



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 03-Apr-2017 | Report No: PIDISDSA20819



**BASIC INFORMATION**

**A. Basic Project Data**

Country Eastern Africa	Project ID P160488	Project Name LAKE VICTORIA TRANSPORT PROGRAM - SOP1, RWANDA	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 24-Mar-2017	Estimated Board Date 25-May-2017	Practice Area (Lead) Transport & ICT
Lending Instrument Investment Project Financing	Borrower(s) Ministry of Finance and Economic Planning, Republic of Rwanda	Implementing Agency Rwanda Transport Development Agency (RTDA)	

Proposed Development Objective(s)

The program development objective is to facilitate the sustainable movement of goods and people in the Lake Victoria region, whilst strengthening the institutional framework for transport safety.

The project development objective for SOP1 Rwanda is to improve the efficient and safe movement of goods and people along the regional corridor from the border crossing at Rusumo to the border crossing at Nemba and Rusizi together with upgrades to road asset management and road safety in Rwanda.

Components

- Improving the physical infrastructure
- Improving the institutional infrastructure and implementation assistance

**Financing (in USD Million)**

Financing Source	Amount
Borrower	23.00
International Development Association (IDA)	81.00
<b>Total Project Cost</b>	<b>104.00</b>

Environmental Assessment Category

B - Partial Assessment

Decision

The review did authorize the preparation to continue



Other Decision (as needed)

## **B. Introduction and Context**

### Country Context

Rwanda comprises four provinces<sup>1</sup> and the City of Kigali, all divided into thirty districts. According to provisional results from the fourth Population Census, 2012, the total population is 10.5 million, with a population density of 416, the highest in Africa. Rwanda has been experiencing impressive economic growth, with an average growth rate of 7.7 percent in the last decade, primarily driven by the service, agriculture and mining sectors. Despite this growth, Rwanda is still amongst the poorest countries in the World. With the GDP per capita of US\$697 (2015), the national poverty head count was high at 39.1 percent in 2013/14, compared to 44.9 percent in 2010/11.<sup>2</sup> For rural areas, it was higher at 48.7 percent and lower in urban areas at 22.1 percent in 2010/11. With 72 percent of population residing in rural areas and relying on subsistence farming, agriculture is employing about three-quarters of the total employment and generating about 33 percent of GDP. Rwanda imports about US\$2.5 billion of goods, including food products, every year, while agriculture accounts for about 40 percent of total exports from Rwanda.

The Government of Rwanda (GoR) has shown clear commitment to address development challenges with policies and strategies for economic and social transformation that would promote growth with shared prosperity. In particular, the GoR has assigned fundamental importance to the development of the economic infrastructure of the country, and in particular to road transportation. The Vision 2020 sets out the Government's goal to promote Rwanda to middle income status. In order to achieve the long-term goals, the GoR has formulated a medium term strategy, EDPRS II, covering the period 2013 to 2018. EDPRS II has four strategic themes: (i) economic transformation; (ii) rural development; (iii) productivity and youth employment; and (iv) accountable governance. Development of the road infrastructure constitutes one of the economic development strategies for the reduction of poverty and for stimulating social-economic growth: facilitating access to domestic/international markets and ensuring favorable conditions for provision and distribution of imported products within the country, improved road infrastructure increases internal production and, in general, economic welfare.

In recent years, the Government of Rwanda (GoR) has implemented several ambitious programs (i.e. crop intensification program, one cow per poor family, accessing fertilizers, etc.) to increase productivity in the agriculture sector. But poor physical infrastructure – exacerbated by hilly/mountainous topography – remains

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<sup>1</sup> Northern, Eastern, Southern and Western.

<sup>2</sup> National Institute of Statistics of Rwanda (2015). Rwanda Poverty Profile Report: Integrated Household Living Conditions Survey 2013/14.



a major constraint to increasing access, diversifying production, and enhancing competitiveness. As a result of isolation, insufficient all-season connectivity and high transport costs, farmers have difficulties sourcing and transporting key inputs (like seeds or fertilizers) and marketing their products. A significant part of perishable products are lost or damaged in transit. The lower farm gate prices of agricultural products perpetuate basic subsistence agriculture since poor farmers cannot save enough to modernize.

### Sectoral and Institutional Context

Transport infrastructure in Rwanda is comprised of: (a) Road transport – with a relatively well developed road network, which remains the main form of passenger and goods transportation, corresponding to a road density of 0.53 km/sq km, (b) Air transport - with one international airport and six aerodromes spread across the country, and (c) water transport - limited mainly to Lake Kivu. Rwanda does not have a rail transportation system. Compared to its neighbors, Rwanda has the highest transport costs estimated at 40% of value of imports or exports; these costs are about 12% and 36% in Kenya and Uganda respectively. Rwanda has a well-established road network comprising about 30,000 km of classified and unclassified roads. About 14,400 km is classified, and consists of 2,749 km of National Roads and 3,848 km and about 7,800 km of District Class 1 and 2 Roads, respectively. Out of these, only 1,250 km of national and 58 km of district roads are paved. Intensive road rehabilitation works focused primarily on national roads over the last decade, and Rwanda has achieved a notable success in maintaining the national network.

The context in Rwanda’s regional integration efforts and its trade facilitation and logistics progress is best understood through highlighting recent developments both in country and along the Northern and Central Corridors and identification of selected gaps and challenges across hard and soft trade infrastructure and its connectivity to markets. Rwanda has been an active trade reformer in the EAC region recognizing that its location on the northern and central corridors implies the need extract as much efficiency as possible from its trade logistics and facilitation system. There has been a large improvement in the reduction of non-tariff barriers (NTBs) that existed along the corridors, particularly in relation to import and export from Rwanda. For instance, the World Bank report on *Doing Business Trading Across Borders (2007)* had indicators data showing how the change in barriers has taken place over the past decade. DB 2007 data suggested that it used to take 95 days to import and 60 days to export from Rwanda. In 2015, the last time the same methodology was used, import time fell to 27 days and export to 26 days. In Rwanda, this was due to an extensive reform program that included simplifying trade transactions and automation to implement a national single window, reducing the number and improving the coordination of border agencies including for inspections, introducing risk management for border control, and investing in one-stop border posts (OSBPs) that facilitate trade.<sup>3</sup>

The Northern and Central corridors have established observatories to monitor the performance of both corridors. These Transport Observatories emerged as the result of the efforts made over the years to address the specific challenges faced by landlocked developing countries. Corridor performance depends on a complex combination of factors involving public and private entities (logistics operators, control and enforcement agencies), hard and soft (transport infrastructure and facilities, legal and regulatory environment, procedures

<sup>3</sup> <http://documents.worldbank.org/curated/en/313321467998192410/Export-diversification-in-Africa-the-importance-of-good-trade-logistics>



and practices). The objective of Corridor Transport Observatories (CTOs) is to help understanding of the obstacles so that remedial actions be identified and implemented.<sup>4</sup> The Central Corridor was set up to enable Central Corridor TTFA achieve its vision of making Central Corridor the most competitive Corridor in East and Central Africa by monitoring a number of Corridor Performance Indicators. Those Indicators provide a set of tools for the diagnosis of problems relating to high Transport Costs along the Corridor through Identifying areas requiring improvements. CTOs have since recorded improvements in the Port of Mombasa, removal of NTBs (road blocks and multiple weigh stations), improved trade facilitation at borders, investments in trucking fleets, and other related reforms.<sup>5</sup> An evaluation of the Rwandan single window implementation in 2015 suggests that almost as much as US\$18 million has been saved in trade costs with a reduction in the average time to clear imported goods through customs from 264 hours (11 days) in 2012 to 34 hours (1.5 days) after implementation. Export clearance times dropped from 67 hours (about 3 days) to 34 hours (about 1.5 days).<sup>6</sup>

In Rwanda, despite the above gains, poor infrastructure and trade facilitation costs are often identified as a critical constraint by business operators. Dar es Salaam port is about 1,500 km from Kigali, the transport cost is estimated at US\$96.1 per ton, and it takes about 19.5 hours direct travel time. For a landlocked country like Rwanda, high transport costs are crucial. About 60 percent of the firms in Rwanda rely on imports for inputs and/or supplies with the cost of each additional day of delay is estimated to be as much as US\$200-400, adding to high transport costs.<sup>7</sup> The current trade and transport costs and travel time are a significant burden on the economy. It costs US\$4,990 per 20-foot container to import goods, which compares unfavorably with Tanzania, a regional gateway country (US\$1,615 in 2014).<sup>8</sup> Firms may often miss business opportunities because of unanticipated shipment delays, have to be prepared to bear extra inventory costs as well as additional days of inventory of main inputs, which compares unfavorably to non-landlocked neighboring countries.

The National Logistics and Distribution Strategy endorsed by Cabinet in 2013 aimed to mitigate Rwanda's logistics challenges particularly its high cost of trade and transform Rwanda's logistics system and establish logistics and distribution facilities (hard infrastructure gaps) strategically aligned to production centers to yield a competitive advantage for Rwandan firms and exporters. Dubai-based marine terminal operator DP World recently (January 2016) won a 25-year concession to develop and operate the Kigali Logistics Center (KLC), a project expected to enhance Rwanda's logistics industry to support the export of its products for regional and international markets. The KLC is also expected to increase traffic to and from Rwanda.

Equally, the faster movement of goods and people at the border crossings can be facilitated by improving border management (soft infrastructure gaps) at the One Stop Border Posts (OSBP). Unlike with the EAC partner states, Rwanda does not have a legal agreement under which it can develop the OSBP with DRC. However, for the OSBP to function efficiently, it is essential that operations of both sides of border are

<sup>4</sup> <https://www.ssatp.org/sites/ssatp/files/publications/SSATPW98-Guidelines-Corridor-Observatory.pdf>

<sup>5</sup> <http://www.ttcanc.org/reports.php>: <http://observatory.centralcorridor-ttfa.org/index.php/en/dashboard/listIndicators>

<sup>6</sup> <http://documents.worldbank.org/curated/en/248011488807240462/pdf/113173-BRI-IFC-SMART-LESSONS-BRIEF-PUBLIC-20170303T111535-2017-Rwanda-Single-Window-Trade-A.pdf>

<sup>7</sup> Based on the 2011 Business Environment and Enterprise Performance (BEEP) data.

<sup>8</sup> Latest available figures in the World Bank Doing Business data are for 2014.



efficient and coordinated. In that sense, the need for an Integrated Border Management (IBM) strategy and implementation at the OSBP is crucial. Additionally, at other border posts, Rwanda has developed Joint Border Coordination Committees. While these steps are likely to take some detailed preparation, in general coordination levels with the DRC in relation to border issues has achieved some recent successes. In particular DRC is the first country that Rwanda has completed the demarcation of its borders amongst its neighbors.

By contrast, domestic connectivity in Rwanda, especially along the primary road network connected to Kigali, is relatively good compared with regional connectivity, although rural accessibility remains challenging. For instance, the road distance from Rwamagana to Bukoba (on Lake Victoria) is 6 times longer than that to Kigali, and the cost to Bukoba is more than 7 times higher than that to Kigali. As the result, most of the current traffic tends to be concentrated on major National Roads, such as NR1, NR2 and NR4, connected to Kigali. This has a significant implication to traffic congestion in the City of Kigali, which has been becoming worse in recent years. All these major roads have to pass through Kigali, because the quality of the other roads is relatively poor.

Against these backgrounds, the project aims at promoting the efficient and safe movement of goods and people along the regional corridor from Tanzania to Rwanda and other neighboring countries, particularly through the border crossing at a Rwanda-Tanzanian border, Rusumo. The Central Corridor through Tanzania, which extends 2,170km and connects Uganda, Rwanda, Burundi and Democratic Republic of Congo (DRC) with Dar es Salaam and its Port. In the Central Corridor context, the Ngoma-Nyanza national road is about 130km distance, which has been divided into two upgrading sections of 119.35km, namely; Lot 1- Kibungo-Ramiro (52.8km), and Lot 2: Kibugabuga- Nshinga - Gasoro (66.55 km). It is an important extension to facilitate more efficient freight movements of cargoes and passengers within the country and across countries, especially from Tanzania to Southern Province of Rwanda as well as Burundi and DRC. The proposed road when upgraded will directly serve about 28 percent of Rwandan population that lives along it. Road user costs would likely to be reduced considerably. By diverting freight traffic from the currently congested National Roads through Kigali, the Capital city congestion would also be relieved. The upgraded road section will also complete the missing southern loop link in the Rwanda national road network.

The main determinant of the traffic that will be generated by the upgrading of the road is the agriculture production and other developments along the road. National statistics show that the population in Bugesera District amounts to 362,000, and together with its neighboring districts (Gashora, Kamabuye, Mayange, Ngeruka, Nyarugenge and Ruhuha), accounts for 40 percent of the total population of the country. Bugesera District is estimated to produce about 230,000 tons of agricultural produce, which accounts for 9.4 percent of total production in the Eastern Province. The agriculture sector is estimated to grow by 4.9 percent per annum. Including agricultural inputs and equipment, this will be generating significant demand for truck transportation.<sup>9</sup>

In addition, the Government of Rwanda set up 330 hectare of land for the Bugesera industrial park, which is located on the NR 5 between Ramiro and Kibugabuga towns. At present only one industry is operating in the

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<sup>9</sup> Feasibility study for design, build and maintenance (DBM) contracting for Ngoma-Nyanza road (130km) upgrading project. Final Report, November 2016



area, a steel rolling mill, producing steel bars and some steel plates obtained from steel scraps. The plant has the capacity of 30,000 ton/year, the current output accounts for 12,000 tons. As adequate infrastructure is developed, more industries are expected to be established in the next 3 years. Although many inputs and outputs would be transported from and to Kigali, significant truck traffic would also be generated along the Ngoma – Nyanza Road.<sup>9</sup>

Finally, a new international airport located at 25km south of Kigali in Bugesera District is expected to come into service in 2018. The new Bugesera International Airport will generate additional passenger and cargo traffic, and the Nyanza-Ngoma will facilitate access to the airport for travelers coming from south-western and south-eastern districts. Currently, Kigali International Airport serves 600,000 passengers per year, which is expected to increase to 878,460 by 2019. In Rwanda, with the steady economic growth in the last five years, the air passenger traffic has grown strongly by about 10 percent per year. Assuming that half of the current traffic would be diverted to the new airport, 20 percent of them would come from Nyanza and Huye, 10 percent from Ngoma and Kirehe, and the average vehicle occupancy is 4 passenger per car, about 60 and 30 light vehicles would pass Kibugabuga-Nshinga-Gasoro and Ngoma-Ramiro section, respectively.<sup>9</sup>

Rwanda places considerable priority on establishing and strengthening the institutions in the transport sector to ensure that they meet their mandate in an effective and efficient manner. The transport sector is under the responsibility of the Ministry of Infrastructure (MININFRA), which aims to enhance quality, sustainability, efficiency and effectiveness of infrastructure facilities in the country. The Rwanda Transport Development Agency (RTDA) was established as an autonomous agency to oversee the transport sector infrastructure in 2010. RTDA is currently mandated with management of 6,500km of national and district classified road network including 1,250km paved roads and rising. RTDA has an annual budget of approximately USD 100 million from the government. It has a staffing strength of 97, of which 63 are technical staff. Rwanda has successfully maintained its road network through establishing in 2003 a functional and independent Road Maintenance Fund (RMF) with a current estimate annual revenue of 35 billion RWF. RMF is covering 100% of the paved roads and 70% of classified unpaved roads using revenue sources that include fuel levies and transit fees collected from traffic passing through Rwanda's borders.

In addition to the management and upgrading of the physical infrastructure, there are several other initiatives relating to safety and sustainability in the road transport sector. However, road safety, axle load control and integrated border management deserve closer attention. There are 8-axle load stations at entry points in Rwanda which are non-operational at this time for various reasons including lack of appropriate computer software. RTDA and the National Police have the mandate of checking and enforcing axle load control, however, they do not have sufficient means either in regulation or operational equipment. RTDA needs to commission assistance to make recommendations to improve/implement effective axle load regulation in harmonization with the EAC.

Improvements to road infrastructure coupled with speedy movement of people and goods have also increased hazards to the dwellers along the roads. World Health Organization (WHO) data estimates that 1.2 million people worldwide, and 3,782 in Rwanda, died in 2013 as a result of road traffic injuries (RTI). In Rwanda, the rate of RTI per 100,000 population is tied with Iran as the eighth worst in the world at 32.1, only slightly better than Tanzania's rate of 32.9. Across Sub-Saharan Africa, RTI's are expected to increase from the 10th leading cause of death in 2015, with 243,000 deaths (or 25 per 100,000 population), to the 6th leading cause of death



in 2030, with 514,000 deaths (38 per 100,000). Not all groups are equally vulnerable to RTIs, and they are the leading cause of death globally among those aged 15-29 (13.1% of all deaths, and especially for males in this age group (18.3% of deaths). Approximately 90% of RTI deaths occur in low- and middle-income countries (LMICs).<sup>10</sup> An assessment of post-crash response systems – one of the five pillars of road safety – is needed in Rwanda and the project provides the opportunity to support this activity and provide the basis for improving the system along the project corridor following Safe System approach during implementation.

### C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The program development objective is to facilitate the sustainable movement of goods and people in the Lake Victoria region, whilst strengthening the institutional framework for transport safety.

The project development objective for SOP1 Rwanda is to improve the efficient and safe movement of goods and people along the regional corridor from the border crossing at Rusumo to the border crossing at Nemba and Rusizi together with upgrades to road asset management and road safety in Rwanda.

#### Key Results

**The Program Level Indicators.** Progress towards the attainment of the program objectives will be assessed through the program indicators outlined below.

- (a) Reduction in travel time between defined origins and destinations (percentage);
- (b) Reduction in transport cost for users (percentage);
- (c) Actual throughput/capacity in the lake ports/border crossings (million tons per annum);
- (d) Direct project beneficiaries of improved roads/ports/ferries (number), percentage of which female; and
- (e) Share of rural population with access to all-weather road/ferry service (percentage); number of rural people

**PDO Level Results Indicators.** The project development objective will be realized by the following components: (i) Component 1: Improving the Physical Infrastructure and (ii) Component 2: Improving the institutional infrastructure and implementation assistance. Progress towards the attainment of the PDO will be assessed through the following indicators (detailed in Section VII).

- (a) Reduction in travel time from Kibugabuga to Gasoro (hours);
- (b) Reduction in transport cost for users (percentage);
- (c) Roads in good and fair condition as a share of total classified road network in Rwanda (Percentage);
- (d) Direct project beneficiaries (number);
- (e) Share of rural population with an access to all-season road (Percentage);
- (f) National roads network sections maintained using Road Maintenance Fund (km); number of permanent jobs created using Local Community Associations (LCAs)
- (g) Survey reports on citizen engagement available (Yes/No);

<sup>10</sup> WHO Global Status Report on Road Safety 2015.





- (h) Road safety measures introduced from Kibugabuga to Gasoro (Yes/No); Guardrails and Footpaths for pedestrian & vehicle safety (km); and
- (i) Progress on post-crash response (Yes/No).

## D. Project Description

### Project Components

The LVTP SOP1, Rwanda (Ngoma-Nyanza road) represents the first project(s) to be prepared under the Integrated Corridor Development Initiative (the Intermodal Strategy) in the East Africa Community (EAC) countries. The Bank financing is sought for upgrading of the proposed road section under Lot 2: Kibugabuga-Nshinga - Gasoro (66.55 km), and it includes 3-year multi-year maintenance. The components, the constituent activities and provisional costs for SOP1 in Rwanda are described below:

**Component 1: Improving the physical infrastructure** including:

**Sub-component 1.1: Road Infrastructure - Upgrading Ngoma-Nyanza road Lot 2: Kibugabuga- Nshinga - Gasoro (66.55 km).** The improvement of the primary infrastructure through design, build (30-months) and maintenance (3 years after completion of works) for Lot 2- Kibugabuga- Nshinga - Gasoro road section 66.55km as part of the Ngoma-Nyanza upgrading road section (119.35km) including drainage structures, and other necessary complementary infrastructure for corridor management. The cost of this sub-component includes physical contingencies at 10%, whereas the contract shall be awarded on Lump sum fixed price basis. The implementation will be accomplished using Design-Build-Maintain (DBM) type of contracting, and among key implementation features Safe System approach for road safety will be an integral part of the road design and implementation of works.

**Sub-component 1.2: Implementation of the Resettlement Action Plans (RAPs)** - related to road works on Lot 2 Kibugabuga- Nshinga - Gasoro road section under sub-component 1.1 above with counterpart contribution by the GoR.

**Component 2: Improving the institutional infrastructure and implementation assistance** - This component will provide support to strengthen and harmonize the institutional framework to ensure safe and efficient operation of private and public transport including cargo and transit traffic, and capacity building and assistance to support implementation of the project, including:

**Sub-component 2.1: Monitoring/supervision of Upgrading Ngoma-Nyanza road Lot 2: Kibugabuga- Nshinga - Gasoro (66.55km).** Technical assistance (TA) to RTDA for monitoring of the Design-Build and Maintenance (DBM) civil works for Lot 2, Kibugabuga- Nshinga - Gasoro road section 66.55km including review and approval of design reports prepared by the Contractor as well as monitoring of implementation of the ESIA, RAPs, and Safe System approach along the road corridor. As part of this TA, an assessment of the post-crash response system will be made and recommendations provided to the affected line ministries for follow-up and implementation.

**Sub-component 2.2: Technical Assistance (TA) to RTDA and Implementing Agency and Ministry;** (1) support to Single Project Implementation Unit (SPIU) in RTDA for Program Implementation including incremental



operating cost; (2) TA to review and update of the Axle Load Enforcement; (3) TA and training to RTDA/MININFRA to build capacity in Environment and Social safeguards (including on gender related risks); (4) TA for baseline surveys and monitoring and evaluation of the project activities; (5) TA to strengthen the Technical and Fiduciary systems at RTDA; and (6) TAs for Technical and Safeguards Audits.

**Partnerships under parallel financing.** The Japan International Cooperation Agency (JICA) have expressed interest to provide a loan to upgrade part of the Ngoma – Nyanza road based on terms to be negotiated between the GoR and Government of Japan (GoJ). This parallel loan will support the upgrading of Lot 1-Kibungo-Ramiro (52.8km) section of Ngoma – Nyanza upgrading road section of 119.35km, and GoR have formally requested JICA to finance the upgrading of above road section as part of the bilateral cooperation between GoR and GoJ. The financing will cover the cost of works, detailed design and supervision consultancy services as well as a separate Technical Assistance (TA) for capacity building of the national contracting entities in asphalt road construction. GoR will provide funds for implementation of the RAPs and payment of taxes (VAT and Import Duties). The construction works will be implemented following the traditional approach with the detailed design expected to be conducted by a consultancy firm before procurement of works contractor. JICA will not finance the maintenance of the completed road works, which will be taken over by the government under the Rwanda Road Maintenance Fund.

**Integrated Border Management at Rusizi I.** The immigration department and RRA have identified the need to engage at an early stage with their DRC counterparts to agree on the different aspects and issues related to the OSBP at Rusizi I. Unlike the EAC partner states, Rwanda does not have a legal agreement under which it can develop the OSBP. This legal agreement would need to be approved by the Rwandan Parliament. It is important that the legal agreement be completed to ensure that both parties have clarity on the OSBP model and the responsibilities for each party. As such the government is contemplating parallel financing to implement IBM at Rusizi I. This would include work on finalizing the legal agreements, workflow and process design among other areas and include capacity building, stakeholder sensitization, training and monitoring and evaluation. IBM is already under implementation at Rusizi II, which is located near Rusizi I, under TMEA support using grant financing.

## E. Implementation

### Institutional and Implementation Arrangements

The Lake Victoria Transport Program will be implemented by a defined Project Implementation Team (PIT) in each of the three countries. These national level teams will be coordinated by a steering committee established under the Lake Victoria Basin Commission (LVBC), based in Kisumu, and the EAC Secretariat, based in Arusha. The latter would also support the harmonization and implementation of the necessary changes to the institutional framework to support the introduction of safe and efficient transport on Lake Victoria and the regional transport network.

At the national level, under the overall coordination by the Ministry of Infrastructure (MININFRA), the project in Rwanda will be implemented by the Single Project Implementation Unit (SPIU) within the Rwanda Transport Development Agency (RTDA) as the lead agency dealing with coordination for restoring the physical infrastructure and strengthening the institutional framework for transport. RTDA will serve as the direct



interlocutor with the Bank and establish an oversight steering committee monitoring mechanism, and report semi-annually on progress to the Bank and stakeholders. SPIU is currently serviced by contractual staff that was competitively selected by the RTDA. It will play a supervisory role, offering guidance to project implementation, focusing on technical, procurement, supervision, social and environmental safeguards, and financial management aspects. Roles and responsibilities of dedicated SPIU staff will be provided to the Bank as part of the Project Implementation Manual (PIM) prior to negotiation. RTDA will draw on expertise from the RRA, Directorate of Immigration and Emigration (DGIE), and Rwanda National Police (RNP) for the coordination of parallel implementation of IBM; and Road Safety respectively. RMF will provide guidance on the sustainability of the investments. Other implementation oversight and coordination will be done as mapped out in Figure 2 below.

RTDA will organize quarterly project steering committee review meetings during implementation owing to the multi-sectoral nature of activities involving various ministries and agencies in Rwanda. The Rwanda Environmental Management Agency (REMA), Ministry of Disaster Management and Refugees Affairs (MIDIMAR), and Ministry of Gender and Family Promotion (MIGEPROF) will advise on cross-cutting areas relating to safeguards, climate change and disaster risk mitigation; and main-streaming of gender in project design and implementation. Ministry of Agriculture (MINAGRI) and Ministry of Trade, Industry and East Africa Community Affairs (MINEACOM) will be engaged time-to-time as part of key patrons of the proposed investments and reforms for the improved economic growth and regional development dynamics.

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

The project will upgrade Ngoma-Nyanza national road, a 130km distance divided into two upgrading sections of 119.35km, namely; Lot 1- Kibungo-Ramiro (52.8km), and Lot 2: Kibugabuga- Nshinga - Gasoro (66.55 km). This is an existing road, which will require upgrading along with other accompanying works, such as drainage and laying of the optic cable. The proposed project has moderate environment impact localized to the project site, therefore the project was assigned EA category B. The project triggers WB OP 4.01 – Environmental Assessment, OP 4.04 – Natural Habitats and OP 4.11 – Physical Cultural Resources - OP 4.12 on Involuntary Resettlement as physical displacement and economic displacement will result in land acquisition and relocation. The policy on Natural Habitats applies as the road crosses two wetlands, which are addressed in ESIA as per provisions of OP 4.04. ESIA and RAPs for the project have been prepared and disclosed in-country on March 21, 2017 and in the Bank's InfoShop on March 23, 2017 before project appraisal. ESIA identifies project impacts including potential disturbance of the national habitats, and construction related impacts, such as management of vibration, borrow pit management, road safety training for stakeholders in the road corridor, prevention of HIV/AIDS and sexually transmitted diseases, worksite health and safety, general environmental management of construction sites, quarry sites and borrow pits, solid waste disposal, traffic management, access, road safety. A socio-economic survey and valuation of the affected assets and livelihoods was undertaken as part of RAP. Compensation and resettlement assistance will be carried out before the commencement of the civil works. As the project is following DBM type of contracting for construction and maintenance, the final road design shall be completed by the Contracting Entity with subsequent necessary updates, as needed, to the disclosed ESIA's



RAP that shall be cleared by the Bank, and re-disclosed for compensation prior to start of any civil works. Lot 1 of the project is planned to be implemented through JICA financing yet to be secured by the Government. JICA safeguards policies refer to the World Bank’s safeguards policies, thus World Bank Safeguards Policies will apply also under Lot 1 throughout the project life (preparation and implementation). The government will ensure that the Lot 1 will remain subject to the World Bank Safeguards requirements.

**G. Environmental and Social Safeguards Specialists on the Team**

Svetlana Khvostova,Lilian Wambui Kahindo

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The project has prepared an ESIA together with ESMP, which will be publicly disclosed in Rwanda and in the Bank InfoShop prior to Project appraisal. The ESIA findings confirmed proposed EA Category B, as the impacts are going to be localized to the project site and largely reversible with diligent implementation of the project ESMP.</p> <p>The ESIA and ESMP have undergone public consultations with the project stakeholders, which revealed broad support to the project and provided suggestions that were included in the ESMP. The project will mitigate the identified negative impacts by (i) ensuring that all safeguards instruments i.e. the Environment and Social Management Plan and the Resettlement Action Plan, are disclosed and implemented in full; (ii) providing support to the Districts through the RTDA team to manage, supervise and implement the safeguards instruments.</p>
Natural Habitats OP/BP 4.04	Yes	<p>The policy triggered as the road crosses three natural habitats: Gako natural reserve and Akagera and Akanyaru wetlands. Akagera wetland complex was proposed to be a RAMSAR site, while Akanyaru wetland was recognized recently as an Important Birding Area.</p>



These habitats are not expected to be impacted by the project, as there is an existing road corridor, precautionary measures were proposed in the ESIA to ensure proper resources management and safety of construction activities. The goal of the project mitigation measures is to ensure that the ecological functions of the wetlands are retained.

Forests OP/BP 4.36 No

Pest Management OP 4.09 No

Physical Cultural Resources OP/BP 4.11 Yes Physical Cultural Resources (PCR) were not identified along the road corridor. However, ESIA includes a "Chance Finds" procedure to handle any accidental finds.

Indigenous Peoples OP/BP 4.10 No

Involuntary Resettlement OP/BP 4.12 Yes The project has developed a Resettlement Action Plan (RAP) that was disclosed in Rwanda on March 21, 2017 and Bank Infoshop on March 23, 2017. A socio-economic survey and valuation of the affected assets and livelihoods was undertaken and a compensation proposed as part of RAP. Compensation and resettlement assistance will be carried out before the commencement of the civil works. As the project is following DBM type of contracting for construction and maintenance, the final road design shall be completed by the Contracting Entity with subsequent necessary updates, as needed, to the disclosed RAP that shall be cleared by the Bank, and re-disclosed for compensation prior to start of any civil works. The socio-economic Survey was conducted between June and August 2016 and was completed for the entire project road and, separately for three sections namely, (i) Kibungo – Ramiro proposed under JICA parallel financing (52.8 km), (ii) Kibugabuga – Shinga (42.2 km), and (iii) Shinga – Gasoro (24.15 km). The last two sections have been combined into Lot 2 - Kibugabuga- Nshinga - Gasoro (66.55 km) to be financed under the proposed project.

The Resettlement Action Plan highlighted that up to 312 Project Affected Households (PAHs) will be physically displaced with a total number of 1,966 Project Affected People (PAPs) along road divided



into two lots, namely; Lot 1 - Kibungo (in Ngoma District) to Ramiro (in Bugesera District) with 68 PAHs and 429 PAPs, and Lot 2 - Kibugabuga (in Bugesera District) to Nshinga (in Nyanza District) and Gasoro (in Nyanza District) with 244 PAHs and 1537 PAPs.

Amid those 312 PAHs, 167 were identified to be vulnerable as widows/divorcee women, including 52 in Nyanza, 32 in Bugesera and 16 in Ngoma districts. In addition to widow/divorcee, 67 PAHs including children heading households and those aged beyond 65 years were identified as vulnerable (39 in Nyanza, 23 in Bugesera and 5 in Ngoma), and would be given additional assistance. All these 312 Project Affected Households (PAHs) to be physically displaced will easily be relocated in their own land given that only 25% of them will loose close to or above 50% of their plots. In total, 586 households will be partially affected by losing crops, trees, land and part of premises without necessarily having to be displaced to give way for the implementation of the proposed road-upgrading project. Also, 11 social structures, which include 4 schools, 2 churches, 4 hospitals and 1 market, which will be partly or completely affected. From the market 100 traders will be temporarily economically displaced.

Safety of Dams OP/BP 4.37	No
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

## KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

### A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The improved conditions at Ngoma-Nyanza road are expected to result in positive impacts such as increased employment and temporary income generation during construction and increased accessibility and mobility of people and goods, reduced travel time and travel costs after the completion of road upgrade. During construction there will be a number of land preparations, excavations, soil disturbance and increased traffic around the sites as a result of heavy trucks delivering various construction materials and machineries and equipment taking away the generated



waste including construction debris. All these have potential to pollute and degrade the environment through soil erosion, noise, dust, vibration and air pollution. Health and safety of workers and communities are also a concern, such as spread of STD/HIV amongst the construction workers and within the community in the vicinity of construction activities. In addition to general issues related to construction activities, the Project triggered policy on Natural Habitats (OP 4.04), as the Project road crosses three natural habitats, Akagera and Akanyaru wetlands and Gako natural reserve which requires additional mitigation measures to be implemented during construction activities to avoid encroachment, degradation and or long term impacts on these natural habitats.

Amid the 312 PAHS, 167 were identified to be vulnerable as widows/divorcee women, including 52 in Nyanza, 32 in Bugesera and 16 in Ngoma districts. In addition to widow/divorcee, 67 PAHs including children heading households and those aged beyond 65 years were identified as vulnerable (39 in Nyanza, 23 in Bugesera and 5 in Ngoma), and would be given additional assistance. In total, 586 households will be partially affected by losing crops, trees, land and part of premises without necessarily having to be displaced to give way for the implementation of the proposed road-upgrading project. Also, 11 social structures, which include 4 schools, 2 churches, 4 hospitals and 1 market, which will be partly or completely affected. From the market 100 traders will be temporarily economically displaced.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: Long term impacts of the Project are largely positive such as reduction in travel time and costs, improved connectivity, accessibility and mobility in the rural areas, improved movement of goods and trade towards improvement of local economy, increase in social and industrial activity, improved road safety, better drainage system, and reduction in fuel consumption and greenhouse gases.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. Among the project alternatives considered in the feasibility and detailed design include “without the project” scenario, and review of different routes in an attempt to achieve the same connectivity, and use of different construction techniques. The optimal construction techniques identified are going to combine the use of machinery and use of manual labor to maximize job opportunities for the locals.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described. The responsibility for safeguard compliance is fully integrated into the overall implementation arrangements for the project, with the Rwanda Transport Development Agency (RTDA) and having previous experience as the main Implementing Agency implementing several similar projects under government, World Bank and African Development Bank (AfDB) financing. An initial capacity assessment indicates that the Agency has limited capacity for implementation of Bank safeguards. The Agency has environmental and social safeguards officers allocated to the project, but their capacity can be supplemented through collaborating with Ministry of Agriculture (MINAGRI's) safeguards team which provides an opportunity for interagency learning. The districts along the road already have positions of Environmental Officers who are already working with the RTDA in preparing project documentation. They do not, however, have a position of a social expert and will have to rely on RTDA or consulting services for social assessment and management needs. The project includes an allocation for technical assistance for safeguards capacity building. The preparation of the ESIA and RAP have integrated the social safeguards key Transport and ICT screening tool developed by the World Bank Transport and ICT GP.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. As part of ESIA and RAP preparation the Project held a number of public consultations with various stakeholders



including the Project Affected People (PAPs) and other relevant stakeholders at the national level and at the local level (Ngoma and Nyanza District Authorities). Consultations included the following groups of stakeholders: PAPs, local communities interested in the project, RTDA, REMA, Districts local authorities, Water and Sanitation Corporation (WASAC), Rwanda National Police (RNP), Leaders at sector, cell and village levels, Youth and women committees, Opinion leaders, Religious communities. The Minutes of the meetings are included in the ESIA and RAP as annexes.

The ESIA was cleared by Bank on March 15, 2017, and the RAP was cleared on March 10, 2017. Both ESIA and RAP were disclosed in Rwanda local newspapers (including on RTDA website) on March 21, 2017; and in the Bank's InfoShop on March 23, 2017 prior to Appraisal.

**B. Disclosure Requirements**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank  16-Feb-2017	Date of submission to InfoShop  23-Mar-2017	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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**"In country" Disclosure**

Rwanda  
21-Mar-2017

Comments

On RTDA website and summary in local newspapers providing links to RTDA website for full reports.

**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank  20-Feb-2017	Date of submission to InfoShop  23-Mar-2017
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**"In country" Disclosure**

Rwanda  
21-Mar-2017

Comments

On RTDA website and summary in local newspapers providing links to RTDA website for full reports.

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**

OP/BP/GP 4.01 - Environment Assessment





Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

#### **OP/BP 4.04 - Natural Habitats**

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

Yes

#### **OP/BP 4.11 - Physical Cultural Resources**

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

#### **OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

#### **The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



### All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

### CONTACT POINT

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**APPROVAL**

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**Approved By**

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Country Director:	Diarietou Gaye	04-Apr-2017