

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)**

Additional Financing

Report No.: PIDISDSA21668

Date Prepared/Updated: 01-May-2017

I. BASIC INFORMATION

A. Basic Project Data

Country:	Cabo Verde	Project ID:	P161248
		Parent Project ID (if any):	P126516
Project Name:	First Additional Financing to the Cabo Verde Transport Sector Reform Project (P161248)		
Parent Project Name:	Cape Verde - Transport Sector Reform Project (P126516)		
Region:	AFRICA		
Estimated Appraisal Date:	04-May-2017	Estimated Board Date:	27-Jun-2017
Practice Area (Lead):	Transport & ICT	Financing Instrument:	Investment Project Financing
Borrower(s)			
Implementing Agency	Project Coordination Unit		
Financing (in USD Million)			
Financing Source			Amount
International Development Association (IDA)			27.00
Financing Gap			0.00
Total Project Cost			27.00
Environmental Category:	B-Partial Assessment		
Appraisal Review Decision (from Decision Note):	The review did authorize the team to appraise and negotiate		
Other Decision:			
Is this a Repeater project?	No		

B. Introduction and Context

Country Context

Cape Verde is an island country, spanning an archipelago of 10 islands located in the central Atlantic Ocean, 570 kilometers (350 miles) off the coast of West Africa, and covering an area of about 4,000

square kilometers, and with a 700,000 square kilometers Exclusive Economic Zone (EEZ). The country has an estimated population of about 500,000, with its capital city Praia accounting for a quarter of that.

Cape Verde has graduated from the United Nations least developed country status and is now eligible for a blend of International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) funds. It has also entered a Special Partnership with the European Union and joined the World Trade Organization. Cape Verde has followed a path of peaceful political transitions and prudent economic management with significant impact in terms of poverty reduction.

The population residing in isolated rural communities is impoverished and unable to harness economic opportunities as inadequate infrastructure and the inter-island logistic issues make central services and markets difficult to access. Unemployment remains high, particularly among youth, women and rural populations, and there are sharp differences across islands, reflecting a misalignment between skills and job opportunities and constraints in domestic migration. Promoting tourism and employment in tourist related activities remains a key objective of the country's growth strategy, but better inter-island transport will be essential to improve economic linkages between the various islands that constitute Cape Verde. This is because the main source of growth in the economy remains the tourism sector which is concentrated on two of the least populated islands (Boa Vista and Sal) where there is very little farming activity, and transport connections with the more fertile islands remain poor.

Cape Verde stands out in Africa as a country whose economic geography poses major and unique challenges to infrastructure development. In addition to maintaining multiple road networks, the country needs a large number of functioning ports to ensure internal connectivity, and also relies heavily on air transport for both domestic and international links. Enhancing accessibility by means of an affordable and dependable transportation network connecting the rural areas to urban centers and improvements to inter-island transport and inter-modal logistics is crucial to enhance the growth potential and national integration strategic objectives for Cape Verde.

Sectoral and Institutional Context

The Transport Sector Strategy, 2008-2020, spells out the Government of Cabo Verde (GoCV)'s vision for the development of the sector in support of social activities and economic growth, and equal access for the spatially dispersed population.

The GoCV recognizes that in addition to rehabilitation of key infrastructure assets a comprehensive sector approach is needed to bolster the efficiency of the transport network and services providers. The possibility for transport operators to provide high value added services would increase Cape Verde's attractiveness for high-end tourism while cross subsidizing basic intra/inter island mobility, thereby increasing accessibility and sustainability of the transport network.

The GoCV also recognizes that success in the transport sector is contingent upon a more systemic approach to mobility and accessibility, whereby all transport modes are considered jointly and not separately.

Geographical dispersion and a low population density necessitate the duplication of infrastructure facilities. As a result of this, despite its small population Cape Verde has no fewer than four international airports, three aerodromes, and nine ports. The very fragmented provision of utility services prevents capture of economies of scale and drives up inter-island transport costs, which are high by international standards, and result in sharp price differentials between areas of production and consumption (both tourist and the main urban areas). This erodes the competitive advantage of Cape

Verdean suppliers over overseas suppliers, discourages economic activities in the peripheral islands that depend on inputs from outside, and cause post-harvest losses of up to 40 percent because the main tourism islands, mostly arid, are poorly connected with the more fertile islands from agricultural production point of view. While the GoCV has privatized inter-island shipping, the maritime fleet remains partially obsolete, and not adapted to the inter-island traffic, providing insufficient and unreliable services.

Logistical facilities for transferring cargo from maritime to road or air transport appear to be very limited, adding to storage costs and delays that undermine competitiveness. Over the last decade, major investments have been undertaken to upgrade airports and port facilities, as well as to rehabilitate the core road network to a sustainably maintainable level. Nonetheless, bottlenecks in seamlessly integrating air, sea (ferry) and road transport remain to be addressed to support trade, tourism and inter-island connectivity more broadly. Rehabilitation of the core road network is ongoing and remains to be completed. Connecting rural populations to the core network through repair and upgrade of rural road networks, and delivery of transport services, remain a priority for the GoCV.

C. Proposed Development Objective(s)

Original Project Development Objective(s) - Parent

The objective of the project is to support the Recipient's efforts to improve efficiency and management of its national road assets and lay the groundwork for transport sector State Owned Enterprise reform.

Proposed Project Development Objective(s) - Additional Financing

The objective of the project is to support the Recipient's efforts to improve efficiency and management of its national road assets and lay the groundwork for transport sector State Owned Enterprise reform.

Key Results

About 45 km of dirt roads will be upgraded to cobblestone roads and then maintained during 4 years under a performance based-contracts

About 22,500 person-days of jobs will be provided to the cobblestone labor force.

Adequate action plans / strategies to reform not only the transport SOEs including TACV but also the transport sectors in general have been defined, adopted, and implemented.

Small-scale road damages as results of climatic phenomenon are being repaired quickly.

D. Project Description

Component 1: Road Asset Preservation. This component comprises two subcomponents: (a) performance-based contracts; and (b) emergency small scale road repairs

Subcomponent 1.1: Performance-based contracts. This subcomponent will finance the carrying-out under performance-based maintenance contracts (PBMC) of (a) rehabilitation works; and (b) routine maintenance including emergency works. The roads selected for PBMC will be prioritized based on an economic analysis (costs-benefits analysis; cost-effectiveness method; multi-criteria analysis). In addition, the rehabilitation will be an upgrading of dirt roads into cobblestone roads or a rehabilitation of cobblestone roads. As much as possible, the road will not be widened to minimize land acquisition. The number of jobs created and the volume of revenues distributed through the use of cobblestones will be closely monitored.

Subcomponent 1.2: Emergency works. This subcomponent will finance the carrying-out of small-scale

rehabilitation works on the national road network as emergency repairs that are not covered under the PBMC.

Component 2: Institutional Strengthening and Project Management. This component will finance: (a) training and capacity building activities for the entities involved in the implementation of the project; (b) the operating costs of the PCU including audits

Component 4: Inter-island Transport Strategy. This component will finance studies and technical assistances related to the following: (a) increasing the efficiency and efficacy of the road maintenance funds (FAMR); (b) improving the resilience of the road network to climate change by defining adequate mitigation and adaptation measures; (c) analyzing the trade and logistic performance of Cabo Verde; (d) defining, adopting, and implementing strategies and action plans to put in place a safe, efficient, and reliable inter-island maritime transport; (e) defining, adopting, and implementing strategies and action plans to reform and/or privatize efficiently transport SOEs of which TACV

Component Name:

Comments (optional)

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

The terrain in most of the islands in Cabo Verde is mountainous with steep slopes, and the climate is semi-arid in the areas under consideration. Vegetation is scarce and consists of lone acacia trees or small shrubbery. Those areas are for the most part not inhabited except for a few shepherds with small herds of mountain goats.

The road network in Cape Verde is vulnerable and expensive to maintain because of the geography (steep slopes), geology (unstable and crumbly terrain conducive to landslides, subsidence and rock falls), and climate (heavy rains, potentially explained by climate change and likely to become more and more common). In addition, most of these roads were designed decades ago for much lower traffic volumes than those of today, and the drainage systems have been sized for rainfalls dwarfed by the downpours being experienced over the last few years. Many would need to be re-engineered if not reconstructed.

F. Environmental and Social Safeguards Specialists

Antoine V. Lema(GSU05)

Melissa C. Landes(GEN07)

II. IMPLEMENTATION

The Ministry of Infrastructure, which was in charge of all transport sub-sectors (road, air, and maritime) during the approval of the original project, is now only in charge of the road sub-sector; the air and maritime sub-sectors have been mapped to the Ministry of Economy; road safety has been mapped to the Ministry of Internal Administration. In addition, a PPP unit has been put in place within the Ministry of Infrastructure to lead the privatization of SOEs, including TACV. A small steering committee will be formed to reflect these changes in the institutional landscape in Cabo Verde.

The steering committee, led by a representative from the Ministry of Finance, will be created to: (i) define the political and strategic orientation of the project; and (ii) approve the project work

plan and budget. The committee will include one representative from the PPP Unit in charge of SOE privatization including TACV; one representative from the Ministry of Economy in charge of reforming the air and maritime sub-sectors; one representative from the Ministry of Internal Administration in charge of road safety; one representative from the Ministry of Infrastructure in charge of the road sub-sector.

III. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This policy is triggered due to the potential adverse environmental and social impacts such as losses of acacias vegetation, and risks of accident for the workers during engineering works. The Environmental and Social Management Framework (ESMF) for the original project has been updated to cover the activities under component one of this Additional Financing (Road Assets Preservation). At this stage one road has already been selected for rehabilitation and the borrower prepared an ESIA to identify and mitigate potential negative environmental and social impacts of the civil works for the rehabilitation of the Chã de Escudela – Tarrafal road segment in Santo Antão. These safeguards documents help identify, assess, and mitigate potential negative environmental and social impacts related to project activities. These documents have been consulted upon locally, validated in-country and at the Bank. The ESMF was published in-country and submitted to the Infoshop on April 27, 2017. The ESIA was disclosed in-country and submitted to the Infoshop on April 27, 2017.
Natural Habitats OP/BP 4.04	No	This policy will not be triggered because the rehabilitation works in this project only concern existing roads and the sections to be rehabilitated are not located in natural reserves or parks or near critical natural habitats. There is no foreseen land clearing or degradation of ecosystems. It is not expected either that the works to be undertaken will require the development of new quarries. Generally, the works envisaged will not have impacts on natural habitats or ecological functions of the areas.
Forests OP/BP 4.36	No	There are no forests in the project area.

Pest Management OP 4.09	No	There are no project activities that would directly or indirectly include the financing of pesticides or related equipment.
Physical Cultural Resources OP/BP 4.11	Yes	This policy is triggered mainly in relation to the road works which exact locations are not yet identified, but where we can expected some digging and earth moving works. The ESMF prepared for the project addresses this policy and specifies that road works contracts should include chance finds procedures that outline the procedures contractors should follow if previously unknown heritage resources, particularly archaeological resources, are encountered during project construction or operation.
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	Project activity, Subcomponent 1.1: Performance-based contracts, may induce land acquisition. Strips of land along the roadside may be affected. No physical displacement expected, but there might be some economic displacement. The resettlement policy framework (RPF) for the initial project has been updated to cover potential impacts. The RPF was consulted upon locally and validated in-country and at the Bank. It was disclosed in-country on April 28, 2017 and submitted to the Infoshop on April 29, 2017.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	There are no International Waterways in the project area.
Projects in Disputed Areas OP/BP 7.60	No	There are no Disputed Areas in the country.

IV. 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 project is categorized B for Environmental Assessment purposes because of the potential adverse environmental and social impacts such as losses of acacias vegetation, risk of accident for the workers during engineering works. Three safeguard policies are triggered: Environmental Assessment (OP/BP 4.01); Physical Cultural Resources (OP/BP 4.11) and Involuntary Resettlement (OB/BP 4.12).

The proposed project of road rehabilitation is designed to have beneficial impacts on the

population in terms of improving people and goods movements as island roads are often damaged and cut off due to torrential rains.

No resettlement has been identified in relation to the paving of the first road segment that will benefit from this Additional Financing because it is an existing dirt road that runs through municipal and government land and the right of way will not change. However, since the other road segments have not been selected yet, the original project's RPF has been revised and updated. Site-specific Resettlement Action Plans (RAP) or Abbreviated RAP (ARAP) will be prepared if necessary.

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

No potential indirect or long term or cumulative impacts are foreseen during project implementation.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Not applicable

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.

The following instruments have been prepared: (a) the Environmental and Social Management Framework (ESMF), (b) a Resettlement Policy Framework (RPF) and (c) one Environmental and Social Impact Assessment (ESIA) for the Chã de Escudela – Tarrafal road segment in Santo Antão which needs paving and has already been selected for financing under this Additional Financing. The ESMF was disclosed in country and submitted to the InfoShop on April 27, 2017. The RPF was disclosed in-country on April 28, 2017 and submitted to the InfoShop on April 29, 2017. The ESIA was disclosed in-country and submitted to the InfoShop on April 27, 2017.

To avoid or reduce potential negative impacts, including on physical cultural resources, the ESMF and the RPF provide screening procedures for environmental, social and resettlement activities to be undertaken as part of the Cape Verde Transport Project, taking into account the World Bank safeguard policy requirements and the national environmental legislation.

The PCU of the Ministry of Infrastructure which is implementing the ongoing Road Sector Support Project, the Instituto de Estradas - Road Agency, the participating enterprises and supervising consultants have been given well defined roles in the institutional arrangements outlined in the different safeguards instruments to ensure that environmental and social safeguards guidelines including occupational, health and safety guidelines are well monitored and implemented. The PCU will also ensure that all bidding documents and contracts have the environmental and social management clauses to commit the enterprises and supervising consultants to adhere to sustainable environment, social, health, chance finds and safety guidelines during civil works.

The safeguards specialist working at the PCU will continue ensuring the safeguards supervision role of the project activities. The implementation of the safeguards measures other than the compensation to the Persons Affected by the Project in the proposed additional

financing is estimated at about US\$460,000. This cost is included in the additional financing costs.

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

As documented in the safeguards documents (ESMF, RPF, ESIA), all the relevant key stakeholders have been adequately consulted and informed about the project and public consultations organized during the preparation of safeguards documents. The concerns of the communities and inputs from consultations are reflected in the ESMF, RPF, and the ESIA for the Chã de Escudela –Tarrafal road segment. The consultations helped raise awareness regarding project activities and impacts, and foster ownership by the local authorities and the communities.

The Project Coordination Unit (PCU) of the Ministry of Infrastructure which is implementing the ongoing Road Sector Support Project will ensure that safeguards documents (ESMF, RPF and ESIA) prepared within this project will be disclosed on the IE website (<http://www.ie.cv/index.php/site-administrator/documentos-tecnicos>) and/or in the offices of main structures involved like the local collectivities, the Environment Ministry, the Instituto de Estradas – Road Agency and in the Ministry of Infrastructure.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	27-Apr-2017
Date of submission to InfoShop	27-Apr-2017
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Cabo Verde	27-Apr-2017
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	28-Apr-2017
Date of submission to InfoShop	29-Apr-2017
"In country" Disclosure	
Cabo Verde	28-Apr-2017
<i>Comments:</i>	
Cabo Verde	
<i>Comments:</i>	
Cabo Verde	
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the	

respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why::

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment						
Does the project require a stand-alone EA (including EMP) report?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
OP/BP 4.11 - Physical Cultural Resources						
Does the EA include adequate measures related to cultural property?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
OP/BP 4.12 - Involuntary Resettlement						
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Is physical displacement/relocation expected?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	TBD	<input type="checkbox"/>
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	TBD	<input type="checkbox"/>
The World Bank Policy on Disclosure of Information						
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

All Safeguard Policies						
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have costs related to safeguard policy measures been included in the project cost?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

V. Contact point

World Bank

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Contact: Shruti Vijayakumar
Title: Transport Analyst

Borrower/Client/Recipient

Implementing Agencies

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VII. Approval

Task Team Leader(s):	Name: Tojoarofenitra Ramanankirahina, Shruti Vijayakumar	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Maman-Sani Issa (SA)	Date: 04-May-2017

Practice Manager/Manager:	Name: Nicolas Peltier-Thiberge (PMGR)	Date: 04-May-2017
Country Director:	Name:R. Gregory Toulmin (CD)	Date:07-May-2017