldova recorded the 3rd highest road crash fatality rate (9.24 fatalities per 100,000 inhabitants), registered in the Eastern Partnership (EaP) region and in EU-27. Moldova's fatality rate is higher than the EaP and EU-27 average fatality rates by 10.4% and 54.5% respectively. Component A will also promote road safety through an audit of black spots and remedies in 14 locations.



The project Component B will finance selected civil works at three border crossing points (BCPs) over the Prut river between Moldova and Romania (at Ungheni, Leuseni and Giurgiulesti). At Ungheni the works include constructing a new (0,5km) access road with modern customs processing and weighing facilities which will connect border control points (BCPs) with national road network. At Leuseni, the Project will finance an upgrading of existing 1 km access road (widening from 2 to 4 lanes), refurbishment of the existing freight entry and passenger car exit facilities, construction of a new freight exit facility as well as procurement of fixed and mobile customs equipment. Project activities for Giurgiulesti will include traffic organization and electronic queuing at BCPs, expansion of parking/waiting facility and provision of basic services for truckers, procurement and installation of scanning equipment and software at the BCPs.

Activities at Ungheni and Leuseni are a part of modernization of the transborder crossing points co-financed by a Connecting European 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 were 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).

On the Romanian side the works 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 COVID-19 pandemic and the Russian invasion and outbreak of war in neighboring 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 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 Overview of Borrower's Institutional Capacity for Managing Environmental and Social Risks and Impacts

[Description of Borrower's capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 10,000]



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 (MCS) under the Ministry of Finance (MoF). SRA will be responsible for procurement, financial management, contract management, project and program monitoring and evaluation, reporting, citizen engagement, resettlement actions and environmental and social risk management under both Component A and a part of Component B which will include construction and rehabilitation of access roads leading to BCPs. The remaining investments planned under Component B, such as the procurement of equipment for BCPs, upgrading of BCPs etc. will be under MCS responsibility. MCS will implement the Project in close coordination with SRA.

SRA's capacity for managing environmental and social risks and impacts is generally considered adequate. SRA has an in-house department currently implementing several projects financed by international organizations and they have had experience in managing the recently closed the World Bank-supported Local Roads Improvement Project (LRIP (P150357)) implemented under the Bank's operational safeguards policies. Currently, SRA together with MCS has contracted an external consultant for the preparation of E&S instruments required for Project Appraisal.

For implementing this project, SRA will assign to the PIU from its in-house department one dedicated environmental specialist and one social specialist, in addition to an external health & safety specialist consultant. The project will be further supported by an in-house land acquisition specialist, and an external part time E&S consultant, particularly in initial phases to support the transition to project implementation. As this will be the first project for this PIU under the ESF, additional capacity-building/training on the implementation of the ESF requirements will be needed. However, the SRA's environmental and social specialists have attended several workshops and training sessions delivered by the World Bank, including a three-day ESF training for Moldova PIUs, citizen engagement and gender-based violence (GBV) workshops. During Project implementation, these specialists will be responsible for preparing and implementing of the environment and social impact assessments, site-specific ESMPs, Resettlement Action Plan (RAP) and implementing participatory community engagement to inform project design.

Given the nature and scale of the works to be carried out by MCS, their general technical and contractors management capabilities are considered adequate. However, MCS does not have previous experience in implementing IBRD financing or dedicated capacity to implement projects under the ESF. The MCS PIU will recruit and maintain, among other staff, one environmental & social specialist consultant to manage the E&S risks and requirements associated with the investments under Component B and to coordinate with SRA and other agencies. MCS will also need to coordinate works under Component B with the Romanian authorities for works on the Romanian side of the border (associated facilities), 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 (refer to ESS1 for further information on Associated Facilities).

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. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS



A. Environmental and Social Risk Classification (ESRC)

Substantial

A.1 Environmental Risk Rating

Substantial

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

The environmental risks associated with the proposed project are assessed as Substantial. The project will provide a combination of investments in connectivity and local roads rehabilitation on three main corridors (Component A), 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 existing road and expansion the capacity of existing parking (Component B), and technical assistance and support for specific regulatory and institutional reforms. Although the long-term impacts of the project are likely to be positive, the likely environmental risks and impacts from the proposed project activities under Components A and B are typically direct, indirect and cumulative in nature. Except for the construction of a short (0.5 km) new access road to Ungheni bridge and a one-kilometer road widening in Leuseni, the proposed activities are essentially road rehabilitation and maintenance within the "Right of Way" (ROW) areas. The environmental and OHS risks and impacts from roads rehabilitation and operation may include (i) workers camps, batching areas, laydown areas, temporary access roads or by-pass roads, storage areas; (ii) increased localized air pollution from dust, batching and vehicle exhaust; (iii) nuisance and occupational noise and vibration; (iv) local soil and water resource contamination from leakages and run off from batching activities, bitumen manufacturing, storage of hazardous materials, servicing of equipment etc; (v) Occupational and Community Health and Safety incidents, vehicle incidents on and off site involving workers, members of the public, and vulnerable road users (pedestrians, motorcycles etc); (vi) local water resource competition from excessive consumption for construction activities, workers camps etc; (vii) increased vehicle speeds due to improved road infrastructure resulting in an increased number of road fatalities (viii) possible fragmentation of habitats and severance of animal migration routes and pathways; (ix) impacts on cultural heritage; (x) the generation of solid, construction waste; (xi) the removal of vegetation and trees to accommodate possible road widening activities, bypass roads and access roads. Component 2 activities may result in environmental risks and impacts that may include solid and hazardous waste generation, inadequate OHS practices, small land plots acquired for the new access road, water and air pollution etc. Although, the environmental risk rating is assessed as substantial, most risks are site specific, temporary, predictable, reversible and limited in magnitude and spatial extent/geographic scope, and within the technical footprint of the project. No new quarry or borrow pits will be needed as raw materials will be sourced from the existing borrow/quarry sites which operate based on legal licenses and permits. Cumulative impacts could be intensified by the road rehabilitation and its operation from incremental effects of exhaust pollution together with the air pollution from established local industries and adverse agricultural environmental practices. However, the long-term impacts of the project are considered positive since it 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, economic opportunities and access to markets. The above specified environmental risks will be managed through robust and well-implemented mitigation measures, which will be described in site-specific ESF instruments that will be prepared by MIRD and MCS.

A.2 Social Risk Rating

Substantial

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]



The social risks of the project are rated substantial. The main social risks are related to several moderate scale civil works to rehabilitate rural roads on three main corridors (Component A), and to upgrade three border crossing facilities (e.g. reconfigured traffic lanes, new access roads, buildings, parking areas, wastewater treatment, procurement and installation of modern customs equipment) (Component B). During construction phase, these works and related worker and community health and safety impacts (i.e. noise, traffic disruptions, road safety) will be substantively contained within the boundaries of the various existing sites and Rights of Way (ROW), and are considered manageable with conventional mitigation measures. Significant labor influx and use of work camps is not anticipated based on the expected scale and accessibility of work sites, and availability of local workforce Although no transboundary impacts from construction are anticipated, the upgrades to Border Crossing Facilities (Component B) are connected to significant existing operations (e.g. Guirgulesti Port), or activities being planned by other financiers (associated facilities) including a new bridge over the Prut river on the Romanian side of the border at (Ungheni-Ungheni). Each of the three BCPs are in proximity to rural communities currently experiencing significant impacts due to noise, road safety, blocked access to property, household and truck waste and exhaust pollution owing to a substantial increase in freight truck traffic diverted through Moldova and spilling over into the villages, as a result of the war in Ukraine. Once in operation, the project is expected to alleviate such impacts by increasing capacity of the border control points. With respect to land acquisition, road re-alignment and infrastructure development for customs facilities will require acquisition of approximately a dozen agricultural parcels of land. Physical displacement is actively being avoided; however, the exact number of project affected people impacted by economic displacement cannot be confirmed, pending completion of detailed designs during implementation. Small to moderate scale, temporary or permanent, economic displacement associated with rehabilitation works (component A) may also be needed, and is being minimized through finalization of detailed designs.

[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 8,000]

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

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts

Relevant

[Explanation - Max. character limit 10,000]

[Explanation - Max. character limit 10,000] Environmental and social risks associated with project activities include several small to medium-scale localized rehabilitation and construction activities under components A and B. Various types of rehabilitation works for sections of existing roads under Component A 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. The civil works will require minor relocation of public utilities such as gas, electricity, water, and sanitation networks and temporary restrictions in access to public facilities or businesses during rehabilitation works. It is unlikely to affect private land. As there are no final designs for these roads yet, the Borrower is making efforts to avoid land acquisition or economic displacement through the finalization of detailed



designs for the rehabilitation works under Component A. Nevertheless, the Borrower has prepared a Resettlement Policy Framework (RPF) that includes measures to be undertaken in case resettlement or acquisition actions are needed for this Component. Different types of construction works under Component B include a short (one-kilometer) expansion of the width of existing road from two to four lanes, construction of new access road of about 0.5 km and construction/rehabilitation of buildings and parking facilities at three BCPs. The interventions under Project Component B will include roadworks and infrastructure development that require ROW 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 landowners. The RPF has been publicly disclosed and consulted before Project Appraisal. The Borrower will develop and implement Resettlement Action Plan (RAP) according to RPF provisions before commencing any construction works. The project has a number of associated facilities on the Romanian side of the border (a new bridge in Ungheni, a rehabilitation of existing infrastructure and a new bridge in Leuseni) which will be financed and implemented by the Romanian authorities. This associated infrastructure is not under control or influence of the Borrower. However, measures for adaptive management and minimizing impacts through coordination of works, will be incorporated into the ESIA/ESMPs for subprojects under Component B. The project also involves a dedicated subcomponent (A.2) which will finance: (i) interventions complementary to the road works in (A.1) including those requested by communities along the roads; 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 described in the Stakeholder Engagement Plan. Detailed criteria for selecting community-requested projects will be outlined in the Borrower's Project Operation Manual. Examples of community-requested works include sidewalks, the development of public green space, rehabilitation of public parking at amenity sites (monuments, parks). These interventions are expected to enhance the benefits of local roads and will be limited to small scale works on available public land. Potential adverse environmental impacts from the project 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. No new quarry and borrow pits will be needed as raw materials will be sourced from existing borrow/quarry sites which operate based on legal licenses and permits. 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 practices, environmental permitting process and implementation of site-specific environmental due diligence instruments. Potential adverse social impacts from the project include economic displacement from the acquisition of farmland under component B and possible exclusion of vulnerable and marginal groups (women, the elderly, ethnic minorities) from decision-making on the design of rehabilitation activities under component A. 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 Component A are known. For Component A, based on the nature and scale of the potential risks and on the detailed design that has been completed, the Borrower has prepared, consulted and disclosed prior to appraisal a site-specific ESMP for Corridor 8 (C-8) which will include all necessary environmental and social mitigation measures. For the other two road corridors (C5 and C24), the site-specific ESMPs will be finalized during implementation after detailed technical designs have been confirmed in collaboration with local host communities and prior to launching the bidding process for the respective works contracts. 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. For Component B, at the time of project preparation



the necessary feasibility studies for the identified investments in three Border Crossing Points (BCPs) were not contracted and therefore, the Borrower has prepared, consulted and disclosed prior to appraisal a Draft Preliminary ESIA, covering the identified Project's activities in all three BCPs. The finalization of the ESIA is an effectiveness condition of the loan agreement. Prior to launching the bidding process for the respective works contracts for BCPs in Leuseni, Giurgiulesti and Ungheni, and based on the Final Preliminary ESIA, and on the feasibility studies and detailed designs, the Borrower will prepare, disclose, consult, adopt and implement full site-specific ESIA's which shall include site-specific ESMPs or ESMP Checklists, consistent with the relevant ESSs, and the Environmental, Health and Safety Guidelines (EHSGs).

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

[Explanation - Max. character limit 10,000]

Project-affected stakeholders include the populations from the 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 road users such as transnational transport operators, farmers with slow-moving agricultural machinery and cattle herders, local pedestrians including the elderly and persons with disabilities, farm workers moving between towns, children and students of all ages who commute to school. The most vulnerable stakeholders associated with the project as identified in the SEP include farmers who will lose agricultural land to expropriation at the sites of the civil works for the proposed BCPs, as well as people with disabilities, elderly people, and school children who utilize local roads. The vulnerable groups 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 also have an interest in the unskilled labor positions that are generated by the road rehabilitation activities and 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. Other interested parties will include non-government organizations engaged in road safety and local community development programs. 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 LRIP (P150357) 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. The implementing agencies have prepared, disclosed and consulted on the SEP prior to appraisal. The SEP describes previous engagement activities in relation to the project. Initial engagements with affected communities in relation to rehabilitation of Corridor C-8, C-5 and C-24 (Component A) took place between 2015-2018 indicating positive interest in good quality road paving and rehabilitation works. During preparation of the preliminary ESIA for Component B, engagements with local authorities in Leuseni, Giurgelesti and Ungheni villages (2023) expressed community concerns such as exposure to dust, noise and vibration, and pedestrian safety from the current situation of truck traffic and queuing along the road. Communities are aware of possible land acquisition requirements, and have expressed positive interest in employment opportunities and improved border control processing at the new facilities. The SEP and ESCP set out the requirements for consultation and disclosure of site specific ESIA's and ESMPs,

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and RAP, that will be prepared under this project. The SEP builds on experience under the previous World Bank supported project LRIP (P150357) in convening Social Impact Management Committees (SIMCs) in affected communities. Under LRIP, SIMCs were actively involved in identifying community requests and concerns along each new road rehabilitation corridor and maintaining a project grievance register. Under this project, SIMC's will be convened 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 also outlines the stakeholder engagement program including procedures for the SIMC to ensure inclusivity and representation of vulnerable groups. It ensures consultations are accessible and informative for all stakeholders. The SIMC will inform investment prioritization, monitor community impacts during works, and have an active role in grievance redress. The SEP contains description of project-level GRM which PIUs shall establish and make is accessible for all Project stakeholders, allocating resources and staff time to address complaints and concerns, including those related to social and environmental aspects. The PIUs shall prepare a biannual report summarizing local consultation issues, grievances, and their resolution progress. The project will introduce citizen engagement-specific indicators, such as community satisfaction and feedback on engagement processes. The new operation under Component 'A.2: Community inclusion & accessibility' offers the opportunity to build on lessons learned and formally integrate community participation in raising their requests before civil workd will be commenced. The criteria and process for supporting community based requests will be included to the Stakeholder Engagement Plan (SEP) before commencing civil works, and detailed procedures will be outlined in the Project Operations Manual (POM).

ESS2 - Labor and Working Conditions

Relevant

[Explanation - Max. character limit 10,000]

The project is expected to engage about 140 direct workers for both PIUs (SRA and MCS) including external consultants numbering 5 to 15 for each PIU. Contracted workers, including small groups of local unskilled workers and a few skilled workers, likely from neighboring countries, will be hired for various contracts in design, supply, civil works, and technical supervision. The total estimated number of contracted workers is approximately 1000, to be distributed among road and BCP construction contracts. Female workers are expected to be less than 10 percent of the workforce, primarily in technical and administrative roles. Community workers and primary supply workers will not be involved in the project implementation. Given the presence of possible hazardous work, individuals under the age of 18 will not be employed by the Project. Based on current conditions in the sector and the scale of works, the the risk of child or forced labor is considered low, and is adequately managed through requiring compliance with national legislation and World Bank requirements. 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, unsafe operation of construction machinery, falling from heights, risks of electric shock, and cave-ins associated with the relocation of public utilities (gas, electricity, water, and sanitation networks).. Labor Management Procedure (LMPs) have been jointly prepared by SRA and MCS to address any gaps between national laws and ESS2, and the requirements will be incorporated into the bidding documents for contractors. The LMP covers essential aspects related to contracted workers, including compliance with Occupational Health and Safety (OHS) standards, ensuring adequate working conditions, and establishing an effective grievance mechanism (GM) for direct and contracted workers. Local employment opportunities are highly sought after as they bring income to rural communities. The LMP sets out the expectation for the preferential terms of local recruitment for the project, and non-discrimination in

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recruitment practices. Although a significant number of temporary working places will be created, it is not expected that the Project area will experience substantial labor influx as most of the skills required by contractors can be sourced locally in Moldova. External workers, both expatriate and national, will be accommodated in existing houses in area towns which is a common practice for road projects by construction companies. It is unlikely that dedicated camps established for worker accommodation in the project by local Contractors. Notwithstanding, its possible that foreign or local companies may establish small work camps. The LMP outlines specific measures and contractual requirements to manage risks associated with work camps and labor influx, including providing suitable living conditions and requirements to provide awareness training for workers and communities for about communicable diseases. Contractors are required to address the risk of SEA/SH by providing training and awareness raising sessions for the workers to refrain from any unacceptable conduct towards local community members, particularly women, and ensure implementation of codes of conduct.

ESS3 - Resource Efficiency and Pollution Prevention and Management

Relevant

[Explanation - Max. character limit 10,000]

This standard is relevant. 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 ESAs/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

Relevant

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[Explanation - Max. character limit 10,000]

This standard is relevant to the project. Road works, rehabilitation and maintenance works are associated with dusts/noises, soil disturbances, traffic management, waste disposal, and associated disturbance to local communities. The ESMPs will include measures to address works-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. Detailed road designs will be subject to road safety assessment during design, construction and operation, as per national law. 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 and procurement documents will require contractors to prepare construction 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. The project will further assess, consult and develop mitigation measures for specific risks and impacts to the community arising from Project activities during construction and operational phases, as part of developing site-specific ESMPs and ESAs once detailed designs are complete. As per the ESCP, this will include inter alia, behavior of Project workers and freight truck operators, risks of labor influx, communicable diseases (i.e., COVID-19, AIDs/HIV), and response to emergency situations. Rehabilitation works are temporary, will involve workers from host communities and are unlikely to increase SEA/SH risk for local communities or refugees. Preventative measures will be specified in contractor requirements including SEA/SH sensitization campaigns and codes of conduct. The project grievance mechanism includes a referral process to established national gender based violence 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

Relevant

[Explanation - Max. character limit 10,000]

This standard is relevant. Component B comprises expansion of BCP facilities and construction of access roads linking border checkpoint facilities to existing roads, that will require land acquisition. Whilst detailed designs are not completed, initial feasibility study for Ungheni BCP identifies 17 productive agricultural land parcels that will need to be acquired for project works. Land acquisition estimates at Leuseni are between 2-6 hectares affecting approximately 15 privately held agricultural land plots. At Giurgiulesti, works are within existing land owned by MCS and land acquisition is not expected. A Resettlement Policy Framework (RPF) was prepared and disclosed prior to Appraisal. Resettlement Action Plan (RAP) will be developed and implemented prior to commencing land take for Component B. 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 A 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. Should land acquisition and/or resettlement of private land, or economic displacement are required under Component A, a site-specific RAP will be prepared in accordance with the provisions stipulated in the RPF. 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 of detailed design during project implementation.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

[Explanation - Max. character limit 10,000]

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 further assess any possible impacts and instituting mitigation measures to ensure that project activities do not negatively impact any critical or sensitive natural habitat, wetlands, or biodiversity and living natural resources. In the event that significant risks and adverse impacts to biodiversity and habitats are 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

Not Currently Relevant

[Explanation - Max. character limit 10,000]

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

Relevant

[Explanation - Max. character limit 10,000]

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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 ESAs 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

Not Currently Relevant

[Explanation - Max. character limit 10,000]

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

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways

No

OP 7.60 Operations in Disputed Areas

No

B.3 Other Salient Features

Use of Borrower Framework

No

[Explanation including areas where "Use of Borrower Framework" is being considered - Max. character limit 10,000]

The project will not rely solely on the Borrower's framework. The project will comply with relevant national regulatory requirements.

Use of Common Approach

No

[Explanation including list of possible financing partners – Max. character limit 4,000]

A Common Approach is not being considered.

B.4 Summary of Assessment of Environmental and Social Risks and Impacts

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[Description provided will not be disclosed but will flow as a one time flow to the Appraisal Stage PID and PAD – Max. character limit 10,000]

The environmental risk of the project is rated Substantial. The long-term impacts of the project are likely to be positive by improving accessibility and facilitate trade by modernizing three BCPs and the access roads that connect to them and improve the links of rural communities with basic services, with economic opportunities and access to markets. The project will contribute also to increasing the roads safety and reducing air pollution. However, all anticipated civil works activities could, cumulatively, result in potential significant environmental risks and adverse impacts that are generated by the activities under Components A and B, but these are predictable, temporary and/or reversible, low in magnitude and site specific. Except the construction of a short (0.5 km) new access road to Ungheni bridge and a 1 km road widening in Leuseni, the proposed activities are essentially road rehabilitation and maintenance within the "Right of Way" (ROW) areas. The potential negative environmental impacts are unlikely to extend beyond the project footprint, and include possible temporary disruption of current traffic circulation, traffic safety, damage to access roads, dust nuisance, gaseous emissions, potential pollution of soil and water resources, and momentary interference to neighboring settlements through various operation activities. All these can be managed through conventional mitigation and management measures. 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.

The social risks of the project are rated substantial. The main social risks are related to several moderate to large scale civil works to rehabilitate rural roads on three main corridors (Component A), and to upgrade three border crossing facilities (e.g. reconfigured traffic lanes, new access roads, buildings, parking areas, wastewater treatment) (Component B). During construction phase, these works and related worker and community health and safety impacts (i.e. noise, traffic disruptions, road safety) will be substantively contained within the boundaries of the various existing sites and Rights of Way (ROW), and are considered manageable with conventional mitigation measures. Significant labor influx and use of work camps is not anticipated based on the expected scale and accessibility of work sites, and availability of local workforce. Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) risks are considered as low at appraisal. Although no transboundary impacts from construction are anticipated, the upgrades to Border Crossing Facilities (Component B) are connected to significant existing operations (e.g. Giurgiulesti Port) or activities being planned by other financiers (associated facilities) including a new bridge over the Prut river on the Romanian side of the border at (Ungheni-Ungheni); and upgrades to roads approaching/connecting to Leuseni BCP on the Moldovan side. Each of the three BCPs are in proximity to small rural communities currently experiencing significant impacts due to noise, road safety, blocked access to property, household and truck waste and exhaust pollution owing to a substantial increase in freight truck traffic diverted through Moldova and spilling over into the villages, as a result of the war in Ukraine. The project is expected to alleviate such impacts once in operation by increasing capacity of the border control points, and will further ensure that cumulative impacts (e.g. traffic and road safety) are assessed and mitigated, and that the benefits are maximized, through the environmental and social assessments including consultations, as well as a sub-component to support community initiatives. With respect to land acquisition, road re-alignment and infrastructure development for customs facilities will require some acquisition of agricultural land. Physical displacement is actively being avoided; however, the exact number of project affected people impacted by economic displacement cannot be confirmed, pending completion of detailed designs during implementation. Small to moderate scale, temporary or permanent, economic displacement associated with rehabilitation works (component A) may also be needed, and is being minimized through finalization of detailed designs.



SRA has previous experience implementing World Bank projects under Safeguard Policies. The two PIUs require additional environmental and social resources for implementation readiness in order to coordinate environmental and social risk management for the full range of activities under the project and issues covered under the ESF.

To manage the environmental and social risks, the following assessments and management plans have been prepared, consulted and disclosed prior to appraisal in accordance with the relevant ESS and in compliance with the World Bank's Environment, Health, and Safety (EHS) Guidelines: Environmental and Social Commitment Plan (ESCP); Labor Management Procedures (LMP); Stakeholder Engagement Plan (SEP); Resettlement Policy Framework (RPF); a site-specific Environmental and Social Management Plan (ESMP) for the rehabilitation of road corridor (C-8) for which the detailed design has been finalized; and, a preliminary Environmental and Social Impact Assessment (ESIA) for Component B. As per the ESCP, the SEP will be further revised following additional consultations at site level, including as part of informing the gender assessment and action plan, to reflect a more detailed consideration of stakeholders and methods for engagement for each component. The ESCP also requires Site-specific ESMPs to be prepared for the other roads corridors included in Component A, and for the subprojects included in Component B, after finalization of detailed designs.

As the project will also include a CERC component, in the event this is activated an Environmental and Social Management Framework (ESMF) will be prepared for this component. The guidance and procedures included in this CERC ESMF should be considered in the Emergency Response Manual (ERM) that will be prepared during the project implementation, and will contain the environmental and social requirements, if the CERC is activated. CERC Component will avoid activities or subprojects with complex environmental and social aspects (for example resettlement), because the CERC objective is to support immediate priority activities (less than 18 months). The subprojects with more environmental and social complexity, could be financed with other specific sources of financing.

The key measures and actions to meet the required environmental and social standards (ESSs), the necessary E&S permanent staff and consultants, other activities such as capacity building of the client and other agencies involved in implementation, will be reflected in the Environmental and Social Commitment Plan (ESCP) drafted prior appraisal and finally agreed with the Borrower at project negotiation stage. Disclosure and consultation on the ESIA, site-specific ESMPs, SEP, RPF, LMP and ESCP will be undertaken prior to project appraisal and the document revised to reflect the feedback from the consultations.

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by implementation?

[Description of expectations in terms of documents to be prepared to assess and manage the project's environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 10,000]



The project will have in place qualified environmental and social specialists; finalize the Preliminary ESIA; and establish a grievance mechanism, prior to Effectiveness.

During the project implementation, the Borrower will continue to prepare ESIA's and site-specific ESMPs for the subprojects under Component A and Component B. For Component A, will prepare, consult, disclose, adopt and implement a site-specific ESMP for each of C-24 and C-5 road corridors, based on the detailed design, consistent with the relevant ESSs, and the Environmental, Health and Safety Guidelines (EHSGs).

For Component B, will prepare disclose, consult, adopt and implement full site-specific ESIA's (includes ESMPs/ESMP Checklists), based on feasibility studies and detailed design, for a) Leuseni b) Giurgiulesti c) Ungheni, consistent with the relevant ESSs, and the Environmental, Health and Safety Guidelines (EHSGs). All these instruments will be completed prior to launching the bidding process for the respective works contracts.

III. CONTACT POINT

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