

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC1036

**Date ISDS Prepared/Updated:** 01-Dec-2014

**Date ISDS Approved/Disclosed:** 10-May-2016

## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Paraguay	<b>Project ID:</b>	P147278
<b>Project Name:</b>	PY Transport Connectivity (P147278)		
<b>Task Team Leader(s):</b>	Veronica Ines Raffo, Maria Claudia Pachon		
<b>Estimated Appraisal Date:</b>	04-May-2016	<b>Estimated Board Date:</b>	21-Jul-2016
<b>Managing Unit:</b>	GTI04	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Rural and Inter-Urban Roads and Highways (85%), General transportation sector (15%)		
<b>Theme(s):</b>	Infrastructure services for private sector development (10%), Export development and competitiveness (60%), Injuries and non-communicable diseases (10%), Other urban development (10%), Rural services and infrastructure (10%)		
<b>Financing (In USD Million)</b>			
<b>Total Project Cost:</b>	100.00	<b>Total Bank Financing:</b>	100.00
<b>Financing Gap:</b>	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			0.00
International Bank for Reconstruction and Development			100.00
Total			100.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

The Project Development Objectives (PDO) are to improve the efficiency in the management of the country's national road transport network, and contribute to improved road safety outcomes. This will be achieved through (i) enhancing the institutional capacities of the MOPC for strategic planning

and management of the road network (ii); implementing more efficient mechanisms of road asset preservation namely performance based contracts on selected national roads, and (iii) improving the capabilities of the newly created road safety agency in order to positively influence road safety outcomes in Paraguay.

### **C. Project Description**

The proposed project components are as indicated below:

Component 1. Improvement and Maintenance of the Paved Road Network (proposed Bank financing of US\$75 million)

Sub-Component 1.1 Performance Based Contracting (US\$ 70 million): This sub-component will continue the implementation of the performance based maintenance contracting (under the GMANS and/or CREMA models) of around 400km of main paved roads of Paraguay.

Sub-Component 1.2: Tolling (US\$ 5 million) Under this sub-component initiatives started under the MOPC tolling modernization system will be continued with the financing of Phase II (modernization and establishment of at least 5 tolling stations) on the main paved road network to support cost-recovery efforts for sustained road maintenance.

Component 2. Institutional Strengthening (proposed Bank financing US\$15 million):

Sub-component 2.1 Institutional Strengthening MOPC (US\$ 13.5 million): This component would finance the strengthening of strategic planning (road inventory, road condition, road asset management module, economic decision module), as well as a series of consulting services, training and goods needed to improve the institutional capacity of MOPC. It will also support initiatives to investigate the feasibility of alternative financing (e.g. fuel levies) for road maintenance in order to ensure the sustainability of the road assets.

Sub-component 2.2: Routine Maintenance of unpaved roads (US\$ 1.5 million): this sub-component will continue the successful model of micro-enterprises, and finance the creation of at least 10 micro-enterprises to carry out the routine maintenance activities of target road sections improved under previous financing. This work has the potential to provide employment opportunities to particularly vulnerable and disadvantaged groups like indigenous peoples, and women. Past experience has shown this to have positive spillover effects in empowerment, agency, voice and participation.

Component 3. Road Safety (proposed Bank financing US\$10 million):

This component is proposed to support the initial actions of this recently created lead road safety agency and strengthen its technical capabilities in the areas of: (i) dissemination and awareness raising campaigns; (ii) traffic control and regulation; (iii) traffic records and accident statistics; (iv) accident black spots and risk map; (v) road safety education; (vi) training of professional drivers and enforcement authorities; (vii) control over the issuance of the national driver's license; (viii) mandatory vehicle safety audit; (ix) uniform road signaling and road infrastructure; (x) emergency response management; (xi) traffic legislation consistency; (xii) helmet equipment for motorbikes; and (xiii) civil society participation in policy planning.

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

- Performance based contracting of around 400 km of main paved roads of Paraguay. Specific Location to be defined during project preparation.
- Modernization/establishment of 5 tolling stations: Specific Location to be defined during project preparation.
- Routine Maintenance of unpaved roads: Specific location to be defined during project preparation.

### **E. Borrowers Institutional Capacity for Safeguard Policies**

Institutional capacity (from technical, financial and human resources point of view) for environmental and social sustainability of infrastructure investments, including roads, is weak at sector, country and project levels. Weakness includes technical, human resources and funds dimensions.

At sector level, although the Environmental Management Directorate (Dirección de Gestión Ambiental) of the MOPC has the formal mandate to undertake Environmental Impact Assessments (EIAs) of infrastructure investments - in which indigenous, resettlement and other social aspects are included – project implementation units are actively in charge of these EIAs.

The Secretary of the Environment (Secretaría del Ambiente – SEAM) is the national authority that issues the environment licenses. Social aspects of proposed works are included in the review process of the environmental license issuance. Although there is a new regulation related to the environment licenses that would expedite process and enhance outcomes, this process has often taken longer than expected and become a bottleneck for infrastructure development. Local governments and the Paraguayan Institute of Indigenous Affairs (Instituto Paraguayo del Indígena) also participate in the process of licensing, particularly when indigenous peoples are impacted by the project. All of these instances often have weak technical capacity and are not adequately funded.

At project level, despite many years of concerted efforts to improve the capacity of assessing and managing social risks and impacts of paved/unpaved works stemming from the current Bank financed project, many issues – including resettlement and indigenous peoples- remain to be addressed.

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

Claudio Luis Daniele (GENDR)

Graciela Sanchez Martinez (GSU04)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	<p>OP/BP 4.01 would be triggered because the physical interventions resulting from the implementation of investments under Component 1 and 2 could have some negative impacts on the environment, mainly related to construction site management and public safety.</p> <p>The project is not expected to result in significant negative environmental impacts that cannot be mitigated. The majority of project activities are expected to have low to moderate impact. Potential negative environmental indirect impacts could include land use change or increased pressure over natural resources.</p> <p>As part of the EA process during preparation, the Borrower will finalize the project's Environmental</p>

		<p>and Social Management Framework (ESMF-MOASA).</p> <p>The ESMF includes guidelines for the preparation of a Social and Environmental Management Plan to address the mitigation of social and environmental impacts of each specific subproject including, as the case may be: waste management, environmental protection measures (soil, air, flora, fauna, water, and landscape), and public information, among others.</p>
Natural Habitats OP/BP 4.04	TBD	<p>Given that specific sites have not been identified, decision on whether this policy is to be triggered will be made at a later stage during preparation.</p> <p>Some sub-projects could be located in areas close or connected to natural and/or critical habitat or protected areas. If this is identified at the subproject screening stage, the ESMF will include the criteria and procedure to avoid negative impacts and conversion and to support the strengthening of associated natural habitat management instruments.</p>
Forests OP/BP 4.36	TBD	<p>Given that specific sites have not been identified, decision on whether this policy is to be triggered will be made at a later stage during preparation.</p> <p>All infrastructure work of this project will go through a process to screen the potential impacts on forests and forest dependent communities.</p>
Pest Management OP 4.09	TBD	<p>OP/BP 4.09 will only will be activated if the use of herbicides to control weeds are allowed in the road right-of-way. This will be defined during project preparation.</p>
Physical Cultural Resources OP/BP 4.11	TBD	<p>Project implementation is not expected to have any negative impact on physical cultural resources. All project activities would be implemented on existing roads in areas under agricultural production. However, this policy is left as TBD as project may involve chance finds of physical cultural resources and, although unlikely, might involve impacts on physical cultural resources as specific sub-projects are identified. The ESMF will include screening criteria to evaluate potential impacts on cultural resources and provide guidance on chance finds procedures.</p>
Indigenous Peoples OP/BP 4.10	Yes	<p>The project triggers OP/BP 4.10 since approximately 17,000 indigenous peoples are present or have a</p>

		<p>collective attachment in at least three Departments (San Pedro, Caaguazú and Caazapá), where activities for improving and maintaining unpaved roads will be held. For this specific area, lessons from the Indigenous Peoples Plan of the ongoing roads maintenance project will be taken.</p> <p>There is no information about the location of performance-based contracting and establishment of tollbooths.</p> <p>All potential infrastructure work stemming from this project will go through a screening process to ensure adequate identification of indigenous people's presence within the project areas as well as its potential impacts. This screening will be carried out according to information available on the project works. Specific Indigenous Peoples Plan might then be prepared and disclosed by appraisal.</p> <p>An Indigenous Peoples Planning Framework (IPPF) will be developed to guide the preparation of specific Indigenous Peoples Plans (IPPs) during project implementation.</p> <p>Indigenous peoples are considered as the most excluded social group in Paraguay. Despite representing only 1.7% of the country's total population, they are a very diverse social group, with 17 ethnicities divided into five linguistic groups.</p>
Involuntary Resettlement OP/ BP 4.12	Yes	<p>The project triggers the Bank's Involuntary Resettlement Policy (OP 4.12). Experience accumulated in the roads maintenance project has shown that: (i) resettlement of households or small businesses located (mostly illegally) in the road right-of-way (ROW) of paved roads of Paraguay is required; (ii) the assumption that no acquisition of land would be needed since works would be carried out along the current road alignments and ROW in rural areas is false, actually private land was needed to correct curves, widening, adequately fencing the ROW, etc.</p> <p>The task team will ensure that the borrower prepares Resettlement Action Plans (RAPs) as needed for any specific works that are known at the time of appraisal. A Resettlement Policy Framework will be</p>

		prepared for those works in which the engineering design will be developed /completed during project execution.
Safety of Dams OP/BP 4.37	No	The project will not finance building or rehabilitation of any dam and will not rely on the operation of an existing dam.
Projects on International Waterways OP/BP 7.50	No	The project will not finance any activities near or related to waterways or ports.
Projects in Disputed Areas OP/BP 7.60	No	The project will not finance activities that take place in disputed areas.

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 12-Jan-2015

**B. Time frame for launching and completing the safeguard-related studies that may be needed.**

**The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

April 15, 2015.

### IV. APPROVALS

Task Team Leader(s):	Name: Veronica Ines Raffo, Maria Claudia Pachon	
<b><i>Approved By:</i></b>		
Regional Safeguards Advisor:	Name: Francis V. Fragano (RSA)	Date: 09-May-2016
Practice Manager/Manager:	Name: Aurelio Menendez (PMGR)	Date: 10-May-2016

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.