



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 20-Jul-2016 | Report No: PIDISDSC19925



BASIC INFORMATION

A. Basic Project Data

Country Zambia	Project ID P159330	Parent Project ID (if any)	Project Name Zambia: Improved Rural Connectivity Project-SUF (P159330)
Region AFRICA	Estimated Appraisal Date Jan 19, 2017	Estimated Board Date Apr 20, 2017	Practice Area (Lead) Transport & ICT
Lending Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency National Road Fund Agency	

Financing (in USD Million)

Financing Source	Amount
International Development Association (IDA)	200.00
Total Project Cost	200.00

Environmental Assessment Category
B-Partial Assessment

Concept Review Decision
Track II-The review did authorize the preparation to continue

Other Decision (as needed)

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B. Introduction and Context

Country Context

1. Zambia’s poverty levels remain high despite its rate of economic growth. It is a resource rich, low middle-income country that has achieved impressive growth of about 7.5 per cent over the last decade. This growth has however not translated into an improvement in the living standards for the majority of the population: 60 percent of Zambia’s population lives below the national poverty line and 42 percent are considered to be in extreme poverty. The national poverty incidence of 60 percent in 2010 was only marginally better than the 62.8 percent in 2006. Furthermore, Zambia has not been able to achieve a more inclusive growth. Poverty is located overwhelmingly in rural areas, where poverty rate is almost three times that in urban areas. In 2010 rural poverty was estimated at 77.9 percent compared to urban poverty level of 27.5 percent. While 58 percent of the rural populations are extremely poor, the extreme poor is approximately 13 percent in urban areas.



2. Large and increasing poverty discrepancies exist across geographic areas. More than 50 percent of the population in Luapula, Western, Northern and Eastern provinces, which are predominantly rural and rely on subsistence agriculture, is not able to satisfy its basic food requirements. In those areas, many rural farmers do not have good access to advanced inputs. Thus, crop productivity remains low. Access to output market is also limited. According to the Rural Access Index (RAI) recently updated based on new data and technique, the vast majority of rural populations do not have access to good quality road network. The RAI is estimated at 17 percent, leaving 6.9 million of rural residents disconnected. In Western and Northwestern Provinces, accessibility is 10 percent or less.

3. Economic diversification has long been called for in Zambia. While Zambia's economy is traditionally dependent on copper, the agriculture sector is the highest contributor to employment, currently employing 70 percent of the total population. Zambia has significant potential in agriculture and agribusinesses that remain largely underexploited. Furthermore falling copper prices, exports and foreign direct investments have weakened the economy. Under the revised Sixth National Development Plan, Zambia has been accelerating efforts to promote economic diversification and industrialization, especially in the labor intensive sectors, such as agriculture, tourism and construction. However, rural accessibility has been identified as a critical bottleneck to the diversification agenda. The Plan states that many rural areas are difficult to access, particularly during the rainy season when vital farming inputs should be delivered.

Sectoral and Institutional Context

4. While the primary road network is generally well maintained, feeder roads are largely in poor condition. Zambia's road transportation needs are served by a road network of 67,671 km, classified as Trunk, Main, District, Urban and Feeder roads, but its condition and passability varies significantly. In the last decade, government made substantial efforts to improve the primary road network under its Road Sector Investment Program (ROADSIP), which dedicated road upkeep resources to a set of roads referred to as the Core Road Network (CRN). The CRN is a network of roads that is considered critically important in the provision of sub-district accessibility and ensuring national and international connectivity for the land locked economy. The CRN is made up of 40,333 km of roads: 3,116 km of Trunk Roads; 3,701 km of Main Roads; 13,707 km of District Roads; 5,597 km of Urban Roads; and 14,333 km of Primary Feeder Roads (PFRs). While the overall condition of the Trunk, Main and District roads (TMDs) is generally good, the PFRs are in poor condition. The situation is worsening. Between 2011 and 2014, the condition of the PFRs deteriorated noticeably, with the proportion of roads in poor condition increasing from 77 to 82 percent and those in good and fair condition dropping to 18 percent. However, over the same period, the proportion of the paved CRN in good and fair condition rose to over 90 percent.

5. The TMD part of the CRN is relatively well managed at the central government level by the Road Development Agency (RDA), however, the responsibility and financial sustainability for feeder roads remain weak at subnational level. RDA is one of the three government agencies formed during the road sector reforms to manage and maintain all public roads. Currently, however, the agency's efforts are more obvious on the higher order class of the CRN i.e. on the TMDs. The other two agencies are the National Road Fund Agency (NRFA) – created to manage the Road Fund, and the Road Transport and Safety Agency (RTSA), to regulate road traffic and to manage road safety. RDA's establishing legislation, the Public Roads Act of 2002, bestows responsibilities which include construction, care and maintenance of all public roads and bridges on the agency. The legislation also allows the agency to nominate other authorities to perform such functions on its behalf. In this regard, RDA has passed-on most of its PFR responsibilities to the local authorities. The local authorities however fall under the Ministry of Local Government and Housing and, structurally, RDA has no direct control over them. Furthermore the authorities in general, do not have the requisite technical capacity, and their funding for road maintenance is low and erratic.



6. Below the PFRs, Zambia's classified road network includes some 27,000 km of two other categories of lower order roads that have generally been neglected: the Secondary Feeder Roads (SFR) and the Tertiary Feeder Roads (TFR). These are roads that lead deep into the rural areas and to farm gates, thus providing the rural linkage to the CRN. It is the SFR and TFR network, together with the PFRs, that have the potential to unlock growth at rural level. These roads however do not form part of the CRN and their funding is negligible. As a result they are generally impassable and rarely monitored by RDA. This apparent withdrawal of RDA's direct responsibility away from the non-core road network is potentially detrimental to rural development and growth. It could eventually lead to the absence of a reliable and seamless feeder road system in Zambia, which would be a major bottleneck to the desired diversification into agriculture and other local businesses. Furthermore, the poor connectivity has the potential to stifle general rural development as communities are deprived of efficient accessibility to other amenities and opportunities including education, health and markets.

7. Zambia has already implemented a comprehensive road sector reform but funding of road maintenance requires further rationalization. The NRFA is the public institution responsible for management of road funds. Its functions include mobilization and disbursement of funds to other agencies such as RDA, RTSA the National Construction Council (NCC) and the Local Road Authorities (LRA) under the Ministry of Local Government and Housing. Prior to 2013, NRFA disbursed funds within the framework of the ROADSIP which rationalized and pre-identified levels of road funding, with specific focus on road maintenance. ROADSIP also set out targets to be achieved during the program period and NRFA would assess its performance against these targets. Since the completion of the second phase of ROADSIP in 2013, a number of road improvement initiatives were mooted, the three primary programs being: Link Zambia 8000, Lusaka 400, and Pave Zambia 2000. The main thrust of these programs was road expansion and rehabilitation with deliberate attention towards Trunk, Main, and Urban roads. The discontinuation of ROADSIP therefore led to a gradual reduction in funding for rural roads and general road maintenance.

Relationship to CPF

8. The project complements the objectives of the FY13-FY17 Country Partnership Strategy (CPS) for Zambia, which supports Government's development priorities as reflected in the revised Sixth National Development Plan and Vision 2030. One of the two CPS pillars aims at reducing poverty and vulnerability of the poor while the other focuses on improving competitiveness and providing infrastructure for growth and employment. The main factors that inform the choice of intervention under the project are linked to agriculture, the most prominent economic activity in the rural parts of Zambia, and its relevance for the poor. The effect of reduced transport cost on agricultural prices—both input and output prices—which in themselves are a main channel to benefiting farmers, is expected to be a primary contributor towards reducing poverty. Additional infrastructure in support of post-harvest (e.g. storage facilities, processing space, and market stalls) is expected to improve employment opportunities. These interventions are expected to spur parallel developments including new rural businesses, which can in turn create new jobs in the local communities.

9. The CPS has also been realigned to address World Bank's twin goals: to end extreme poverty and to promote shared prosperity. Achieving the aspirations of the twin goals in Zambia was a compelling consideration in the choice of the project and its coverage. Provision of the missing link between the rural communities and higher order road network, and the policy dialogue to improve funding for the rural roads is expected to be transformational. Furthermore the operation mainly targets the rural poor as part of the shared growth objective.



C. Proposed Development Objective(s)

To improve rural accessibility for communities in selected areas in Zambia through provision of better roads and other rural transport related infrastructure and strengthening of institutional capacity.

Key Results (From PCN)

10. The proposed Project Developmental Objective Indicators are:
 - (a) Improved rural connectivity to be measured in terms of increased accessibility index within the target areas
 - (b) Improved mobility, as determined through increase in the usage of rural roads by vehicular traffic
 - (c) Improved transportation efficiency measured in terms of reduction in transportation costs along the target roads.
 - (d) Improved agricultural production measured, as a proxy, in the volume of agricultural produce moved on the improved rural roads
 - (e) Improved institutional capacity through policy realignment that would lead to improve resource mobilization for rural roads
11. Examples of intermediate indicators are:
 - (a) Length of rural roads improved
 - (b) Proportion of roads in good and fair condition as a share of the total classified road network in the project areas
 - (c) Length of roads under routine maintenance
 - (d) Number of road safety measures implemented in relation to road management, road infrastructure, and awareness creation
12. Proposed gender and citizen engagement indicators are:
 - (a) Proportion of women participation in road maintenance part of the road contracts
 - (b) Road users satisfied by quality of roads disaggregated by gender
 - (c) Number of citizen engagement consultations carried out on a bi-annual basis, with participation from project beneficiaries
 - (d) Grievance redress mechanism in place to monitor feedback and trend, with monthly reports being prepared

D. Concept Description

13. The bulk of the project funds will be directed towards supporting the implementation of RDA's long term Road Maintenance Strategy (RMS). While the strategy is primarily focused on improving the condition of PFRs, there will be a need to broaden and prioritize the interventions, in terms of geographical coverage and selection of road links. A road network approach will be adopted and extended to include roads below PFRs i.e the SFRs and TFRs. Priority provinces and district will be those with high poverty incidences as well as high agricultural potential. A Multi-criteria analysis will be used to prioritize road links, and to determine participating districts and provinces. To ensure sustainability of the project, the works will be executed through performance-based approach, to improve selected roads and to maintain them, as part of the same lump-sum contracts, to pre-defined levels of service. The intermediate results of this approach will be a new network of all-weather connectivity between the rural agricultural areas and the rest of the road network. For sustainability purposes, the project will also support institutional capacity strengthening at strategic and skills development levels. The support will aim to spotlight rural connectivity as a strategically essential part of the national road



network and to improve institutions' ability to manage this part of the network. The project will therefore support two components: improvement of feeder roads, and institutional capacity building.

14. **Feeder roads improvement component:** The component will target primarily the unpaved feeder road network serving local communities. While it is too early to define in more detail, the overall concept would be packages of about 300-500 km of the classified rural road network linking these communities with their economic activities and the nearest good quality District roads. A total of about 6 packages could be financed over a period of about two-three years. In total an estimated 1,800 to 3,000 km would be improved and maintained under the Project. The works contract would cover improvement of feeder roads, construction of drainage structures, small bridges, emergency works, maintenance, and community facilities in support of agricultural development. Typical contract duration would be about five years and the contracts will include participation of local contractors. The contracts will provide an ideal opportunity for both short-term and longer term employment opportunities for local labor, especially through labor-based methods. Local road authorities will be involved in the design and implementation of the eventual roads packages. The necessary concept design and monitoring consultancy costs, as well as other technical support services would also be financed under this component.

15. **Institutional capacity building component:** This component will in general support the institutional capacity to manage rural roads. This would be achieved through policy and strategic aspects as well as direct support toward skills development. Areas of strategic and policy level support would include strengthening the procedures and processes of funding road maintenance with special attention to rural roads. Specifically, the support would include a review of the application of the road fund towards road maintenance. It would also strengthen the systems for road asset management. The component will furthermore support road safety efforts in relation to rural roads. It will also support the National Construction Council's role in the development and regulation of the road construction industry and RDA's efforts to reclassify the roads. Of particular importance will be the overall institutionalization of performance-based road contracting.

SAFEGUARDS

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

16. The project will involve the construction and rehabilitation of feeder roads and drainage structures in rural parts of Zambia. The precise location of the particular road links is not yet known, however these will be rural access roads and tracks that are currently in poor condition but whose alignment is generally defined. The road improvement works will involve bush clearing to demarcate the road corridors and to improve safety, earthworks to achieve engineered road profiles and excavation of material for road layers. Drainage structures will include channels, culverts, drifts and small bridges.

B. Borrower's Institutional Capacity for Safeguard Policies

17. The Road Development Agency (RDA) has been involved in the execution of Bank supported projects and is fully aware of Bank's safeguards policies. It has an Environmental and Social Management Unit that oversees the preparation of the necessary studies and the implementation of the mitigation measures. At national level, RDA will be required to have their safeguards instruments reviewed and approved by the Zambia Environmental Agency (ZEMA). During preparation of the safeguard studies, the Bank safeguards team will guide and review the instruments to ensure they comply with Bank policies.



C. Environmental and Social Safeguards Specialists on the Team

Paula F. Lytle, Mwansa Lukwesa

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project will involve the upgrading and maintenance of about 2000 km of rural roads serving rural communities. Since the specific roads are yet to be defined, it will be required that ESMF be developed by the Road Development Agency (RDA) to address the environmental and social risks. Once the project scope and the exact roads have been identified, RDA will be required to develop an EISA and the ESMP to comply with the Bank Safeguards policies and the ZEMA requirements at national level
Natural Habitats OP/BP 4.04	TBD	The policy is not likely to be triggered since the project will focus on already existing feeder roads. The effects of road construction and maintenance on biodiversity will be further assessed once the feeder roads have been identified.
Forests OP/BP 4.36	Yes	The policy is triggered as maintenance and upgrade of feeder roads will require the clearance of vegetation and trees to allow for road works.
Pest Management OP 4.09	No	The policy is not triggered because project will not involve the use of pesticides.
Physical Cultural Resources OP/BP 4.11	No	The policy is not triggered because the proposed maintenance and upgrade of feeder roads will be restricted to within the existing feeder road reserve and chance finds are unlikely. Precautionary, the ESMP will incorporate a chance finds procedure.
Indigenous Peoples OP/BP 4.10	No	The policy is not triggered as the geographical areas in consideration have no indigenous people as defined by the Bank policy
Involuntary Resettlement OP/BP 4.12	Yes	The policy is triggered as the upgrade of feeder roads and possible encroachment on the road reserves may require relocation and resettlement. This will require that an RPF be development to address issues related to resettlement
Safety of Dams OP/BP 4.37	No	The policy is not triggered as it will not involve the construction or maintenance of dams as defined by the Bank policy.
Projects on International Waterways OP/BP 7.50	No	The policy is not triggered as it will not affect international waterways.



Projects in Disputed Areas OP/BP 7.60	No	The policy is not triggered as no disputed areas have been identified.
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E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Nov 30, 2016

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

Two frameworks will be developed: (a) Environmental and Social Management Framework (ESMF); and (b) Resettlement Policy Framework (RPF). They are scheduled to be ready by October 31, 2016.

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APPROVAL

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