Public Disclosure Authorized

Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 16-May-2024 | Report No: PID299

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BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies)	Operation ID	Operation Name	
Guyana	P501759	Integrated Transport Corridors Project	
Region	Estimated Appraisal Date	Estimated Approval Date	Practice Area (Lead)
LATIN AMERICA AND CARIBBEAN	12-Nov-2024	28-Feb-2025	Transport
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing (IPF)	Ministry of Finance	Ministry of Public Works	

Proposed Development Objective(s)

The Project Development Objective is to provide safe and climate resilient transport connectivity in the North-East region of Guyana.

PROJECT FINANCING DATA (US$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)?	No
Is this project Private Capital Enabling (PCE)?	No

SUMMARY

Total Operation Cost	**173.00**
Total Financing	**173.00**
of which IBRD/IDA	**173.00**
Financing Gap	**0.00**

DETAILS

World Bank Group Financing

International Development Association (IDA)	173.00
IDA Credit	144.00
IDA Shorter Maturity Loan (SML)	29.00

Environmental and Social Risk Classification	Concept Review Decision
Substantial	The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **The Co-operative Republic of Guyana is a small, sparsely populated country,** located on the northern coast of South America, bordered by the Atlantic Ocean to the north, Brazil to the south and southwest, Venezuela to the west, and Suriname to the east. The country is part of the Guiana Shield of the Amazon rainforest and features a variety of landscapes such as coastal plains, savannas, rolling highlands, and dense tropical forests. Guyana's climate, unique geology, and relatively undisturbed ecosystems support extensive areas of species-rich rain forests and natural habitats with high levels of endemism. Geographically, it is part of the Caribbean Community (CARICOM) with strong cultural and historical ties with the Caribbean region, despite being situated on the mainland of South America.

2. **Guyana's macroeconomy has traditionally been based on agriculture and extractive industries, with a rapid economic growth in the past years mostly due to oil production**. The country is endowed with extensive grasslands, tropical rainforests, deposits of gold, bauxite, diamonds, abundant water resources, and oil and gas (O&G) reserves off its Atlantic coast, which began production in 2019. The country's economic growth since 2020 brought its GDP per capita from US$6,477 in 2019 to over US$18,199 in 2022. Real GDP is estimated to have increased by 38.4 percent in 2023,[1] after a 62.3 percent increase in 2022,[2] primarily driven by the expansion of oil production, as well as the non-oil economy. Guyana is expected to remain one of the fastest growing economies, with double-digit growth rates in 2024 and 2025 as additional oil fields start operation. Poverty has declined significantly from 60.9 percent in 2006 to 48.4 percent in 2019, using a poverty line of US$5.50 per day in 2011 PPP, though spatial disparity in income and multidimensional poverty remains elevated, particularly in the remote rural areas.

3. **Guyana is also part of the Amazon biome with approximately 85 percent of the country covered in forests, which serves as an important carbon sink and its sustainable management is critical for the global climate agenda.** With the world's second highest percentage of rainforest cover, Guyana has maintained one of the lowest deforestation rates globally and commands important carbon stocks (19.5 GtCO2eq), while removing about 154 million tons of carbon dioxide (CO2e) from the atmosphere every year, about the same as annual greenhouse gas (GHG) emissions from Norway, Sweden, Finland and Denmark combined. Estimates of the economic value that Guyana's eco-system services provide to the world are considerable. Guyana's forests alone provide value that is estimated to range from US$40-US$54 billion annually, according to the country's Low Carbon Development Strategy (LCDS).[3]

4. **Guyana is at high risk from climatological hazards, including increases in heavy rainfall leading to pluvial and coastal flooding from extreme tidal levels exacerbated by climate change and associated sea level rise.** Of its approximately 800,000 inhabitants, 90 percent live along the narrow 459-kilometer-long coastal plain, which accounts for

[1] https://www.imf.org/en/Countries/GUY
[2] Annual Report 2022. Bank of Guyana. https://bankofguyana.org.gy/bog/images/research/Reports/ANNREP2022.pdf
[3] Guyana's Low Carbon Development Strategy (LCDS) 2030 https://lcds.gov.gy/

only 10 percent of Guyana's land area. Flooding is an ongoing risk, as much of the population and economic activity are concentrated in low-lying areas along the Atlantic coast. Studies show that the impact of rising coastal water levels, among the highest in the world, exposes 100 percent of the country's coastal agriculture and 66.4 percent of coastal urban areas to flooding and coastal erosion, with potential GDP losses projected to exceed 46.4 percent. Flooding from rainfall routinely affects residents during two rainy seasons each year, with extreme flooding having severe social and economic impacts. For example, in 2021, extreme flooding affected all administrative regions, causing losses of 9.1[4] and 59[5] percent in the agriculture and gold sectors respectively, with overall losses totaling 12 percent of GDP.[6]

Sectoral and Institutional Context

5. **Transport is critical for Guyana's economic growth and poverty reduction, yet the sector is underdeveloped.** Guyana's infrastructure gap is significant, ranking 134 out of 141 countries for infrastructure in the 2019 Global Competitiveness Index, and its Logistics Performance Index rank was 113 out of 160 (2018). With a land area of over 214,000 km^2, transport plays a crucial role in connecting its diverse communities spread across coastal plains, dense rainforests, and remote hinterlands. The transport infrastructure primarily consists of roads, rivers, and airways due to the country's unique geography. While the coastal regions benefit from a network of roads and highways, many interior areas heavily rely on rivers as the main mode of transportation, with boats and ferries serving as lifelines for accessing essential services and goods. Limited road connectivity to remote regions isolates communities, constraining access to markets, healthcare, education, and other essential services. This lack of connectivity also impedes food security and agricultural productivity and trade, as farmers struggle to transport their goods to markets efficiently, exacerbated by the country's vulnerability to climate change. Moreover, poor road conditions contribute to high transportation and vehicle maintenance costs, reducing the competitiveness of Guyanese goods in both domestic and international markets.

6. **Guyana has a fairly sparse road transport network, spread across ten administrative regions. The road network** in Guyana has approximately 7,970 km of roads, with an average of 19 percent comprising primary roads and 21 percent of feeder roads that link coastal agricultural areas to the primary road networks. The entire road network is heavily reliant on bridges and culverts serving a dense system of drains and canals along the coastal lowlands where most of the population resides. The primary road network extends along the banks of the main rivers and inland to the interior from Georgetown in the north to Lethem in the south; the secondary road network links villages along the banks of the main rivers in Guyana, while the hinterland road network (60 percent of total road network length) is predominantly unsurfaced roads that provide access to hinterland communities, and is the economic backbone of the mining, forestry, and energy (hydropower) sectors (see Figure 1, Annex II).[7] The interior settlements, with widely scattered population centers, are very poorly interconnected with neighboring communities as well as those on the coastland.

7. **Guyana is facing challenges in reaching its trade potential with neighboring countries due to lack of transport connectivity.** The limited number of all-weather road corridors connecting the capital city, Georgetown, to other parts of the country, has restricted the growth of the logistics industry and impacted tradeable sectors. Guyana's two main international land economic corridors are to the South (Georgetown-Linden-Roraima/Brazil) and to the East (Georgetown-Moleson Creek-Paramaribo/Suriname), and both need further development. At Moleson Creek, the Guyana - Suriname ferry is the only mode of connectivity to the eastern economic corridor, but this will change with the construction of the Corentyne River Bridge and a subsequent new high span bridge across the Berbice River.[8] Apart from these bridge projects, several major investment projects are ongoing or were earmarked for the coastal regions and will be serviced by east-west economic corridor, including farm to market roads, port facilities and housing development. With the construction

[4] Government of Guyana Budget Speech 2022 https://finance.gov.gy/wp-content/uploads/2022/01/Budget%20Speech%202022.pdf
[5] Review of the Economy 2022. https://www.finance.gov.tt/wp-content/uploads/2022/09/Review-of-the-Economy-2022.pdf
[6] Guyana 2nd Voluntary National Review of the SDGs, https://finance.gov.gy/wp-content/uploads/2023/07/Guyana_VNR-2023.pdf
[7] National Land Transport Strategy and Action Plan 2016-2026.
[8] Ministry of Finance: Budget 2024.

of the new bridges on the horizon, the road sections and links to the main economic corridors that connect the capital with Suriname and Brazil need major improvements. This is considered the missing link to achieving improved economic connectivity between Guyana, Suriname, and Brazil and to boosting trade, tourism, and agriculture productivity while strengthening cooperation among the three South American states.

8. **Climate change poses significant challenges to road transport infrastructure in Guyana.** The country is particularly vulnerable to the impacts of climate change due to its low-lying coastal plains and reliance on road networks for transportation. Rising sea levels, increased rainfall intensity, and more frequent extreme weather events, such as storms and flooding, threaten road infrastructure leading to erosion, deterioration, and even complete washouts. These climate-related impacts disrupt transportation routes, impeding the movement of people, goods, and services, isolating communities and hindering economic activities, especially in coastal and low-lying areas. Moreover, the cost of repairing and maintaining road infrastructure damaged by climate-related events imposes a significant financial burden on the government and communities. Guyana's coastal regions (3, 4, 5 and 6) have a high risk of flood hazard (damaging and life-threatening river floods are expected to occur at least once in the next 10 years).[9]

9. **Road safety is a major concern in the country, and more specifically on strategic corridors.** According to the World Health Organization (2023),[10] Guyana has a rate of 15 road deaths per 100,000 population as of 2021, above the average rate in the Americas. Those most at risk of losing their lives in road crashes are vulnerable road users – pedestrians (28.3 percent), powered 2- and 3-wheelers (26.3 percent), cyclists (17.1 percent); and from a gender perspective, men represent 77.7 percent of total road deaths. In addition to the suffering from human losses and injuries, road crashes cost the Government of Guyana (GoG) ~US$243 million, equivalent to four percent of Guyana's GDP.[11] Legislation not in line with best practices, poor enforcement and roads, high speeds combined with a mixed road use (i.e. maximum urban speed limit is 65km/h), and increased heavy traffic, are some of the causes for the high road mortality rate. Road safety is declared a high-level priority in the country, and an Action Plan is being prepared by the Government.

10. **Guyana faces significant challenges in addressing gender-based violence (GBV) and supporting women's economic empowerment.** The 2019 Guyana Women's Health and Life Experiences Survey showed that over half of all women aged 15-64 had experienced at least one form of violence, and four in 10 had experienced physical and/or sexual violence from a partner in their lifetime. Furthermore, Guyana recorded the highest rates of gender-related homicides of women by their intimate partners in the Caribbean. In addition, vulnerable employment is high among both women and men, leaving many workers without formal work arrangements, social protection, and safety nets.[12] In 2019, Guyana ranked 115 out of 189 in the Gender Inequality Index (GII).[13] Guyana's female labor force participation rate in the formal economy is among the lowest in the region and is also generally below countries with comparable income levels and size.[14] In transport, the gender and diversity gaps are even larger, both in terms of access to infrastructure services and in the labor participation of women, with only 20 percent of transport employment and five percent in the construction sector.

11. **The GoG is making a significant effort to fund road infrastructure projects following their national transport strategy, but investment needs remain to expand the regional connectivity of Guyana's main economic corridors.**[15] The GoG, as part of its strategic objective to enhance connectivity, regional integration and economic development, is partnering with private entities and agencies[16] to finance the major corridors that will link the capital to economic corridors

[9] Think Hazard Think Hazard - East Berbice/corentyne (region N°6)

[10] Global status report on road safety 2023. Geneva: World Health Organization; 2023. Licence: CC BY-NC-SA 3.0 IGO.

[11] Inception Report - Road Safety Diagnostic and Action Plan for Guyana (2023 - 2027), I.T. Transport Limited (UK), 2023.

[12] World Bank.2021. Guyana Gender-Based Violence Country Profile. Washington, DC: World Bank Group.

[13] 2022-PL9-Guyana_and_Suriname_draft_CPD-EN-2021.11.15.pdf (unicef.org)

[14] World Development Indicators. For comparability purposes, labor force participation rates were taken as modeled ILO estimates for the female population ages 15+. These are not directly comparable with national estimates.

[15] National Land Development Strategy and Action Plan 2016-2026

[16] Such as the Inter-American Development Bank, Exim Bank of China, Indian Exim Bank, and Caribbean Development Bank.

in the East (Suriname) and South (Brazil).[17] In addition, GoG is targeting to improve the organization and operations of the Ministry of Public Works (MoPW), such as road maintenance, and to identify future transport investment priorities, especially for Guyana's main international land economic corridors which are in need of climate-resilient and safe transport connectivity interventions. Some of these road sections (i.e. New Amsterdam – Mara ≈ 40Km, Moleson Creek – Eldorado ≈8Km) are located along the north-eastern region of Guyana and serve the city, several towns and multiple institutions, hospitals and health centers, religious centers, markets, and businesses and services. For instance, the Corentyne Corridor serves directly about 110,000 people and provides access to Eldorado, Mara and Black Bush Polder which are major agriculture-harvested areas in the country, the latter being the largest, covering 30 % of total rice production in the country. New agricultural lands are opening to produce corn, soya, and other non-traditional crops; initiatives that will contribute significantly to the 25 by 2025 agenda in CARICOM.[18] Major investment projects earmarked for coastal regions and to be serviced by the project include a new regional hospital in New Amsterdam, farm to market roads, the new Corentyne River Bridge, and a new high-span Bridge across the Berbice River. In this regard, the strategic corridors are the backbone of environmental, social, and economic development in Guyana and the region.

12. The **GoG has requested the World Bank's support for improving regional integration and in-country connectivity along strategic road corridors.** The request for road upgrades to be financed by the World Bank is recognized as a regional priority through the joint declaration by the presidents of the Co-operative Republic of Guyana, the Federative Republic of Brazil and the Republic of Suriname at the 46th Regular Meeting of the Conference of Heads of Government of CARICOM. The proposed Integrated Transport Corridors Project (the "Project") will provide climate resilient and safe transport connectivity in the north-eastern part of Guyana, financing the upgrade of selected road corridors/sections, and strengthening the GoG's institutional capacity in the road transport sector with consideration of climate change, road safety, citizen engagement and gender.

Relationship to CPF

13. **The Project is fully aligned with the Guyana Country Partnership Framework (CPF)** (FY23-26[19] [Report Number 168273-GY]), which supports Guyana's economic transformation by contributing to green, resilient, and inclusive development (GRID). This Project contributes directly to the CPF's High Level Outcomes *(HLO) (i) improved human capital*, under Objective 2: Increase Access to Quality Secondary Education and Technical and Vocational Education and Training (TVET), through safer and more accessible road infrastructure for students; *HLO (ii) more and better jobs*, under Objective 5: Enhance the Competitiveness of Guyana's non-Oil Economy, through the development of transport infrastructure and economic opportunities; and *HLO (iii) enhanced climate and environmental resilience,* under Objective 6: Strengthen Flood Resilience and Climate Change Adaptation, through climate resilient and green road infrastructure solutions.

14. **The Project is consistent with Guyana's commitments on climate change.** In the latest Nationally Determined Contributions (NDCs) submitted to the United Nations Framework Convention on Climate Change (UNFCCC) in 2016, the country commits to lower its emissions from deforestation, forest degradation and energy sector on mitigation, and to become resilient to climate change on adaptation. The Project contributes to the NDCs by incorporating risk reduction measures to address current and future climate hazards such as riverine/pluvial floods and sea level rise causing coastal flooding. The Project will also contribute directly to: (i) Guyana's NDCs on Adaptation to upgrade infrastructure and other assets to protect against flooding;[20] (ii) LCDS Objective 2 to *Invest in Clean Energy and Stimulate Low Carbon Growth*, through investments in infrastructure for active transport mobility and reducing congestion along selected road sections; and (iii) LCDS Objective 3 to *Protect against climate change*, through strengthening drainage systems within the selected

[17] Currently, roadway rehabilitation and upgrade works are ongoing on several major corridors, such as the Corentyne Corridor, Diamond to Grove bypass Road, East Coast to East Bank Road and Linden to Mabura Hill Road.
[18] https://agriculture.gov.gy/wp-content/uploads/2022/07/Guyana-investing-in-reducing-the-Caricom-Food-Import-Bill-25-by-2025
[19] World Bank.2023. Guyana - Country Partnership Framework for the Period FY23-26. Washington, D.C.: World Bank Group.
[20] Guyana's Intended NDC https://unfccc.int/sites/default/files/NDC/2022-06/Guyana%27s%20revised%20NDC%20-%20Final.pdf

road sections of the project (low-carbon economic infrastructure) to mitigate flood risk, while considering future adaptation needs. The Project is also aligned with Guyana's 2nd voluntary review of the Sustainable Development Goals (SDGs), committing to invest in Adaptation and Climate Resilience strategies.

C. Proposed Development Objective(s)

The Project Development Objective is to provide climate-resilient and safe transport connectivity in the North-East region of Guyana.

Key Results

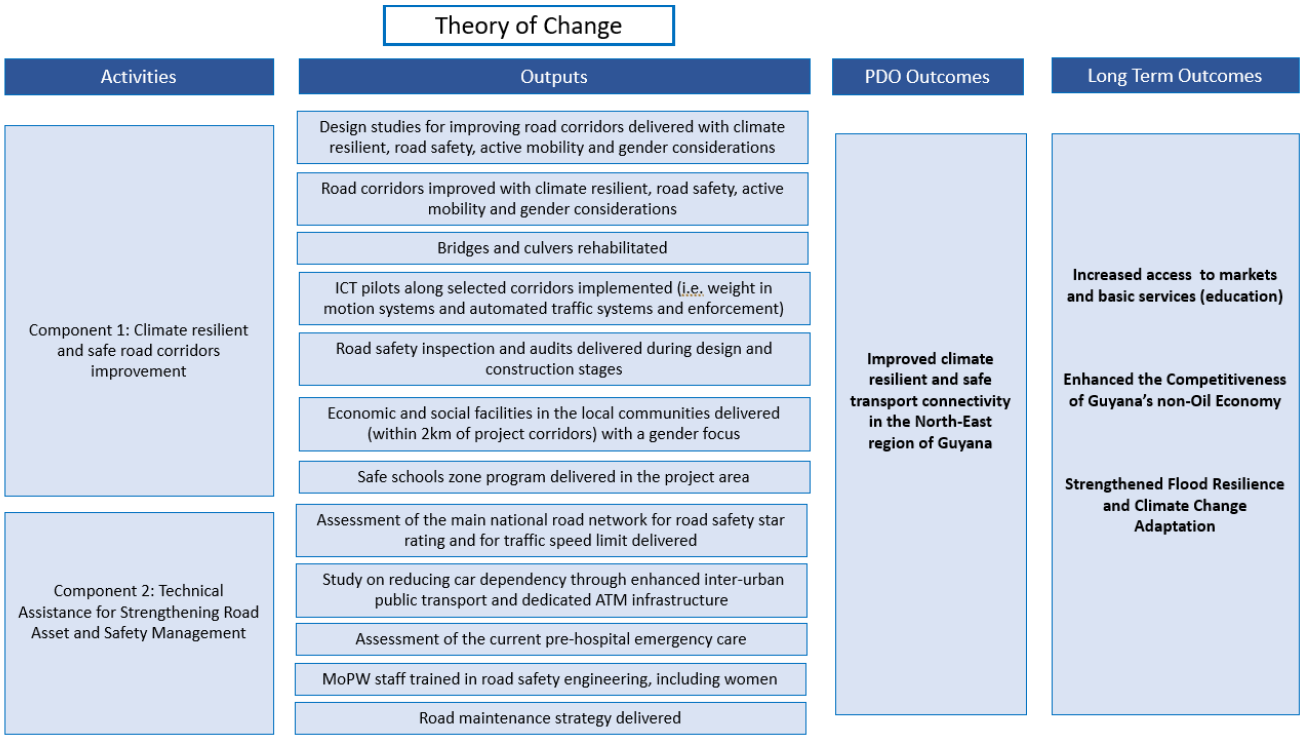
15. **PDO indicators are:**

a) Improved resilience: Millions of people with enhanced resilience to climate risks (gender disaggregated) (#)
b) Improved connectivity: Millions of people that benefit from improved access to sustainable transport infrastructure and services (gender disaggregated) (#)
c) Improved connectivity: Average travel time on the selected road sections and corridors (hours)
d) Improved road safety: Annual fatalities due to road crashes along the selected road sections and corridors (gender disaggregated) (#)

D. Concept Description

16. **The Project will support regional integration, inland and coastal connectivity, and expand the agricultural sector for food security by improving safe and resilient connectivity**. The roads selected for improvement and rehabilitation works will be based on a set of criteria agreed and finalized with the client during the preparation phase, and will be in the north-eastern region of Guyana (regions 3, 4, 5 and 6). The main criteria will be enhancement of regional and in-country connectivity and trade; and will take into consideration (i) climate vulnerability, (ii) road crash risk, (iii) access to basic services and markets. Thus, the Project will provide the client with a complete connectivity-informed institutional framework to select interventions in selected areas, prioritize its budget according to sustainable development criteria including setting up a citizen consultation mechanism. This framework for interventions could be institutionalized and scaled up to be used for future interventions across the entire national network.

17. **The GoG has already pre-identified potential road corridors to be financed under the project, that will be prioritized during project preparation/implementation.** These include a 40km corridor from New Amsterdam to Mara and an 8km section of the Corentyne corridor from Moleson Creek to El Dorado, where the bridge to Suriname is expected to start, with preliminary studies already initiated.



18. **Component 1: Climate Resilient and Safe Road Corridors Improvement (estimated cost: US$155 million).** This component will focus on the improvement (rehabilitation and upgrade) of selected road corridors. The works will include climate-resilient improvements, road safety interventions and will focus in promoting active mobility along the corridors with dedicated infrastructure for pedestrians, bicycles, and public transport. Additionally, this component will incorporate information and communications technology (ICT) pilots and complementary community investments for increased and inclusive job creation, access to social services and enhanced economic opportunities targeting women.

a. *Sub-component 1.1: Improvement of selected road corridors:* This subcomponent will finance the design studies and civil works for the improvement of selected regional road corridors through rehabilitation and upgrade works. The works will include road sections, bridges and culverts. The studies and works will incorporate: (i) climate resilient interventions (i.e. improvement of drainage systems, slope stabilization, etc.), (ii) road safety interventions (i.e. crash barriers, road signs and markings, (iii) raised pedestrian crossings, (iv) traffic calming measures, etc. (to be decided based on a Road Safety Inspection of the existing road and Road Safety Audit for each of the 4 stages: (1) concept designs, (2) detailed designs, (3) before opening the road to traffic, and (4) six months after opening the road to traffic), (v) active mobility and gender considerations (i.e. dedicated pedestrian pathways/sidewalks and 2- and 3-wheelers lanes, together with safe bus stops, encouraging a shift towards active transport mobility from car-dependency, and providing a safe space to address women's security). In addition, nature-based solutions (NBS) will be prioritized. Tailored capacity building will be delivered to mainstream climate resilience and road safety road design, construction and asset management life cycle.

b. *Sub-component 1.2: Schools zone safety program:* A dedicated road safety program for schools will be prepared and implemented. This will include an evaluation of speed limits in place, together with a traffic calming measures program especially in areas with a high number of vulnerable road users, such as schools, markets and hospitals. A communication campaign to complement the engineering road safety measures planned under the Project will be developed, targeting especially children and young adults, who pose the highest risk.

c. *Sub-component 1.3: Information and Communications Technology (ICT) pilots:* Pilots will be implemented for weight in motion systems, and automated traffic enforcement (i.e. speed management) along selected project corridors.

The client is developing a traffic monitoring center, and the pilots along selected sections will allow for better enforcement and monitoring of traffic regulations. This could be complemented by an asset management system.

d. *Sub-component 1.4: Complementary community investments for increased and inclusive job creation, access to social services and enhanced economic opportunities targeting women:* This covers development of economic and social facilities in the local communities (within 2km of project roads) with a gender focus. This could include infrastructure upgrades to enhance women's security, but also providing women with life and business skills to enhance their role in the transport value chain.

19. **Component 2: Technical Assistance for Strengthening Road Asset and Safety Management (estimated cost: US$3 million)**

a. Sub-Component 2.1: National level road network safety assessment: The International Road Assessment Program (iRAP)[21] methodology will be used to assess the main road network in Guyana (~600km of paved roads) and prepare a star rating of the existing situation and a safer roads investment plan for possible improvements to reach 3-star or better.[22] Since speeding was identified as one of the main risk factors on Guyana's road network, an assessment of the speed limits in place will be undertaken using the latest global guidance available, together with a set of recommendations for safe speed limits and complementary measures in terms of legislation, road infrastructure, and enforcement. Complementary capacity building will be provided while undertaking the assessments.

b. Sub-Component 2.2: Study on reducing road crash exposure at the national level, by shifting from car dependency to public transport and active transport mobility: With the accelerated economic development of the country, there is a high risk that the number of private cars will grow exponentially in the following years, leading to an increase in road crash risk. This can be managed if safe, clean and attractive alternative means of transport are put in place, such as public transport and active transport mobility infrastructure.

c. Sub-component 2.3. Road Asset Management: This will include the development of a maintenance strategy for the existing road network, based on evolving patterns of climate change, together with capacity building for the MoPW.

d. *Sub-Component 2.4: Training for young engineers and female employees in the transport sector.* This component will support a national level partnership with selected local universities in Guyana to train young engineers on road safety engineering, complemented by the development of a national certification of road safety auditors.

e. Sub-Component 2.5: Selected Actions from the National Road Safety Action Plan: The draft Guyana Road Safety Action for Guyana for 2024-2027 is being finalized with IDB funding, and additional activities considered priority could be financed by the Project. Capacity building for different target groups (i.e. road engineering, traffic police officers, etc.) could be developed and delivered under the Project.

20. **Component 3**: Project Management and Capacity Building (estimated cost US$15 million). This component will support the establishment of the Project Implementing Unit (PIU), including capacity building to ensure fiduciary and safeguards compliance, monitoring and evaluation, citizen engagement. The same component will finance training and technical workshops on key project implementation issues including contract design, procurement and management.

21. **Component 4**: Contingent Emergency Response Component (CERC) (US$0 million). The CERC is designed to mitigate situations of urgent need or capacity constraints and allows for the rapid reallocation of funding in the event of a natural disaster or crisis that has caused, or is likely to imminently cause, a major adverse economic and/or social impact.

22. **Reducing the gender gap in transport mobility and employment.** The Project will conduct an analysis of the mobility barriers that women face to use roads and transport services in the intervention areas, and their needs for infrastructure development (component 1.1), to be captured through a PDO indicator. The information will be used to

[21] https://irap.org/about-us/

[22] https://cdn.who.int/media/docs/default-source/documents/un-road-safety-collaboration/targets-and-indicators-visual-clean.pdf?sfvrsn=29627bde_5

pilot potential interventions including market and local transport connectivity improvement with a special consideration of women's needs, with a focus on improved accessibility to hospitals, schools, etc. (component 1.4). In terms of employment, the project will explore opportunities to directly contribute to the increase of female labor force participation by providing specialized training (component 2.4), together with a requirement for the contractors to articulate a strategy/approach on how women will have equal job opportunities alongside men in these types of activities. At the MoPW and Works Services Group (WSG) level, the Project will aim for greater participation of female workforce within these institutions. The focus will be on medium-long term job opportunities (that last beyond the Project cycle) and/or relevant training towards improved employability in the sector, for instance by supporting employment in road maintenance, as road safety auditors in national/local agencies, etc. A monitoring framework for the implementation of the proposed actions will be developed.

23. **Sexual exploitation and abuse/sexual harassment (SEA/SH).** SEA/SH risk screening revealed a Moderate total risk assessment rating for the Project. SEA/SH risks will be further assessed when conducting social and environmental assessment at project preparation. Commensurate measures to protect women and girls in the Project areas will also be identified during project preparation including specifying a survivor centered GRM and having a set of codes of conduct for workers in the Labor Management Procedures.

24. **Paris Alignment.** Based on the initial assessment of the Project under screening for rural roads, this Project falls under the category of roadway upgrades and construction of primary and secondary roads in countries with significant gaps in access or connectivity, and/or low motorization rate, and hence considered "Low" for climate mitigation risk. Furthermore, the selected road corridors are not expected to transport any coal products and intend to mainly serve transport of agricultural produce, and small manufactured products. The Project was screened for Paris Alignment.

25. **Climate screening and Co-Benefits**. The Project has been screened for climate change and disaster impacts, and no specific risks with respect to the mitigation and adaptation aspects of the Paris Alignment Assessment are flagged at this stage. Specific potential resilience-enhancing measures will be identified and properly reflected in project documents before appraisal. In terms of Co-benefits, the Project will support climate adaptation measures that are expected to generate significant climate Co-Benefits.

26. **Private Capital Mobilization**. Performance-Based Contracts (PBCs) for road rehabilitation offer significant opportunities for Private Capital Mobilization (PCM) when the private sector makes upfront investments in return for monthly payments over the contract's duration. The degree to which private sector financing can be mobilized will hinge on the ultimate risk distribution, the length of the contract, and the scale of government contributions to capital expenditures (CAPEX). Consequently, while the Project has the potential to attract private capital, its success in doing so will be contingent upon the finalized business model and the specific contractual terms. These aspects will be subject to further discussion with the government during the Project's preparation phase.

27. **Citizen Engagement** will be implemented throughout the project cycle to close the feedback loop, from project design to monitoring and evaluation. The Project will undertake consultations with affected communities including vulnerable groups (such as women, persons with disability, indigenous people, and underserved traditional local communities) to ensure their feedback will be incorporated at the project design and implementation stages. A Grievance Redress Mechanism (GRM) will be set-up during project implementation. Community-based monitoring initiatives will be explored such as the use of mobile phones in providing feedback on road safety and engagement of contractors during maintenance. In addition, surveys on road users' satisfaction of the Project roads will be conducted at project preparation stage and when the improved roads are open for service.

Legal Operational Policies

	Triggered?	
	Last approved	Current
Projects on International Waterways OP 7.50	No	
Projects in Disputed Area OP 7.60	No	

Summary of Screening of Environmental and Social Risks and Impacts

The Environmental Risk Classification is Substantial at this stage. The project activities are brownfield development in peri-urban areas, which are projected to have mostly moderate risks and impacts associated with road construction. These include occupational and community health and safety; traffic management; water, air, and land pollution; soil erosion; noise and vibration; and unsustainable material sourcing and management. Some of these risks are expected to be relevant to the operational phase of the project. There are positive effects for the road corridors anticipated based on the project design. Component 1 focuses on climate resilience and safety of the roads and related infrastructure. Component 2 will support Technical Assistance (TA) to improve road safety and asset management. Potential negative risks and impacts are likely to be temporary, predictable, and reversible, and can be managed through routine measures and known technologies. The project will use Output and Performance-Based Road Contracts (OPRC), which will include environmental (and social) considerations, such as performance standards and incentives, environmental and social management planning, stakeholder engagement, compliance, and monitoring. Based on the screening, the project footprint will be located away from environmentally sensitive areas. The sourcing of construction materials is not yet known, with one option of sourcing materials overseas. While sea shipping of construction materials is efficient, the project will need to consider the potential impacts of this method. During preparation and as the project design elements are identified, the ESRC will be reassessed.

The Social Risk Classification of the Project is Substantial. The main social risks are related to potential partial loss or modifications of assets to households along the roads, which could require compensations, and or replacement of assets, which could lead to a limited degree of potential conflicts if not managed properly. Also, upgrade to markets may require a moderate to substantial number of compensations due to temporary interruption of sales, risks to the health and safety of the local communities, including risks related to more congested traffic, noise pollution, and potential accidents. There is a moderate risk of gender-based violence and sexual harassment, due to a moderate to substantial influx of workers that could be working near sensitive social facilities (schools, markets, churches), temporary impact on access to social facilities in terms of lengthening of the traffic flow during the construction phase of the project, low -moderate risk of child labor related to potential primary supplier workers, social exclusion risks especially for vulnerable stakeholders, including the risk that women, residents with disabilities, the elderly, and indigenous peoples may not fully access the Project's benefits. These risks are assessed to be temporary, predictable, and reversible. During Project preparation, appropriate environmental and social measures will be identified and documented in the ESCP to prevent or mitigate identified risks and impacts. The ESRC will be reviewed regularly throughout the project life cycle to ensure that it continues to accurately reflect the level of risk that the Project presents.

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APPROVAL

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