

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC12150

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Kazakhstan	Project ID:	P153497
Project Name:	Center West Regional Development Corridor (P153497)		
Task Team Leader(s):	Jacques Bure		
Estimated Appraisal Date:	18-Sep-2015	Estimated Board Date:	28-Jan-2016
Managing Unit:	GTIDR	Lending Instrument:	Investment Project Financing
Sector(s):	Rural and Inter-Urban Roads and Highways (100%)		
Theme(s):	Infrastructure services for private sector development (25%), Rural services and infrastructure (25%), Export development and competitiveness (25%), Regional integration (25%)		
Financing (In USD Million)			
Total Project Cost:	1320.00	Total Bank Financing:	1000.00
Financing Gap:	100.00		
Financing Source			Amount
Borrower			220.00
International Bank for Reconstruction and Development			1000.00
Total			1220.00
Environmental Category:	A - Full Assessment		
Is this a Repeater project?	No		

B. Project Objectives

22. The Project Development Objective is to increase transport connectivity and efficiency within the regions along the Center-West corridor and to stimulate provision of access to basic services in less developed, remote, and sparsely populated regions.

C. Project Description

1. The proposed Centre-West road project is part of transit corridor “Baku-Astrakhan-Atyrau-Aktobe-Aktau-Turkmenistan border”, which connects Kazakhstan with Azerbaijan and Europe in the west, with Russia in the north, through Iran with countries of the Persian Gulf, and Uzbekistan and Turkmenistan in the south. Estimated 2,000 km Center-West project will start in Astana and pass through Akmola, Kostanai, Aktobe, Atyrau, and Mangistau oblasts, thus linking two of four identified “urban agglomerations”, and two of the identified “second-tier” towns. The project is expected to contribute to the local development of the regions through which it passes and promote pro-poor growth by overcoming the spatial mismatch between the location of jobs and settlements for low-income residents.

2. It is intended to be mainly of a two lane standard (which indicates a well-grounded consideration of standards and costs), and expand to four lanes through some critical urban locations. Tolling is also to be considered along some sections consistent with a broader tolling plan. The Centre-West corridor will be part of an overall network upgrade program that will also enhance existing links between Astana and Almaty (Centre South from Astana - Pavlodar - Semei - Kalbatau - Ust-Kamenogorsk) and between Astana and Ust-Kamenogorsk (Centre East from Astana - Pavlodar - Semei - Kalbatau - Ust-Kamenogorsk). The Government is aiming for completion of all the corridors by 2020.

3. Out of seven options identified at the pre-feasibility stage, the Government has chosen to study feasibility of the following three routes. The three routes follow only limited sections of existing main highways, with most of its route currently consisting of either local roads or, in the western end, tracks in the desert.

Route 1 traverses Astana, Zhanteke, Egyndykol, Arkalyk, Torgay, Akshiganak, Yrgyz, Shalkar, Kandyagash, Dossor, Beyneu to Aktau (total of 1,997km).

Route 2 traverses Astana, Zhanteke, Egindykol, Arkalyk, Torgay, Akshiganak, Yrgyz, Aktobe, Dossor, Beyneu to Aktau (total of 2,097 km).

Route 3, proposed by CR, traverses Astana, Zhanteke, Egindykol, Arkalyk, Torgay, Karabutak, Aktobe, Dossor, Beyneu to Aktau (total of 1,936 km).

4. At this stage, if one of the above option is adopted, the section proposed for the Bank to finance will remain unchangeable in all the options, it starts from Astana and traverses Zhanteke, Egindykol, Arkalyk to Torgay. All the roads of this proposed section, except for Astana-Zhanteke part, are currently local, or secondary, gravel roads in poor condition ineffectively managed by Akimats. After reconstruction the road will be converted into the republican roads network. But the World Bank and the Government are contemplating an “option zero” by which the exiting main road (Astana, Zhaksy, Kostanay, Karabutak and further West—called “Route 0”) is upgraded. This solution may have a larger economical impact and larger rate of return on the investment.

5. Table 1 gives the current traffic volumes on the Astana-Torgay section in case route 1, 2 or 3 is selected. No origin-destination data is available but, based on experience on other countries, it will be very small compared to the other flows using the roads. The traffic forecasts have therefore been done in two stages:

- Forecasts of total traffic on each road section, allowing for traffic generation as a result of the road improvement but ignoring any impact from long-distance traffic diverting from alternative routes
- Forecasts of long-distance flows which could divert from their current routes as a result of an

alternative route becoming preferable

- Although this approach could result in an element of double-counting, this will be very small compared to the overall traffic volumes.

Table 1 - Route Section with Traffic Volume and Condition Data

Astana-Korgalzhin Arkalyk Road		Dist (km)			
Surface					
(a)	Condition	AADT			
	P-2 Astana Korgalzhin (to Zhanteke)	100	a / b	Satisfactory	2100
	Local road Zhanteke-Egindykol	67	h / u	Unsatisfactory	1000
	Local road Egindykol-Arkalyk	134	Macadam	Unsatisfactory	500
	Arkalyk-Torgay Local road Arkalyk – Torgau	40	a/ b	Good	1000
	Local road Arkalyk-Torgau	250	Part macadam	Satisfactory - 100km	
	Unsatisfactory - 150km	1000			

6. The Project will be a Class II (2-lane) highway between Astana and Torgay with alignment within Akmola and Kostanay oblasts. The project is being prepared based on 6 different road sections of about 100km length each. If the “Route 0” option is adopted later on during the preparation of the project, the road will still remain a Class II road, this time along an existing alignment, therefore at this point in time the ISDS is developed using the options that are currently debated by the Government, i.e., Route 1, 2 and 3.

Section 1 (170 km) starts from about 10 km west from the city center of Astana in suburban Astana, runs in a north-westerly direction toward Zhanteke and further West. This section consists primarily of reconstruction of an existing although very poorly maintained road. The portion of this section that is close to Astana is expected to carry a traffic of about 7,000 vehicles per day. It may be tolled to introduce concession for operation and maintenance of 2 lane road infrastructure. The Western end of the route passes the UNESCO World Heritage-listed Korgalzhyn State Nature reserve, which contains substantial undisturbed areas of Central Asian steppe and lakes, a home for more than 60 rare species of animals and plants, listed in the Red Data Books. The Zhanteke – Egindokyl section of the proposed route passes some distance to the north of Lake Tengiz- Korghalzhyn, a Ramsar wetland that has been protected for nearly 50 years because of the location of the most Northern nesting population of Flamingo (its population in some years may reach 50,000-60,000 birds).

Section 2 (220km) continues West after Zhanteke to Arkalyk. This section will be a green field project as there is no existing roads at present. The new road would go through a semi desert with scattered wetlands and mostly flat terrain with some agriculture land on the last 10 km towards Arkalyk.

Section 3 (290 km) uses the existing road that connects Arkalyk to Turgay. The road also connects settlements in between, all of them being modest in size. The road often runs in parallel to an hydrographic complex made of medium size rivers and their associated tributaries and wetlands.

Project Components

Component 1 (US\$1,208 million): Civil works and Supervision. The component will finance the construction of road sections between Astana and Turgay (or Astana and Kostanay if “Route 0” becomes the preferred option), estimated at a total cost of US\$ ___ million equivalent. This

component will allow the construction of about 750 km of road sections between Astana and Turgay (or Kostanay) based on arrangements identical to the ones already in place under the ongoing SWRP financed by the World Bank. The component includes consulting services for supervision of civil works. Land acquisition and road design costs will be financed through the Borrower's own funds.

Component 2 (US\$ 10 million): Regional Development. The component will finance the preparation of a regional development framework focused on transport and connectivity interventions to address lagging areas along the Center West corridor in Akmola, Kostanay, Aktobe, Atyrau, and Mangistau oblasts that are economically disadvantaged. The aim of the framework will be (a) to make basic services accessible to as much of the population as possible along the corridor, thus moderating the exodus to the cities; and (b) to provide infrastructure to increase density and reduce distances, thus increase what is known as the economic mass of the growth centers. A contribution of transport will be to ensure that sparsely-populated and remote areas are provided with reasonable access to basic services, such as education and health. The framework will identify a range of basic services, including access to health, education, and water/sanitation. In terms of transport there could be a criteria developed based on the size and distance of a community from defined services centers (e.g.: all communities over x thousand will be provided with a paved road; all communities over y thousand will be provided with an unpaved road; all communities over z hundred and >300 kms from service center will be provided with a weekly transport service.).

The component will help Astana, Aktobe and Aktau, and their surrounding regions to develop their regional road networks to facilitate easy access between them and their hinterlands, particularly nearby urban centers. This will facilitate the realization of agglomeration benefits. As well as intra-regional links, growth centers, which by definition are expected to create new jobs, also need good links with the areas from which they expect to attract their new workforces. Many of these links have been covered in the individual modal discussions but one objective could be to ensure that each lagging area is connected to at least one, and preferably two, growth centers by transport links of reasonable standard. These networks are currently the responsibility of municipal, oblast, and national authorities, but the component will look into the planning and investment in a coordinated way.

1. Component 3 (US\$ 2 million): Road Safety. The component will finance the implementation of high priority road safety measures studied and agreed upon under the South West Road Project. The activities will mainly focus on (i) presentation of the road safety strategy during public consultations; (ii) review of designs; (iii) supervision of safety for users and workers on the construction sites; and (iv) infrastructure safety inspection prior to the opening of the new infrastructure.

2. Component 4 (US\$2 million): Project Management. The component will finance Project Management Consultants (PMC) which will assist the CR on management of all activities associated with the project, including supervision of all safeguards and fiduciary aspects. This component also covers TA to support project management capacity of the CR, including training for financial management, procurement, project supervision, and project financial audits. Those arrangements are identical to the ones in place under the ongoing SWRP and EWRP.

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

The section of about 680km proposed for the Bank to finance starts from Astana and traverses Zhanteke, Egindykol, Arkalyk to Torgay in Akmola and Kostanay oblasts. All the roads of this

proposed section, except for Astana-Zhanteke part, are currently local, or secondary, gravel roads in poor condition ineffectively managed by Akimats. The project has all physical characteristics of a large linear infrastructure project, with significant spatial extension, visible impact on landscape, biosphere and land use patterns, strong dependence of its impacts on topography, climate, natural conditions and anthropogenic activity.

The eastern end of the route passes through the area adjacent to the UNESCO World Heritage-listed Korgalzhyn State Nature reserve, which contains undisturbed areas of Central Asian steppe and lakes, a home for more than 60 rare species of animals and plants, listed in the Red Data Books. The Zhanteke – Egindokyl section of the proposed route passes some distance to the north of Lake Tengiz- Korgalzhyn, a Ramsar wetland which is the location of the most Northern nesting population of Flamingo (its population in some years may reach 50,000-60,000 birds).

E. Borrowers Institutional Capacity for Safeguard Policies

The project will be implemented by the Roads Committee (RC) of the Ministry of Investments and Development (Ministry) through its national road operator, JSC KazAvtoZhol (KAZ). Kazakhstan has made good progress with reforming and strengthening its road sector institutions. The Bank supported the Government in the reform aimed to introduce more efficient and commercially oriented management practices. In 2013 creation of the KAZ aimed at the following results, which were aligned with best global practices and supported by the Bank through the ongoing SWRP and EWRP:

- Improved institutional structure with decision making level and sector policy at the Ministry, road sub-sector policy management at the RC, and operational implementation of the road policy at KAZ
- Separation of the client and supplier functions/organizations
- Better management of road assets by a new commercialized organization KAZ

KAZ has built its capacity through implementing projects financed by the World Bank and other international development institutions such as ADB and EBRD. In particular, environmental and social safeguards has become an integral part of the requirements stipulated in the tender documentation for the civil works contractors. Each contractor employs environmental specialists responsible for environmental control, monitoring and reporting. There are two people in KAZ Department for Roads Network Development and Investment Projects responsible for the implementation of the environmental safeguards. KAZ has also benefitted from the safeguards trainings provided by the ADB and the World Bank during last 2 years. Significant progress is observed in relation to the public participation and consultation regarding the road construction works during the project preparation as well as the project implementation and completion. Safeguards related documents are publically disclosed on the existing projects website with the opportunity for the public feedback and discussion.

Nonetheless, the capacity -building efforts will still be required, particularly with regards to the implementation of the land acquisition and the robust grievance redress and monitoring of social impacts around resettlement and land acquisition practices of the client. This is due to the recent the land code changes introduced in 2011, designating the responsibility for resettlement and land acquisition implementation to the local authorities. The local administration has limited knowledge and skills around application of international practices for resettlement and land acquisition

KAZ is now operational with local departments in 14 oblasts, and as a result of their work in

2013-2014 the overall institutional set up and local technical capacity has improved. However, changes in the Government of Kazakhstan structure in autumn of 2014, including in the top positions, led to a lack of coordination and overall understanding between the RC and KAZ. The transfer of implementation of construction and maintenance projects from RC to KAZ, as planned earlier by end 2014, so that the company becomes an operator for the entire republican roads network, has not yet materialized.

As of February 2014, the KAZ has become a part of the JSC Kazakhstan Temir Zholy, a national railway company. At the same time the Ministry remains to be a sole shareholder of the KAZ, which gives grounds for solid involvement of KAZ in the project implementation. TBC

Institutional Framework: The current institutional capacity of the borrower to implement the described measures relies on four main entities currently in charge of country based environmental and social safeguards. Those entities are responsible for: (a) environment; (b) water resources; (c) forestry and hunting; and (d) land management. Construction works are supervised by the Ministry for Environmental Protection (MoEP) and its subordinate agencies. Local units of the MoEP, Environmental Expertise and Nature Use Regulation Department are structured into thematic groups, which at Oblast level include among others (i) environmental expertise, (ii) permitting, (iii) supervision and monitoring, (iv) environmental laboratories. At the Rayon level each of these thematic units is represented by one inspector. The capacity of KAZ to supervise and monitor social impacts is moderate and will require additional capacity building measures.

Projects and operations where negative impacts may occur are usually inspected once per year and carried out by the MoEP staff and/or Oblast and Rayon representatives. During construction works Oblast and Rayon level staff monitor the sites and play a key role in commissioning the finalized project, thereby checking environmental compliance with design and final implementation of all required environmental restoration and recultivation measures. The MoEP regional staff usually contacts the project developers, the contractor's environmental staff and the unit on site, which is a mandatory requirement (called "production control" under the Kazakh legislation).

At the same time, the MoEP and other regulatory bodies have limited resources for the permanent inspections and monitoring of the civil contractors and, in particular, small size limited duration works subcontractors. The capacity of the KAZ, therefore, should be strengthened in order to monitor day to day environmental and health and safety performance of the subcontractors.

The EIA process in Kazakhstan is described in the Environmental code (2007) and a set of detailed implementation instructions. It foresees 4 stages, which correlate with the respective design activities and range from (i) a desk study for pre-feasibility level, (ii) a preliminary EIA and (iii) a detailed ("full") EIA for the detailed design stage and (iv) an EMP as separate section of the design documentation. In this respect the EIA process is both logical and deemed compatible with international good practice.

There have been changes to the expropriation laws in the country. Particularly, the land code introduced in March 2011, introduced new changes around methodology and the compensation rates in addition to designating local administration to be responsible for the land acquisition process. Various legal clarifications have also been issued to date. The Bank will conduct a gap analysis as part of the due diligence process, prior to the project appraisal.

F. Environmental and Social Safeguards Specialists on the Team

Alexei Slenzak (GENDR)
 Lola Ibragimova (GSURR)

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II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
<p>Environmental Assessment OP/BP 4.01</p>	<p>Yes</p>	<p>A safeguards category of A is proposed. This is justified by the extensive new road sections planned under the project. The alignment will run through a variety of areas with different safeguards implications: (i) in zones of intense agricultural use existing irrigation systems will have to be preserved, (ii) where the road would cross rangeland under use for animal husbandry animal underpasses will have to be planned to guarantee the safety of drivers and animals, (iii) in sections through fragile habitats which will have to be protected.</p> <p>There may be cultural sites, human activities or environmentally sensitive habitats along the proposed corridor, such as patches of forest, wetlands, river ecosystems or fragile habitats in desert / semi-desert areas, which may warrant an adjustment or re-routing of the road alignment. This will be presented in the ESIA sections on the description of baseline conditions, potential impacts and analysis of project alternatives, which will review the criteria for alignment selection, review if environmentally friendlier options can be envisaged and will also consider the option of not executing the project.</p> <p>The main envisaged negative impacts during construction is the operation of borrow areas, generation of waste (construction materials, spent consumables, household waste and wastewater from camps), excessive land use, topsoil destruction and erosion. There is also a potential impact on groundwater and surface water from excessive turbidity and siltation, washing equipment in rivers (e.g. cement trucks) and accidental spills involving fuels and lubricants. During operation of the road storm drainage management, soils, ground and surface water contamination by heavy metals, soot and organic compounds (e.g. PAH), noise, dust, air pollution will be the main issues. There is a potential risk of destruction or disruption of natural habitats and ecosystems by poor construction management.</p>

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		The Borrower will prepare the ESIA and EMP which will be reviewed by the Bank team, disclosed and consulted upon by the Borrower.
Natural Habitats OP/BP 4.04	TBD	The road alignment will pass through the area adjacent to the UNESCO World Heritage-listed Korgalzhyn State Nature reserve. The alignment will be checked regarding potential negative impacts on this and other protected areas or natural habitats during project preparation to avoid or mitigate them.
Forests OP/BP 4.36	No	Project does not involve forestry operations. Potential impacts on natural forests will be assessed under OP 4.04. Policy OP 0.36 Forests in not triggered.
Pest Management OP 4.09	No	The use of pesticides or herbicides is not foreseen under the project. The policy is not triggered.
Physical Cultural Resources OP/BP 4.11	TBD	Kazakhstan is a country rich in cultural heritage, especially along the historic silk road corridor. During project preparation the project team will determine with the Borrower whether there are known cultural/historic sites along the alignment, which would trigger the Policy.
Indigenous Peoples OP/BP 4.10	No	No indigenous peoples live in the project area or will directly or indirectly be affected by the project.
Involuntary Resettlement OP/ BP 4.12	Yes	The project is expected to have land acquisition and resettlement impacts due to construction works associated with expansion to four lanes from the existing two. The RPF is expected to be prepared by the client. In case the detailed designs will be clarified at the project preparation, the client will also prepare RAP(s).
Safety of Dams OP/BP 4.37	TBD	
Projects on International Waterways OP/BP 7.50	No	None of the potentially affected water bodies are international. Hence, there are no grounds to trigger OP7.50.
Projects in Disputed Areas OP/ BP 7.60	No	The project is not located in or near disputed areas.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 01-Sep-2015

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

¹ 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.

The team will assist the Borrower to prepare TOR for a Consultancy to prepare the ESIA in a form and standard that can be presented to Bank safeguards for review and approval.

The goal is to have the ESIA's for the project properly formatted, with consistent quality, containing a baseline analysis (incl. special vulnerabilities), a clear impact analysis, a comprehensive discussion of mitigation measures, an analysis of alternative project design options, and a meaningful EMP and monitoring plan, by early September 2015.

For activities under Component 2 the Borrower will be encouraged to prepare the Strategic Environmental and Social Assessment (SESA) for Regional Development Framework (RDF). The SESA will address environmental and social aspects of regional development and identify potential risks/sensitivities to be taken into account in the RDF.

It is expected that a Resettlement Policy Framework will be prepared for the project, based on the ESIA outcomes and the results of the preliminary design options. The RPF is expected to be prepared and disclosed by September 2015. Site-specific RAPs will be prepared for any section where the design would be sufficiently advanced.

IV. APPROVALS

Task Team Leader(s):	Name: Jacques Bure	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Nina Chee (SA)	Date: 08-Apr-2015
Practice Manager/ Manager:	Name: Juan Gaviria (PMGR)	Date: 08-Apr-2015