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

Appraisal Stage | Date Prepared/Updated: 15-May-2018 | Report No: PIDISDSA24815
BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
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<tbody>
<tr>
<td>Cambodia</td>
<td>P165249</td>
<td>KH-Road Asset Management Project II Additional Financing</td>
<td>P150572</td>
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<tr>
<th>Parent Project Name</th>
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<td>KH - Road Asset Management Project II</td>
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<td>26-Apr-2018</td>
<td>21-Jun-2018</td>
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<tr>
<th>Practice Area (Lead)</th>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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<tr>
<td>Transport &amp; Digital Development</td>
<td>Investment Project Financing</td>
<td>The Kingdom of Cambodia</td>
<td>Ministry of Public Works and Transport</td>
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Proposed Development Objective(s) Parent

The PDO is to improve the condition, safety and climate resilience of selected national road corridors in Cambodia.

The project will achieve this objective through (i) the systematic introduction of designs that include climate proofing and road safety measures and the use of performance based contracts; and (ii) by enhancing MPWT's capacity to carry out road maintenance planning, contracting and management.

Proposed Development Objective(s) Additional Financing

The PDO is to improve the condition, safety and climate resilience of selected national road corridors in Cambodia and to provide immediate and effective response in case of an Eligible Crisis or Emergency.

The project will achieve this objective through (i) the systematic introduction of designs that include climate proofing and road safety measures and the use of performance based contracts; and (ii) by enhancing MPWT's capacity to carry out road maintenance planning, contracting and management.

Components

Component A - Road Improvement and Maintenance
Component B - Operationalization of Road Asset Management
Component C - Contingent Emergency Response

PROJECT FINANCING DATA (US$, Millions)

| SUMMARY |
|------------------|--------------------|
| Total Project Cost | 113.00             |
B. Introduction and Context

Country Context

Cambodia has experienced macroeconomic stability since the late 90s and remarkable economic growth. It grew by an average annual rate per capita of 7.7 percent in 2000-2015, ranking among the top 15 economies in the world in terms of economic growth. GDP per capita increased fivefold, from US$ 253 in 1993 to around US$ 1,265 in 2016. Cambodia reached lower middle-income status in 2015. The main drivers of growth have been garment exports, agriculture, tourism and, more recently, construction and real estate. Economic growth eased in the aftermath of the 2009 global crisis, while on average remaining strong, at 7.2 percent in 2010-2015. Growth remained strong in 2016, at 7.0 percent, although some moderation in garment exports and construction has been observed in the first half of 2017. However, robust domestic demand, boosted by rising Foreign Direct Investment inflows, continued low oil prices, export diversification, and a recovery in tourist arrivals, are expected to partly offset moderation of growth in those sectors.
The sustained economic performance has lifted a large proportion of the population above the national poverty line, but Cambodia is still one of the poorest countries in Southeast Asia. Between 2007 and 2013, the incidence of poverty as measured by the proportion of the population living below the national poverty line declined from 47.8 percent to 13.5 percent of the population, leading the country to meet its Millennium Development Goal (MDG) before the 2015 deadline. Most of the poverty reduction occurred between 2007 and 2009, when the headcount rate declined by twenty percentage points, driven by a significant hike in the price of rice, the main agricultural product of Cambodia. Despite this progress, the vast majority of the families that rose above the poverty line did so by a small margin, leaving them at risk in the event of an adverse shock. Poverty reduction in Cambodia has been accompanied by shared prosperity: the real consumption growth of the bottom 40 percent of the distribution was larger than that of the top 60 percent. This was accompanied by a decrease in inequality.

The overall welfare of households described by non-monetary indicators has improved significantly throughout the 2004-2014 period, nonetheless, several challenges remain. Cambodia achieved most of the MDG targets, including those related to poverty reduction, child mortality and maternal mortality. Targets in primary education have been nearly achieved, whereas areas such as gender equality and environmental sustainability have seen less progress. Moreover, the incidence of and death rate due to TB remain high. Cambodia’s Human Development Index in 2015 (UNDP) was 0.56, well below the East Asia Pacific average of 0.72, and also lower than the medium income countries average of 0.63.

Sectoral and Institutional Context

Much of Cambodia’s road network in use today dates back to a phase of reconstruction following the end of unrest in the late 1980s. At that time the emphasis was of necessity on building the maximum number of road kilometers in the shortest period of time, so as to restore the connectivity needed to support economic activity as fast as possible. It was not long, however, before these quickly restored roads began to age, and required periodic maintenance and repair. As funds were scarce, it became increasingly apparent that an integrated asset management approach was needed to optimize expenditure, and thereby sustain the network in as good condition as possible.

The Royal Government of Cambodia (RGC) has since worked to develop a more comprehensive approach to road asset management, and thereby make the best use of its limited resources. With improved asset management and assistance from the donor community, the estimated value of the road network has increased from about US$800 million in 2008 to one with an estimated asset value over US$3 billion in 2016. The share of donor funding to road reconstruction and upgrading in 2016 is about 65 percent of total spending on road construction, which is about US$400 million. This improvement has been due in part to the Government’s strategic use of concessional external funding for reconstruction and upgrading, while allocating increasing amounts of domestic funding for road maintenance. With the increase in road assets, the Government has also been stepping up the allocation on road maintenance in recent the years. In 2011, the Government allocated a total of US$35 million for routine and periodic maintenance and spot rehabilitation. By 2016 this allocation had risen to approximately US$100 million.

However, while impressive, the current allocations are sufficient only to cover routine maintenance, leaving a critical financing gap for periodic maintenance. This gap demonstrates the importance of an integrated program that optimizes the use of funds. Thus the institutional reform agenda of RAMPII
focuses not only on strengthening the Government’s capacity to develop and annually update (in three-year rolling plans) cost-effective plans and programs for maintaining roads, but also on testing the efficacy of output based approaches and greater reliance on the private sector. In addition, the project assists the Government to incorporate disaster risk resilience into its planning framework, in order to reduce costly impacts of extreme climate events.

C. Proposed Development Objective(s)

Original PDO
The PDO is to improve the condition, safety and climate resilience of selected national road corridors in Cambodia.

The project will achieve this objective through (i) the systematic introduction of designs that include climate proofing and road safety measures and the use of performance based contracts; and (ii) by enhancing MPWT’s capacity to carry out road maintenance planning, contracting and management.

Current PDO
The PDO is to improve the condition, safety and climate resilience of selected national road corridors in Cambodia and to provide immediate and effective response in case of an Eligible Crisis or Emergency.

The project will achieve this objective through (i) the systematic introduction of designs that include climate proofing and road safety measures and the use of performance based contracts; and (ii) by enhancing MPWT’s capacity to carry out road maintenance planning, contracting and management.

Key Results
As with RAMPII, achievement towards the PDO will be tracked through Outcome Level Indicators. Although the specification of the outcome indicators is the same as in RAMPII, the targets have been revised to account for the additional activities under the AF.

- Roads in good and fair condition as a share of total classified paved roads (percentage) – (Core);
- Roads rehabilitated, Non-rural (km), with disaster resilience measures (km); and
- Length of road sections of which road safety measures are implemented.

D. Project Description

The AF follows the structure of RAMPII and comprises three components: Component A: Road Improvement and Maintenance; Component B: Operationalization of Road Asset Management; and Component C: Contingent Emergency Response.

Component A: Road Improvement and Maintenance (US$109.46m, IDA: US$106.46m, RGC: US$3.0m) to support the preservation of MPWT’s road network and provide implementation support for the design and supervision of works.
Sub-component A.1: Periodic maintenance and strengthening (US$98.35m, IDA: US$95.35m, RGC: US$3.00m). As scale up of RAMPII investment, the component will finance the rehabilitation, enhanced climate resilience and maintenance of NR4, including about 206 km of existing bitumen-sealed road with an overlay of asphalt concrete, replacement of about 198 km of laterite shoulders with asphalt concrete surfacing, and replacement of current pavement with concrete pavement at flood prone areas, including strengthening and replacement, as necessary, of sub-base and road base-course, using unbound materials or stabilized materials for the road pavement. The civil works will include installation of about 53 km of new drains on both sides of the road, as well as construction of bridges and cross drainages. The periodic maintenance works will be divided into six (6) contract packages, including one contract comprising construction of four (4) box-culverts, two (2) pipe-culverts, and rehabilitation of three (3) bridges along the road. The periodic maintenance will be followed by the application of performance-based road maintenance for a period of five years. The PBC maintenance will comprise five (5) packages. The counterpart funds of US$3m will be used to pay for the remainder of the PBCs after IDA financing ends for that component on May 31, 2026, so as to complete full-length contracts of 7 years (2 years rehabilitation, 5 years PBC).

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<thead>
<tr>
<th>Sub-component A.1: Periodic maintenance and strengthening</th>
<th>Length</th>
<th>Cost (USD)</th>
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<tr>
<td><strong>Package 1: CW1 (PK19+700 to PK60+000, Length=40.3Km)</strong></td>
<td>40.30km</td>
<td>16,210,000</td>
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<tr>
<td><strong>Package 2: CW2 (PK60+000 to PK101+000, Length=41Km)</strong></td>
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<td><strong>Package 3: CW1 (PK101+000 to PK143+000, Length=42Km)</strong></td>
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<td><strong>Package 6: CW6 (Structure from PK19+700 to PK226+000)</strong></td>
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<td><strong>TOTAL</strong></td>
<td>206.30km</td>
<td>98,350,000</td>
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Sub-component A.2: Implementation support (US$6.95m, IDA: US$6.95m, RGC: US$0). Despite support given under RAMPII, MPWT’s preparation, implementation and supervision capacity is still inadequate. The AF will continue to finance consultancy services to undertake: (a) development and implementation of technical options and solutions, cost estimation, contract management and safeguard activities for the civil works; (b) supervision of the civil works and the road maintenance performance-based contracts for the civil works; and (c) development of technical capacities of MPWT staff on good practices and internationally accepted procedures, systems and standards for road construction, project management, contract management, outsourcing, performance-based contracting, social and environmental management (including gender equitable opportunities and responsiveness), and monitoring and evaluation (including community feedback mechanisms).
**Sub-component A.3: (Additional Activity) - Overloading Control (US$1.57m, IDA: US$1.57m, RGC: US$0)**

will provide tools and capacity for MPWT to chase the overloading offences by upgrading the existing weighing stations along the key road corridors and installing weighing stations on selected national road sections. These will help MPWT to appropriately share risks to road durability caused by overloading with PBC contractors. The component will finance the purchase of 8 sets of weighing stations, which will be installed on the NR3, NR4, NR7 at key intersection areas.

**Sub-component A.4: (Additional activity) - Speed-limit Zoning, Safety Corridors and Feeder Road Improvement (US$2.59m, IDA: US$2.59m, RGC: US$0)**

will improve speed-limit zoning, including: (a) the installation of guide-signs approaching in speed-limit zones, (b) installation of solar-powered lights and surveillance cameras for speeding offences record, (c) setting up other road safety facilities recommended by road safety audits; development of safety corridors; and improvement of feeder road intersections. Speed-limit zoning will be established in accident-prone areas (black spots); in major urban areas along the RAMPII and RAMPII-AF roads; and in areas approaching schools and markets.

**Component B: Operationalization of Road Asset Management (US$3.54m, IDA: US$3.54m, RGC: US$0)**

will finance program of activities to strengthen the institutional, organizational and technical capacity of MPWT to perform its road asset management functions through:

**Sub-component B.1: System Upgrading and Technical Capacity Development (US$1.20m, IDA: US$1.20m, RGC: US$0).** The AF will continue supporting road asset management improvement within MPWT including: (a) upgrading and operation of the road data collection and management system of MPWT’s road asset management office through (i) improving the operation of the Road Data Collection and Management Unit (RDCMU) under RAMO and the effective implementation of the Road Management Decision Support (RMDS) system, (ii) strengthening of the data collection methodology including climate resilient data collection, (iii) reviewing of the current modeling system, and developing simplified models for three-year rolling maintenance plans, and (iv) development of a useful reporting format for the results of model simulation and training; (b) upgrading of the RAMS software; (c) preparation of short-term and medium-term road improvement and maintenance program/projects maximizing financing for sector development; (d) upgrading and calibrating in-use models periodically through the appointment of a RAMS expert; (e) minor maintenance and upgrading of IRI survey equipment and falling weight deflectometer; (f) hydrological survey on the project roads; and (g) safeguards training for staff of the Social and Environmental Office of the MPWT.

**Sub-component B.2: Community-based Road Safety Campaigns and Road Safety Audit (US$0.50m, IDA: US$0.50m, RGC: US$0).** As the AF covers an additional road, it will finance (i) road safety awareness raising for road users living within the road corridors and along NR4, with differentiated messages and engagement for men and women, as needed, and (ii) road safety audits of project roads, including active community engagement and feedback. Recommendations from the safety audits will be used to inform the road designs and also as inputs for Sub-component A.4 Speed-limit Zoning, Safety Corridors and Feeder Road Improvement.

**Sub-component B.3: External Financial Audit (US$0.08m, IDA: US$0.08m, RGC: US$0)** will cover the service of external financial audit for the AF secured by MEF in bundling with other projects. The audit will be carried out annually over the project’s life (7 years), the cost of which will be paid by the AF.

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1 Formerly Activity B3 in RAMPII will cease with the AF, as the financial management capacity of MPWT has been substantially enhanced and does not require further support from the AF. Moreover, the internal audit will be undertaken by the Client, with close oversight by MEF.
**Sub-component B.4: Procurement Support (US$0.22m, IDA: US$0.22m, RGC: US$0)** will finance services of international and national procurement experts. The service of an international expert is expected for about 12 person/months, while the services of a national expert is for about 24 months.

**Sub-component B.5: Incremental Operating Costs (US$1.54m, IDA: US$1.54m, RGC: US$0)** will provide operational support for day-to-day management of the AF.

**Component C: Contingent Emergency Response (US$0)** will, if triggered, enable immediate response through the reallocation of project proceeds to activities within the scope of the project in the event of an eligible crisis or emergency.\(^2\)

### E. Implementation

Institutional and Implementation Arrangements

The project will be implemented using the existing RGC organizational structure and institutional arrangements, particularly within MPWT. As in RAMP II, a separate Project Implementation Unit will not be used. The MEF is the formal point of contact between RGC and IDA on all financial and legal matters for the Credit and represents RGC in discussions on these matters. MPWT is responsible for overall technical supervision, execution and management of the AF. The General Department of Public Works (GDPW) will be responsible for the day-to-day implementation, supervision and operation of the AF, including contracting and direction of all consultants, and will be the employer for all civil works contracts. The General Department of Administration and Finance (GDAF) will be responsible for the financial, procurement, capacity development, training and public disclosure matters of the project. The general Department of Planning and Policy is responsible for safeguards, M&E, climate resilience. The General Department of Transport (GDT) will be responsible for road safety aspects and overloading. The General Department Technical Affairs will be responsible for producing annual road maintenance and three-year rolling plans.

**Project Management: Project Director (PD)** – is accountable to MPWT. The PD will be responsible for: (i) overall guidance and policy advice; (ii) internal coordination, discussion and resolution of project matters with counterparts in other departments within the MPWT (particularly the GDAP) and other government agencies; (iii) donor alignment and harmonization; (iv) reporting on project progress to ICRRM and Minister of Public works; and (v) public disclosure and civil society involvement. As the Chair or a member of a Procurement Review Committee, participates in the review and approval of bid/proposal evaluation reports for goods, works and consultant services, within the thresholds specified in the Standard Operating Procedure (SOP); as the chair or a member of Consultant Evaluation Committee, carries out the evaluation of proposals for consultant services, within the thresholds specified in the SOP; has overall responsibility for ensuring that the Government and IDA’s procurement guidelines are followed and the correct procurement documents are used; and ensures full compliance with IDA resettlement, environment, and other safeguard policies. The PD will receive support from DGPW staff and advice from the implementation support consultants, appointed under Subcomponent A2. The PD, assisted by the Project Manager (PM), will be responsible for project implementation support (including construction supervision and performance-based maintenance contracts) under Component A2 of the AF.

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\(^2\) Although the PDO is kept unchanged in the event of an eligible crisis or emergency, as per the CERC Guidance Note a restructuring would still be necessary within 3 months after activation of the CERC to reflect the reallocation and any potential impact on the regular components of the project.
Project Manager (PM) will work on a full-time basis for RAMPII-AF. The PM will ensure that: (i) the Project Operation Manual (POM) is followed; (ii) audits (technical and financial) are carried out, (iii) safeguard activities are implemented; (iv) all consultants follow their terms of reference and delivery schedule; (v) project activities are carried out on schedule and within budget; and (vi) interim Unaudited Financial Reports are submitted on time. The PM will also provide day-to-day support to the PD. The PM will act as Chair or a member of a Procurement Review Committee, participating in the review and approval of bid/proposal evaluation reports for goods, works and consultant services, within the thresholds specified in the SOP. As the Chair or a member of Consultant Evaluation Committee, the PM will carry out the evaluation of proposals for consultant services, within the thresholds specified in the SOP.

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

The proposed AF will scale up the on-going investments of RAMPII to include the rehabilitation, enhanced climate resilience and maintenance of NR4, an existing 206 km road that links Phnom Penh to Cambodia’s only main deep-sea port, Preah Sihanouk. The parent project, RAMPII, already includes similar interventions along NR3, which provides a less direct link (of some 30 kms more) between Phnom Penh and the port, while traversing rich agricultural areas including some large-scale farms, flood prone areas, communities and residential areas. NR4, however, is the most direct and heavily trafficked road corridor linking Phnom Penh to the port. Average daily traffic was 20,732 in 2016, with motorbikes being the dominant mode of transport (about 48 percent) followed by vehicles and vans (31 percent) and trucks (15 percent). NR4 is often cut off during the rainy season as heavy rainfall produces flash floods that overflow NR4 for periods of a few hours to 2-3 days. NR4 also presents challenges related to traffic mix (from pedestrians to tractors, motorbike-carts and 6-axel trucks) and safety, as well as opportunities for improved traffic management and maintenance modalities. All works will be carried out on the existing carriage way within the ROW, such that land acquisition will be minimal and will not involve physical relocation of households and villages.

G. Environmental and Social Safeguards Specialists on the Team

Sybounheung Phandanouvong, Social Safeguards Specialist
Makathy Tep, Environmental Safeguards Specialist

<table>
<thead>
<tr>
<th>SAFEGUARD POLICIES THAT MIGHT APPLY</th>
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<tr>
<td>Safeguard Policies</td>
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<tr>
<td>Environmental Assessment OP/BP 4.01</td>
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Performance Standards for Private Sector Activities OP/BP 4.03 | No
---|---
Natural Habitats OP/BP 4.04 | No
Forests OP/BP 4.36 | No
Pest Management OP 4.09 | No
Physical Cultural Resources OP/BP 4.11 | No
Indigenous Peoples OP/BP 4.10 | Yes
Involuntary Resettlement OP/BP 4.12 | Yes
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 proposed RAMPII Additional Financing (AF) will finance similar investment for rehabilitation, enhanced climate resilience and maintenance of the proposed NR4, which was constructed 7 decades ago. The improvement of NR4, an existing 206 km road that links Phom Penh to Cambodia’s only deep-see port, Preah Sihanouk is expected to facilitate economic activities and growth due to improved accessibility and connectivity. Under RAMPII-AF, MPWT has conducted an impact assessment along NR4 in line with the ESMF updated for RAMPII-AF to identify potential risks and impacts. MPWT has also carried out free, prior and informed consultation to establish community support for the project. The findings of the assessment reveal that no major environmental and social impacts and concerns are envisaged because the proposed road rehabilitation will be carried out on the existing road alignments and within the ROW. Since the construction of the road and the earlier investment (concessionaire), several residential communities and commercial activities, bus stops, gas stations, farms, etc. were established along the corridor. The proposed works will not involve major widening or installation of heavy structure. However, a section of roughly 7km (PK 102-109) will traverse Kirirom and Bokor National Park (fully explained in the EMP), and the consultation with the environment department in the area confirmed that a few elephants are crossing this area (PK 107-108) twice a year (May and late October). Thus, the site-specific EMP has provided mitigation measures including the need to install road signs and speed control to inform drivers of the potential impacts on animals. Considering these findings, no new safeguards policies are triggered for RAMPII-AF. The area potentially impacted by the project is not considered a natural habitat as per OP4.04 definition.

Some inconveniences may occur during construction and installation of side drains in urban areas and communities. These would involve dust, noise, debris, gas emission and other forms of pollution from construction. These impacts are minor, temporary, site specific and reversible and can be mitigated by applying good construction practices and close supervision. Communities in the project area could also be potentially impacted by short term disturbance to
their livelihood, daily business activities and possible labor influx. The affected people met have been reminded and are aware of the ROW by the RGC, through local authorities and local office of public works and transport with ROW markers installed along the road.

With regard to labor influx during construction, a risk assessment conducted based on the risk classification defined by the World Bank’s 2016 Labor Influx Guidance Note indicates that the marginal risk associated with the labor influx under the project is considered low. The size of the potential influx of laborers and workers is expected to be limited relative to the absorptive capacity of the local communities. The Project Operation Manual (POM) specifies responsibilities of the implementing agency, RAMO and ESO, its contractors and supervision engineer to mitigate and monitor the negative impacts of labor influx, and the potential risks related to sexual exploitation and abuse (SEA), Gender-Based Violence (GBV) and Violence Against Children (VAC).

Guidelines of enhanced Environment, Social, Health and Safety (ESHS) requirements, including contractor Codes of Conduct and management of Occupational Health and Safety (OHS), will be incorporated in the bidding documents and will be regularly monitored and reported on by the supervision consultant during the execution of works. The ARAP and EGEP provide details on a grievance redress mechanism that will also be used to manage grievance redress related to worker conduct, including monitoring timely resolution of grievances received from women.

The existing ESSF which covers the IPDF, CRPF and generic EMP under RAMPII has been updated with the above enhanced requirements for labor influx management to guide the impact assessment and preparation of ARAP and site specific EMPS to be applied under the project additional financing to address and mitigate the risks and impacts (see in the following sections).

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The proposed road rehabilitation under RAMPII-AF will follow the existing road alignments and the ROW. No acquisition of land and house relocation resulting from the construction works are required as the side drainage will be constructed within the existing road alignment and ROW respectively. Where the construction of side drainage is proposed, the assessment conducted reveals that no impact on any permanent and large-scale structure or high value tree located in the rural areas is anticipated. The impact assessment and consultation conducted indicates that 466 households (2,099 people) located in small urban centers along NR 4 were identified to be potentially affected due to the need for removal or relocation of their assets: stalls (39), concrete pavements (58), temporary access bridges to their own house/shop (229), private owned drainage systems with pipe or concrete side drainage (177), commercial or business signboards (2), and private owned trees (32). All affected structures such as stalls and sign boards are temporary and relatively easy to be shifted or moved back and reinstalled after the road rehabilitation. Some impacts and disturbance to their livelihood and business are anticipated during the construction stage, especially after excavation of the side ditch. These impacts are temporary and will be minimized through effective implementation of site-specific EMPS and Environmental Code of Practice (ECOP) by the contractors and effective supervision of works by the project engineers. To ensure continuation of businesses and livelihood activities by the project-affected persons, temporary access bridges or traverses will be provided by the contractors during the construction. The improvement of the NR4 is expected to increase traffic, i.e., number of vehicles and driving speed, which could result in increased road accidents. The road is also expected to bring about increased migration to the project area, especially to both sides of the improved road. Risks and potential impacts associated with labor influx are also anticipated including GBV, VAG, human trafficking and HIV/AIDS incidents. To address these and other impacts, a set of ESHS measures and labor influx risk management including a HIV/AIDS and human trafficking awareness program, road safety program, and labor code of conduct applied under RAMPII will continue to be applied under the AF in line with the updated ESSF.
3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The alternative to the proposed road maintenance program is no maintenance, or “do nothing” scenario. This scenario would have adverse environmental and social implications. Lack of maintenance could generate unstable road bed conditions leading to localized erosion and drainage problems in addition to poor quality roads that can generate accidents, especially during the night time. In areas of high rainfall and geologic instability, these risks can be substantial. Road maintenance programs provide an opportunity to address basic design problems.

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.

MPWT has gained extensive experience in road construction and rehabilitation while implementing donor-supported projects including RAMP and RAMPII. Thus, MPWT recognizes the importance of environmental protection and has demonstrated firm commitment to mitigating potential environmental and social impacts. During RAMPII project preparation, MPWT (i) conducted three rounds of environmental and social screening throughout the proposed road sections and consulted with potentially affected households to identify potential impacts and establish community broad support for the project; (ii) updated the existing safeguard policy frameworks on resettlement and indigenous peoples applied by the original project; and (iii) updated the ESSF describing the screening criteria, the EMP, the CRP and IPDF for the project and Technical Environmental Guidelines (TEG, approved in 2010). In line with the ESSF, impact screening and consultations were conducted to identify potential environmental and social impacts associated with the project activities and mitigation measures. Based on the findings of the assessment and consultations, Environmental Management Plans and Abbreviated Resettlement Action Plan (ARAP) have been prepared to address and mitigate the identified impacts. The instruments were revised/improved based on comments made by RSS. ESSF was disclosed on MPWT's website and Bank's InfoShop on March 16, 2018. EMP and ARAP were re-disclosed on April 11 and April 24, 2018 respectively on MPWT's website and Bank's InfoShop on April 24, 2018. With PM and LEGES comments on labor influx management requirements incorporated, the package of ESSF, ARAPs and EMPs for NR4 under RAMPII-AF and that of ESSF, EMPs and ARAPs for NR3 and 7 applied under RAMPII were further revised and re-disclosed on May 8, 2018.

Due to the limited number and frequent turnover of staff, RAMPII-AF will continue support for strengthening capacity of Environmental and Social Office (ESO) to ensure effective implementation of safeguards (ESSF and subsequent instruments, ARAP and EMPs) to mitigate potential negative impacts at all stages (planning, pre-construction, construction, operation) with greater emphasis on monitoring, data management and reporting. The holistic capacity development program developed under RAMPII by ESO/MPWT will continue to be implemented with the support from the World Bank, and implemented based on practical experience from the original program and similar road maintenance projects in neighboring countries such as Laos and Vietnam.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

During the environmental and social screening, MPWT conducted the first round of free, prior and informed consultation with Project Affected Households (PAHs) and local communities along the NR4 to identify potential impacts and mitigation measures to inform project design and revision of the existing safeguard instruments ESSF covering RPF and IPPF. The communities and PAHs met confirmed their broad support for the project. The affected
people met have been reminded and aware of the ROW by the RGC, through local authorities and local office of public work and transport and road maintenance projects including with ROW markers installed along the NR. Outcomes of the screening process documented in the assessment report were reviewed and found adequate by the Bank’s Safeguard Specialists.

In addition, a leaflet containing project information, potential impacts and mitigation measures, and grievance mechanism will be prepared for distribution to all PAHs at least one month before commencement of the civil works. The consultation will continue until the end of the project to ensure that all PAHs are adequately informed of the project development, potential impacts and their entitlements to compensation and necessary support. The consultation is also to ensure that PAHs are prepared for the civil work well in advance, maintain community broad support and obtain their feedback to inform project implementation.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

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<th>Environmental Assessment/Audit/Management Plan/Other</th>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
<th>For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors</th>
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</thead>
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"In country" Disclosure

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<tr>
<th>Resettlement Action Plan/Framework/Policy Process</th>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
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"In country" Disclosure

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<th>Indigenous Peoples Development Plan/Framework</th>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
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</table>

"In country" Disclosure
C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

CONTACT POINT

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Approved By

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| Practice Manager/Manager: | Almud Weitz | 17-May-2018 |
| Country Director: | Inguna Dobraja | 18-May-2018 |