

**INTEGRATED SAFEGUARDS DATA SHEET  
CONCEPT STAGE**

Report No.: AC3055

**Date ISDS Prepared/Updated: 06/27/2007**

**I. BASIC INFORMATION**

**A. Basic Project Data**

Country: Kenya	Project ID: P103973
Project Name: Nairobi Urban Toll Road-PRG	
Task Team Leader: Anil S. Bhandari	
Estimated Appraisal Date: December 10, 2007	Estimated Board Date: March 18, 2008
Managing Unit: AFTTR	Lending Instrument:
Sector: Roads and highways (100%)	
Theme: International financial architecture (P); Trade facilitation and market access (S)	
IBRD Amount (US\$m.):	0.00
IDA Amount (US\$m.):	0.00
GEF Amount (US\$m.):	0.00
PCF Amount (US\$m.):	0.00
Other financing amounts by source:	
Borrower	0.00
IDA Guarantee	40.00
	40.00

**B. Project Objectives [from section 2 of PCN]**

The project development objective is to improve traffic efficiency along the Northern Corridor (NC) connecting the port of Mombasa to Nairobi, Uganda, Rwanda, Burundi and DRC, through removal of the main remaining bottlenecks by enabling private investment within a toll-road concession along the most congested urban sections of Uhuru Highway in Nairobi.

**C. Project Description [from section 3 of PCN]**

1. The concession consists of six road sections along Uhuru Highway (total of 77km), a stretch within the Greater Nairobi Area following the alignment of what is referred to as the Northern Corridor. The seventh section will be a bypass (29km) as an alternative to the urban stretch of 25km in length. Two sections along Uhuru Highway are being rehabilitated/upgraded under the NCTIP for a total cost of USD 56.6 million. Works on both sections comprise the rehabilitation of the existing 2-lane single carriageways, while one section will also be upgraded to a 4-lane dual carriageway. A schematic map can be found in the Project Information Document (PID) published in conjunction with this ISDS.

2. Feasibility Studies were conducted by an internationally recruited Consultant (BKS of RSA) and confirmed the project's commercial viability. Given the assumed traffic levels, calculations show that the estimated project costs can be recovered at acceptable toll rates. The immediate road-related investments amount to USD 176 million. Additional costs to be covered by the concessionaire over the entire life of the 30-year concession will comprise future road-related improvements, periodic and routine maintenance, construction costs of toll facilities as well as their operation and maintenance. The Concessionaire will also be required to develop roadside facilities (e.g. parking areas, utilities infrastructure, bus and truck stops, etc.) at key locations. This includes social amenities like off-road booths for sale of local produce and products, bicycle paths, pedestrian sidewalks and other means to enhance safety and benefit road users and roadside communities. All cost and revenue figures are subject to change and reflect the consultant's analysis and views, which may not be borne out by the actual bid. (The initial cost figures were based on prevailing 2004 unit rates for the region and have been adjusted to 2007 prices.)

3. The draft bidding documents were disseminated and discussed during several pre-bid meetings in order to receive feedback from potential bidders and other stakeholders.

4. An IDA-PRG is being proposed in support of the Concession. PRGs are designed to catalyze private sector participation in infrastructure projects by mitigating political and government-related risks, particularly in countries where a sector is in early stages of reform and the perceived risk of policy reversals and changes to the regulatory framework is high. Given that such risks are perceived to be high in Kenya and the fact that regulatory compliance will be critical to the long term sustainability of the concession, IDA would be best equipped to backstop these risks through the PRG, because of Bank's leverage with the GOK (explicit counter-guarantee, policy dialogue). The provision of the PRG should, therefore, help in reducing investors' and lenders "risk-premia", thereby leading to more sustainable tariff levels.

5. The nominal amount of the PRG is expected to be USD 40 million, of which only 25% would count towards Kenya's IDA allocation. The exact scope of its coverage will be determined, once the terms have been negotiated with the successful bidder. The indicative term sheet is designed to reflect the Agency's (Ministry of Roads and Public Works) obligations in the draft concession agreement and would include coverage for i) Agency periodic payment obligations relating to their non-compliance of the pre-agreed toll framework and Material Adverse Government Action (ii) Agency obligations relating to termination payments as a result of Expropriation, Material Adverse Government Action and Political force-majeure events. In addition, IFC and MIGA are expected to be solicited by the concessionaires/ bidders after the bidding.

#### **D. Project location (if known)**

The concession will consist of seven sections, located within downtown Nairobi as well as its outskirts. Six sections of the concessions will be along Uhuru Highway, a stretch within the Greater Nairobi Area following the alignment of the Northern Corridor. A bypass will be built south of the downtown part of Uhuru Highway. A schematic map can be found in the Project Information Document (PID) published in conjunction with this ISDS. There will be a tolled section of 77.1km following the alignment of the Uhuru Highway and a bypass of 29km length.

Hence, a total of 106.1km of road sections will be affected. The rehabilitation of two sections (totalling 33 km) is part of the NCTIP for which the impact of physical interventions has been assessed and remedial measures identified.

**E. Borrower’s Institutional Capacity for Safeguard Policies [from PCN]**

The Borrower is familiar with World Bank Safeguard Policies through various Bank projects. Both resettlement and environmental safeguards policies had to comply with Bank Guidelines in two recent infrastructure projects, the Northern Corridor Transport Improvement Project (NCTIP) and the East African Trade and Transport Facilitation Project (EATTFP). For several years now, the National Environmental Management Authority (NEMA) has seconded Environmental Specialists to the Ministry of Public Works and Housing (MOPWH), which is entrusted with the implementation of the NCTIP and will also be charged with managing the concession. MOPWH had formed an environmental unit for the implementation of various projects and the NCTIP is supporting efforts to transform it into a more permanent unit sufficiently staffed and budgeted for. The team’s Environmental Specialist will be taking stock of the existing institutional set-up and assess its adequacy for the implementation of the proposed project. This review may identify the need for institutional adjustment and/or mandate the support of external professionals for certain tasks. The same assessment will be carried out with respect to the institutional capacity for social & resettlement safeguards.

The Resettlement Policy Framework (RPF) prepared by the Borrower under the related Northern Corridor Transport Improvement Project was reviewed by the team’s Social Safeguards Specialist and except for minor changes, it was found appropriate for the application in this project. After the incorporation of the changes, the RPF will be re-disclosed. It will form part of the concession contract which the Concessionaire will have to adhere to when preparing site-specific Resettlement Action Plans. All Resettlement Action Plans will have to be implemented before construction commences.

The Ministry of Roads and Public Works commissioned an Environmental Impact Assessment (EIA) for the Bypass. The EIA was cleared by the National Environmental Management Authority (NEMA) and is currently being reviewed by the team’s Environmental Specialists. The Bank’s comments will be incorporated by the Borrower before disclosing the EIA. As regards the sections along Uhuru Highway, the draft concession agreement stipulates that the Concessionaire will have to submit the designs for all civil works along with Environmental Impact Assessments meeting NEMA and World Bank requirements and that the EIAs will need to be reviewed by the World Bank before construction commences.

**F. Environmental and Social Safeguards Specialists**

- Ms Yvette Laure Djachechi (AFTS3)
- Mr Amadou Konare (AFTS1)

**II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies Triggered</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
<b>Environmental Assessment (OP/BP 4.01)</b>	<b>X</b>		
The team anticipates impacts on the environment during rehabilitation and/or construction works. EIAs will need to be prepared to identify adequate remedial measures that the			

<b>Safeguard Policies Triggered</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
Concessionaire needs to adhere to. Furthermore, the EIAs will also need to address the impact of land-use for lane extensions, overpasses, as well as the newly constructed bypass.			
<b>Natural Habitats (OP/BP 4.04)</b>	<b>X</b>		
The proximity of the Dagoretti Forest at one section of the bypass requires special attention in the respective Environmental Impact Assessment.			
<b>Forests (OP/BP 4.36)</b>			<b>X</b>
The proximity of the Dagoretti Forest at one section of the bypass requires special attention in the respective Environmental Impact Assessment.			
<b>Pest Management (OP 4.09)</b>		<b>X</b>	
<b>Physical Cultural Resources (OP/BP 4.11)</b>		<b>X</b>	
<b>Indigenous Peoples (OP/BP 4.10)</b>		<b>X</b>	
<b>Involuntary Resettlement (OP/BP 4.12)</b>	<b>X</b>		
Resettlement may become necessary where extensions of the carriageway are planned as well as at the locations dedicated for the construction of toll plazas.			
<b>Safety of Dams (OP/BP 4.37)</b>		<b>X</b>	
<b>Projects on International Waterways (OP/BP 7.50)</b>		<b>X</b>	
<b>Projects in Disputed Areas (OP/BP 7.60)</b>		<b>X</b>	

**Environmental Category:** B - Partial Assessment

### III. SAFEGUARD PREPARATION PLAN

- A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: 11/30/2007
- B. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS: N/A
- C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS. The RPF has been reviewed and the revised version will be completed and disclosed (in-country and at the Bank's Infoshop) by end of July 2007. The review of the EIA for the bypass will be completed by end of July 2007. The revised EIA, if found adequate, shall be completed and disclosed by September 2007. In case more comprehensive changes are needed, revision and disclosure shall be completed by December 2007.

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

#### IV. APPROVALS

<i>Signed and submitted by:</i>		
<b>Task Team Leader:</b>	<b>Mr Anil S. Bhandari</b>	<b>06/27/2007</b>
<i>Approved by:</i>		
<b>Regional Safeguards Coordinator:</b>	<b>Mr Warren Waters</b>	<b>06/27/2007</b>
<b>Comments:</b>		
<b>Sector Manager:</b>	<b>Mr Alain L. Labeau</b>	<b>06/27/2007</b>
<b>Comments:</b>		