

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC7771

Date ISDS Prepared/Updated: 11-Jun-2014

Date ISDS Approved/Disclosed: 13-Jun-2014

I. BASIC INFORMATION

A. Basic Project Data

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|---|---|------------------------------|--------------------------|
| Country: | Albania | Project ID: | P132982 |
| Project Name: | Results-based Road Maintenance and Safety Project (P132982) | | |
| Task Team Leader: | Artan Guxho | | |
| Estimated Appraisal Date: | 08-Dec-2014 | Estimated Board Date: | 26-Mar-2015 |
| Managing Unit: | GTIDR | Lending Instrument: | Specific Investment Loan |
| Sector(s): | Rural and Inter-Urban Roads and Highways (70%), Public administration-Transportation (30%) | | |
| Theme(s): | Regional integration (30%), Injuries and non-communicable diseases (25%), Administrative and civil service reform (25%), Infrastructure services for private sector development (20%) | | |
| Financing (In USD Million) | | | |
| Total Project Cost: | 175.00 | Total Bank Financing: | 75.00 |
| Financing Gap: | 0.00 | | |
| Financing Source | | Amount | |
| Borrower | | 100.00 | |
| International Bank for Reconstruction and Development | | 75.00 | |
| Total | | 175.00 | |
| Environmental Category: | B - Partial Assessment | | |
| Is this a Repeater project? | No | | |

B. Project Objectives

The proposed PDO of the RRMSP is to enhance the sustainability, help preserve the condition, and improve the safety of the National Road Network for road users by supporting the government in implementing the Albania National Transport Plan, introducing an effective road asset management system, and following sound road safety practices.

C. Project Description

1. The proposed operation will support the implementation of the Government's Program to improve National Road maintenance standards, introduce sustainable asset management system and enhance road safety. Extended to the entire 3,700 km of national roads, the program is expected to address operation & maintenance needs, including the maintenance backlog, and is estimated at about €45-50 million (US\$ 60-70 million), annually. Building upon the recommendations and prioritization results of the preparatory activities funded under ECPDEV TF the maintenance standards will be defined and maintenance needs will be developed. Some rehabilitation of road sections is also foreseen. The Bank-funded RRMSP is expected to finance about US\$ 175 million for the maintenance and rehabilitation of the Primary and Secondary National Roads using performance-based maintenance contracting, over a 5-year period. The total financing of the GoA to the project is likely to be US\$ 100 million. Other development partners, such as the EU, EBRD and EIB have expressed interest in participation.

2. The Preferred Implementation Concept for the Rehabilitation Program: MTI and ARA have confirmed their preference for an Investment Project Financing (IPF). This will be a results-based lending operation following the WB's guidelines. Under such an approach, the Bank will not finance pre-identified sections but a certain percentage of the overall maintenance program.

3. Disbursement basis: Disbursement will be linked to specific and agreed indicators (disbursement-linked indicators). These indicators will be scalable whenever possible to allow for the flexibility in disbursement to match implementation progress of the agreed annual plans whether faster or slower. Implementation will be based on agreed eligible expenditure programs. Since the Borrower and the Bank are envisioned to pool their resources, the Bank will not monitor each single maintenance contract, but will carry out periodical audits (once or twice a year) of a certain percentage of the contracts. The audit will cover all aspects – design (including road safety aspects), construction, procurement, supervision, financial management, environment and social. The use of rolling advance loan proceeds to finance implementation will be considered, in order to make the results-based approach consistent with the Borrower's budgetary process and its limited resources.

4. Potential disbursement-linked indicators include: (i) the number of km under performance-based maintenance contracts; (ii) institutionalizing the incorporation of road safety standards in road design, construction and maintenance; (iii) signing of Service Level Agreement between ARA and MTI; and (iv) establishment and effective use of road asset management system.

5. Preparation of Environmental and Social/Resettlement Documentation: ARA and the consultant for preparatory works will develop a Resettlement Policy Framework (RPF), an Environmental Policy Framework (EPF); and Environmental Management Plans (EMPs) for a few representative road sections to guide program implementation. It is proposed that the review of EMPs will initially be on a prior approval basis, until the Bank team confirms the acceptable quality of the plans, and after that a certain percentage of the plans will be subject to a post review serving as a basis for disbursement (as discussed in paragraph 22 above). While the Project is not envisioned to entail land acquisition, or resettlement, an RPF will be prepared to serve as guide, in the event that some land acquisition appears necessary, and to complete site-specific RAPs, which will be subject to prior approval.

Two potential components have been identified for support under this project:

6. Component 1: Road Maintenance and Safety (IBRD financing: US\$65 million). The component will finance a portion of the government's National Road Network Program of Maintenance. Specifically, it will finance the (i) design and works for periodic/routine maintenance (with some rehabilitation where necessary), works concerning traffic signalization improvement and structure renewal as well ancillary road connections (crossroads, access roads,

drainage systems, etc.), (ii) supervision, quality control and monitoring of environmental protection. The length of sections for each contract is expected to vary between 50 km and 100 km, depending on their location, terrain, and category. This component will support integration of road safety practices into the design and implementation of maintenance in the project's road sections and the institutionalizing of these practices in all road designs and construction.

7. The Consultant for preparation will assess the existing National Roads inventory and develop optimal arrangements for contracting out maintenance activities on a performance basis. Planning of the first phase maintenance contracts will be based on the actual physical conditions, social-economic criteria and balanced geographical distribution. They will be confirmed through an analysis being carried out by the consultant and the final list of the road sections for inclusion in the first phase program would be finalized before project appraisal.

8. Component 2: Institutional Strengthening Component (IBRD financing US\$10.0 million). This component is envisioned to: (i) strengthen the capacity of MTI, Albanian Road Authority and the Secretariat of the Inter-ministerial Road Safety Council (IRSC) in road safety aspects, establishing the road asset management, carry out monitoring and evaluation, coordination, funding and resource allocation - building on the previous TA of the Bank, EU and other IFIs; (ii) strengthen the capacity of ARA through the implementation of the Reform Action Plan developed under the EU TA, including the Service Level Agreement; (iii) support the government in strengthening its project preparation, and implementation of regulatory framework and procedures; (iv) provide project implementation support that would include an integrated performance audit, and support as may be necessary in procurement, financial management, environmental and social safeguards; (v) support ARA in scaling up the use of performance-based maintenance contracting; (vi) strengthen the capacity of ARA in using road asset management system, and training.

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

Throughout Albania.

E. Borrowers Institutional Capacity for Safeguard Policies

The project will be implemented through the existing Project Implementation Team (PIT) within the Albanian Roads Authority (ARA) – formerly General Roads Directorate. The PIT has been implementing Bank-funded projects since 1998, the most recent of which was the Albania Transport Project, Category A construction of a section of the motor-way to the North of the Country. During implementation of the Transport Project, the PIT fully and satisfactorily implemented requirements of the Environmental Assessment and EMPs, with no significant issues or deviations with excellent staff support from the in-house Environmental department and adequate reporting.

F. Environmental and Social Safeguards Specialists on the Team

Bekim Imeri (GURDR)

Esma Kreso (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

| Safeguard Policies | Triggered? | Explanation (Optional) |
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| Environmental Assessment OP/ BP 4.01 | Yes | Since the pertinent road sections have yet to be defined for the first year of the Project, with an Action Plan to be developed, an Environmental Management Framework document (EMF) is |

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| | | <p>under preparation financed from the preparation Grant. The EMF will set forth the guidelines for site-specific EMPs and will help formulate sound environmental performance into the planning and design stages of the activity. The EMF will include EMPs for the first-year priority projects, that would also serve as guidance on subsequent EMP development. Furthermore, implementation of the EMP will also feed into the results-based approach for the issued maintenance contracts.</p> <p>Major anticipated environmental issues include dust and noise generation from machinery, adequate site organization, storage of paints, equipment and machines, waste separation and management, chance findings, use of salt and/or materials in winter maintenance, and possible small construction interventions in order to improve road safety.</p> <p>It is proposed that the review of implementation-developed EMPs by the WB initially be on a prior approval basis until the WB team confirms the acceptable quality of the plans, after which a certain percentage of the plans will be subject to a post review which will serve as a basis for disbursement.</p> |
| Natural Habitats OP/BP 4.04 | Yes | The ToR for the EMF provides precautionary measures for the road maintenance activities in the proximity of, or within protected areas or otherwise sensitive natural habitats including forested areas. This provision is mostly due to the fact that the specific road sections to be included under the project are not known at this stage. |
| Forests OP/BP 4.36 | No | The project will not finance any roads in forested areas, while provisions on possible roads maintenance in forested areas under protection regimes will be handled in the EMF under the natural habitats screening procedure. |
| Pest Management OP 4.09 | No | The EMF will include guidance on environmentally sound road-side vegetation clearing. |
| Physical Cultural Resources OP/ BP 4.11 | No | The EMF and site-specific EMPs will have provisions in case of chance findings on site, while precautionary section in the EMF will be included for works that may deal with |

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| | | maintenance of specific bridges, which may, due to their historical value or age be a cultural monument. All works on such sites will include direct involvement of the monument and heritage protection authorities. |
| Indigenous Peoples OP/BP 4.10 | No | |
| Involuntary Resettlement OP/BP 4.12 | Yes | A precautionary Resettlement Policy Framework is going to be drafted as financed by the preparation grant. As the Program is not envisioned to entail land acquisition or resettlement, no RAPs will be prepared during project preparation. In the event that some land acquisition appears necessary, a RAP will be prepared and will be subject to prior approval. |
| 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 | |

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 30-Sep-2014

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:

The safeguard studies, EMF with sample first-year EMPs, and an RPF will be launched in March 2014 and expected to be completed by September 2014

IV. APPROVALS

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| Task Team Leader: | Name: Artan Guxho | |
| <i>Approved By:</i> | | |
| Regional Safeguards Coordinator: | Name: Gulana Enar Hajiyeva (RSA) | Date: 11-Jun-2014 |
| Sector Manager: | Name: Juan Gaviria (SM) | Date: 13-Jun-2014 |

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.