



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 03-May-2018 | Report No: PIDISDSA24329



**BASIC INFORMATION**

**A. Basic Project Data**

Country Romania	Project ID P165989	Project Name Building Romania's Institutional Capacity and Knowledge for Motorway Construction	Parent Project ID (if any)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 17-Apr-2018	Estimated Board Date 26-Jul-2018	Practice Area (Lead) Transport & Digital Development
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Public Finance	Implementing Agency Ministry of Transport	

Proposed Development Objective(s)

To support preparation of the Ploiesti-Brasov Motorway Project in order to strengthen the capabilities of Romania's institutions to implement and finance major road projects.

Components

Preparation of the Ploiesti-Brasov Motorway for Delivery  
Institutional Strengthening and Sector Initiatives  
Project Management  
Project Preparation Advance  
Contingency

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	43.30
<b>Total Financing</b>	43.30
<b>of which IBRD/IDA</b>	43.30
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**



International Bank for Reconstruction and Development (IBRD)	43.30
Environmental Assessment Category	
A - Full Assessment	
Decision	
The review did authorize the team to appraise and negotiate	

## B. Introduction and Context

### Country Context

1. Romania's economy grew by 7 percent in 2017, the fastest in the EU. Growth was led by private consumption (up 8.8 percent year-on-year), which benefited inter alia from fiscal incentives and increases in the minimum and public-sector wages and pensions. Despite its fast- economic growth over the last years, Romania still faces the twin challenges of inclusion and consolidating the sustainability of its growth model by focusing on better quality investments, higher productivity and exports, rather than only domestic consumption. Investment showed signs of recovery (up 5.4 percent year-on-year), but public investment underperformed (down 9.5 percent) reflecting lower utilization of the EU funds and the government effort to keep the fiscal deficit under 3 percent in 2017.
2. Romania held parliamentary elections on December 11, 2016. A governing coalition composed of the Social Democratic Party (PSD) and the Liberal-Democratic Alliance (ALDE) appointed a Cabinet on June 29, 2017, following a vote of no-confidence for a short-lived Cabinet that governed from January-June 2017. In January 2018, Romania's Parliament approved the third government in a year following the resignation of the prime minister appointed in June 2017. The Government's priorities for 2017-20 have however remained the same and include investments in infrastructure, healthcare, education, supporting job creation and small and medium enterprise development, in addition to tax and pension reforms. The Government's Program reconfirmed Romania's roadmap for achieving the Europe 2020 objectives for smart, sustainable and inclusive growth. It prioritizes for investment the use of the European Structural and Investment Funds (ESIF) envelope for 2014-20, which amounts to approximately EUR 40 billion.
3. In the past, Romania has received generous EU funding for infrastructure in general and transport in particular, but has not taken full advantage. Between 2007 and 2013, Romania used only about 77% of the EUR 4.6 billion available for transport infrastructure. Available ESIF were underutilized due to lack of clear priorities, lack of strategic planning, lack of investment targeting, and low quality of project preparation and implementation. This under-spending of EU funds and the lack of a prepared project pipeline coincides with a significant financing gap in the road sector given the very limited development of Romania's motorway network. All evaluations of past and current infrastructure investment program point to a unique lack of capacity inside implementing and planning entities, and in the government's public investment management processes. To turn around this situation requires stronger institutions, which should be able to propose realistic investment plans and improve the level of preparedness for major public investment, and requires the joint support of the European Commission and all the IFIs.



## Sectoral and Institutional Context

4. **Models that need to develop so they can deliver.** Since the time of EU accession, Romania's infrastructure institutions have not fallen short of expectations as evidenced by the failure to fully absorb ESIF funding in 2007-2013. This is likely to repeat in 2014-2020 programming period. Romania's challenges are more acute than in all other EU countries. Key challenges include: (i) weak governance arrangements resulting in high turnover of decision makers, variable quality and lack of empowerment of staff managing projects; (ii) insufficient technical and financial planning of investment programs, combined with ever changing priorities; (iii) attempting to deliver projects using low quality / deficient preparation; (iv) ineffective processes across fiduciary, environmental, land acquisition, and technical dimensions of projects. Weak governance contributes to perpetuate and ultimately underpins repeated failures to deliver major infrastructure initiatives.

5. **Romania's transport sector** institutions rank foremost in need to improve their delivery approaches. Existing transport networks are in poor condition, offer insufficient coverage, are not efficiently maintained, and generally do not support Romania's aspirations for economic growth and job creation. For example, Romania's 700 km of motorways offer very little coverage and Romania lags other EU countries in road infrastructure quality rankings, measures of network density, and safety. Historically, Romania has also not managed any road sector PPP. Romania contains counties whose lack of connectivity effectively isolates them from the national economy and Europe and contributes to lagging development and inequality. Romania's physical size, population, and level of economic activity justify new motorways development. However, institutional gaps at preparing and delivering major projects prevent the delivery of a comprehensive national motorways program – or even individual projects.

6. **Planning and programming.** The Government of Romania approved General Transport Master Plan (GTMP) on September 19, 2016. The GTMP aims at framing the development of Romania's transport sector for the next 5-20 years by identifying high priority projects. The GTMP is ambitious with respect to both funding and the envisaged pace of implementation. It targets EUR 27 billion in road sector investment through 2030. According to the GTMP, 11 motorways (estimated at EUR 13.3 billion), 19 expressways (estimated at EUR 10.4 billion), tens of rehabilitations and bypasses (EUR 3 billion) are to be delivered by 2030. However, funding sources have been identified for just a portion of the planned investments. For the period 2014 - 2020, the road sector financing needs as per the GTMP amount to EUR 12.8 billion. Approximately EUR 4.6 billion is to be secured from EU funds and national counterpart funding. The financing sources for the balance of EUR 8.2 billion were not identified. Investments that are envisaged for the 2021-2030 period also show a EUR 7.9 billion funding gap.

7. Ambitions in the GTMP exist in sharp contrast to demonstrated performance and funding that is available for road sector investments. For example, 2012 was historically Romania's highest level of annual road infrastructure investment during which time EUR 1.15 billion of investment was deployed across 1,623 km of the national road network. However, the GTMP envisages implementation of more than EUR 2 billion worth of investment per year through 2020. Gaps in identified funding sources also suggest that the total quantum of investment envisaged under the GTMP is fiscally unrealistic relative to existing budget space and competing needs for investment.

8. **Funding and Financing.** There is limited revenue generated by the road sector in Romania. EU funds and funding via the Government budget remain the primary means of supporting investment. Taxes



on fuel are not earmarked to fund the sector. Tolling is not used as a means of generating cash flow. The only form of road network tax is a relatively low “Rovignieta” which is amongst the lowest in the European Union. In 2017, Rovignieta revenues amounted to RON 1.06 billion (EUR 224 million) which do not cover basic maintenance expenditures needed to maintain Romania's road network at a steady state of condition. This situation is a reversal from the end of the 1990s when Romania's transport network was almost self-sufficient in maintenance through appropriate tax allocation.

9. **Institutions.** The majority of Romania's road sector investments are managed by the National Company for Road Infrastructure Administration (CNAIR) which has a mixed history of project delivery. At present, CNAIR is managing delivery of the Sibiu-Pitesti Motorway which has seen considerably delays and may struggle to qualify for EU funding. The Ministry of Transport (MOT) is CNAIR's parent institution and ultimate owner. However, MOT's capacity to govern CNAIR's activities effectively is limited. Interactions with other public stakeholders are cumbersome – particularly concerning approvals and permitting. Fiduciary processes that government the transport sector show limited effectiveness and poor efficiency. For example, in the case of the Sibiu-Pitesti Motorway there are currently 10 procurement procedures involving motorway sections have been pending award for more than a year. In an effort to change tactics, the Government of Romania enacted Emergency Ordinance 55/ 2016 (amended in 2017) which assigns the mandate for developing road transport infrastructure to a new institution known as the National Road Investment Company (CNIR). When implemented, the emergency ordinance will separate this role from CNAIR's ongoing mandate to manage existing infrastructure.

10. **What can the Ploiesti-Brasov Motorway Demonstrate?** The 110 km Ploiesti-Brasov Motorway is included in the GTMP and forms part of the comprehensive Trans-European Transport Network (TEN-T). This investment would complement the existing 60 km Bucharest-Ploiesti Motorway and would link Bucharest with the regional center of the Brasov area. More strategically, this would fundamentally change connectivity between Bucharest and the closest of Romania's most economically vibrant areas in Ploiesti and Brasov, and also improve the link to further cities such as Târgu Mureș, Cluj-Napoca. As a result. The Ploiesti-Brasov Motorway is highly visible and has become one of the government's flagship programs to evidence enhanced delivery capabilities.

11. **Failed PPP attempts:** The challenge of delivering the Ploiesti-Brasov Motorway is evident in its history. There have been three prior failed attempts at developing the project, through schemes blending public financing with some form of private concessions. The most recent attempt in 2014 did not reach closure due to higher than expected costs for the government as well as perceived governance issues surrounding the deal. Experience of this attempt showed that deficient project preparation exacerbated risks and placed the Government of Romania at a severe disadvantage when negotiating with prospective Project sponsors. It also demonstrated that many technical requirements envisaged during the 2006 feasibility study were no longer relevant. For example, the 2006 feasibility study set an alignment that avoided any tunnel in excess of 300 meters. No other PPP has succeeded so far in Romania for the road sector, despite attempts for the south ring road of Bucharest.

12. Both in the case of PPP attempts and for the management of large contracts in general, Romania has recently been unsuccessful in creating effective delivery conditions. In the case of PPP, the repartition of risk assumed that private developers could price speculative risks. In fact, the market reaction to this model was to seek very significant upfront payments from Government such that all project outcomes –



including non-delivery, would result in significant financial gains. Similar to PPP attempts, Romania’s approach to conventionally financed contracts has entailed the use of design-build modalities that have been confused with a potential to forego basic engineering due diligence in advance of tendering. The overall contract risk resulting from such models has been judged excessive by many international contractors and limited competition for tenders. Where tenders have succeeded, successive claims (regardless of contract provisions that nominally transferred risk) have severely hampered implementation.

13. **Sector technical risks.** Romania’s exposure to significant climate and natural risks, particularly to earthquakes and floods, is resulting in substantial social, physical and financial impacts across the country (70 percent of the assets of the poor are vulnerable to destruction). The impact of climate-related hazards on critical infrastructure in Romania indicates that expected annual damage to infrastructure alone could double by 2020. It remains unclear what eventualities climate change will bring for Romania. However, one likely eventuality is that traditional weather patterns will become less predictable with greater uncertainties around precipitation events and seasonal freeze thaw cycles (particularly in mountainous areas where the Ploiesti-Brasov Motorway is located). These factors are likely to challenge traditional engineering assumptions regarding the climatic risks faced by Romania’s transport infrastructure. Systematic inclusion of resilience elements in prioritization, design, operation, and long term asset management of transport infrastructure are advisable.

**C. Proposed Development Objective(s)**

14. The project development objective is to support preparation of the Ploiesti-Brasov Motorway Project in order to strengthen the capabilities of Romania’s institutions to implement and finance major road projects.

**Key Results**

<i>PDO level result</i>	<i>PDO level indicator</i>
Demonstration of enhanced national motorways delivery capacity	The Ploiesti-Brasov Motorway ready for civil works bidding
	National roads funding strategy adopted by the MoT.
	Business plan for the National Roads Investment Company (CNIR) adopted by the supervisory board of CNIR and the MoT

**D. Project Description**

15. The main purpose of the Project is to establish a project preparation and implementation model that can be replicated for other major capital investment projects in Romania, using the Motorway Ploiesti Brasov as a model. For that investment, it aims to develop a comprehensive Project platform including a full set of necessary documentation allowing the government of Romania to launch the construction of the motorway in one or several sections. As a result, most of the funding will be dedicated to (i) a comprehensive high-quality set of technical studies for the infrastructure construction, which until now has become a source of risk and problem for the delivery and contract management of many past investment in Romania, and (ii) the creation of a Project Management Unit in the Ministry of Transport,



which should form the basis of a delivery unit for other programs and strengthen in the medium term the national road investment company-CNIR. The Project would also help the government de-risk the motorway investment through better preparation, viability assessment and decision of the preferred finance and delivery model for the construction and operation. This could be a PPP, a design-build contract, a traditional input based contract, or a design build and maintenance contract. Finally, the Project will also help the future sustainability of the road network development by framing Romania's policy in revenue generation in order to improve finance mobilization in the sector. It will also support a medium-term resilient investment strategy. World Bank financing will support preparation and technical assistance activities under the following components:

**Component 1: Preparation of the Ploiesti-Brasov Motorway for Delivery**

16. This component will finance the following studies/activities that aim to demonstrate improved effectiveness of strengthened institutional processes using the Ploiesti-Braşov Motorway as an example:

- (i) Provision of support, through technical assistance, to carry out a technical feasibility study for the Ploiesti-Braşov Motorway including conceptual design and route alternatives, traffic demand forecast, technical surveys including topographic, geotechnical and tunneling, hydrology study, analysis on climate change risks and vulnerability assessment, basic design and cost estimate, and cost benefit analysis.
- (ii) Provision of support, through technical assistance, for the preparation of environmental and social studies necessary to obtain the environmental permits, including: Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plans (ESMPs), Resettlement Policy Framework (RPF), Resettlement Action Plan (RAP), and Land Valuation Studies, all to be prepared in a manner that would comply with the relevant Bank environmental and social safeguards operational policies as well as the applicable national legislations and standards;
- (iii) Provision of support to carry out a study on (a) financial options and wider economic benefits in relation to the investments to be undertaken for construction of the Ploiesti-Braşov Motorway including an assessment of public and private financial schemes and plans, and (b) a methodology for wider economic benefits studies for transport investments, in general, in Romania
- (iv) Provision of support through technical assistance for the preparation of detailed designs including working drawings, construction permit documentation and bidding documents.

**Component 2: Institutional Strengthening and Sector Initiatives**

17. This component will support financing of the following studies/activities, related to strengthening the capabilities of Romania's road sector institutions. Areas of focus will include revenue optimization, institutional sustainability, systems development and strengthening, and major project preparation and execution. The higher level objective of this component is to allow Romania to fully absorb EU funds in motorways. It could also show that it can implement more, and that it can diversify in the long term its financing strategy including through raising of commercial financing which currently is not explored because of the low absorption of EU funds. The activities envisaged under the loan include the following:

- (i) Supporting services to improve government overall large projects' programming and management processes and to simplify relevant government legislations. This could include authorization processes in the MoT, permits, land acquisition, utilities management, standard





contracts for construction (public, output based, design build, PPP), standard supervision ToRs, certification of road construction operators, etc.;

- (ii) Development of a revenue strategy for the road sector. The purpose would be to increase revenue for maintenance and to raise external public and private financing to further develop the motorway network. It would include options to introduce an e-tolling system and review current resources for maintenance of the existing network.
- (iii) Development of a business plan for the programmatic expansion of Romania's motorway network under the institutional mandate of CNIR. The envisaged business plan will include the following sections: (a) vision and strategy; (b) proposed key performance indicators; (c) medium term capital and recurrent expenditure projections for project preparation and delivery, including integration of climate change and natural disaster risks considerations in the prioritization of investments (maintenance, rehabilitation, expansion); (d) a communications, branding, and outreach strategy; (e) a human resources plan; (f) proposed training and skills development program for enhancing staff capabilities; and (g) a budget and funding plan;
- (iv) Technical assistance activities covering external technical support including technical experts review in all the relevant fields for major motorway investment, including, climate and disaster resilience and response, road safety audit, design review, communication and consultation needed for the investment, modernization of design standards;
- (v) Training and skills enhancement relating to motorways development with a specific focus on large projects management, tunneling, complex structures, climate resilience, disaster risk management (early warning, planning, response mechanisms), road safety; management of land acquisition and resettlement; management of environmental and social risks, and
- (vi) Revision and relaunch of Romania's national transport model.

### **Component 3: Project Management**

18. This component will support Project management activities providing support for project coordination and administration and covering PMU Staffing Costs including technical, administrative, fiduciary and safeguards staff, purchasing of some equipment and operating costs over the life of the project.

## **E. Implementation**

19. The following implementation arrangements will apply to the project:
- (i) The Ministry of Transport (MoT) will be the implementing agency of the Project..
  - (ii) The Minister of Transport will chair a multi-stakeholder Steering Committee, including a representative of Prime Minister's Office as a member, to oversee and govern the PMU's activities during implementation.
  - (iii) A dedicated Project Management Unit (PMU) residing within MoT will manage the day to day project implementation, and will be the basis for the structure which will later oversee the construction phase of the investment prepared under the project. Day to day project implementation includes both the management of the activities financed by the loan from a





fiduciary and technical standpoint, as well as that of all the processes that the government needs to undertake while preparing the Ploiesti Brasov motorway construction.

- (iv) The MoT has nominated a Secretary of State to oversee the PMU’s mobilization and subsequent activities.
- (v) As many activities will involve CNIR and other institutions for several of component 2 activities, specific tasks teams will be established as needed in the MoT, CNIR and where relevant to ensure appropriation of the activities and maximize the positive impact of training and capacity building activities.

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

The project comprises technical assistance activities funded by two main components including; (1) feasibility studies, technical surveys, engineering conceptual and detailed design studies; relevant safeguard instruments( ESIA with ESMP and RPFs with RAPs); and preparation of bidding documents, etc that would facilitate the new construction of the Ploiești - Brașov motorway planned from the current end of the A3 motorway in Ploiești to Râșnov, which may or may not be financed by the Bank and (2) Project management activities providing support for project coordination and administration and overall institutional strengthening of agencies that are responsible for planning and implementation of follow-up road sector development programs. Project locations for the proposed TA will be relevant to the surroundings of the proposed Bucharest-Brasov corridor road network including three major touristic cities along this corridor (Bușteni, Predeal and Sinaia), several villages and communes, a combination of flat area and difficult mountain terrain, established natural reserves/parks as well as known physical cultural resources. The corridor also intersects a variety of utilities such as natural gas and petrol, telecommunications electrical poles, drinking water and sewage networks. The actual locations for the civil works for follow-up investments will be determined based on results of the studies financed under the present TA.

**G. Environmental and Social Safeguards Specialists on the Team**

Ruxandra Maria Floroiu, Environmental Safeguards Specialist  
Mohamed Ghani Razaak, Social Safeguards Specialist  
Cesar Niculescu, Environmental Safeguards Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The proposed Technical Assistance will support the preparation of an investment program including the



preparatory technical studies for a 110 km long Ploiesti – Brasov motorway construction. This will mainly consist in delivery of a “best practice” feasibility study and accompanying safeguards instruments for the Ploiesti-Brasov Motorway Project that can serve as a model for effective major road project preparation in Romania; delivery of preliminary designs and bid documents to start construction of the Ploiesti-Brasov Motorway Project; and implementation of a public communications and consultations program that can later be replicated for other similar investment in this sector.

The proposed TA activities themselves do not have direct adverse environmental and social impacts. However, the outcomes of the proposed TA support are expected to have significant environmental and social implications going forward, entailing risks and potentially inducing adverse impacts due to the nature of the works and affiliated risks envisaged for the construction of the said new motorway (detailed below). Consequently, this TA is classified as category “A” in line with OP 4.01.

The incremental environmental and social impacts associated with the proposed works will be considered and addressed by an Environmental and Social Impact Assessment (ESIA) including a general Environmental and Social Management Plan (ESMP), which will be the output of the TA. This will be developed in line with the technical studies and will provide the necessary background for environmental and social considerations to be built into the project design so that environmentally and socially sustainable implementation can take place.

The main environmental impacts expected to be generated by the motorway construction may include destabilization of slopes due to soil erosion in sensitive areas, loss of tree plantations in various sections alongside the road alignment, disturbance of drainage systems, extraction of road construction materials and operation of access roads, increased dust production and air and noise pollution, and construction wastes which will need to be collected, transported and disposed regularly and in a sustainable manner. Establishment of construction camps is associated with generation of solid wastes



and wastewater, compression of soil and possible noise disturbance.

Supply of the motorway construction with asphalt, stones, gravel, and sand may carry the risk of disturbance of landscape and soil as well as of hazardous emissions and generation of noise. In addition, there are other social, and occupational health and safety issues that may also require attention. The construction works of road network may require a large workforce including both local and foreign workers. The labor influx to relatively semi-urban localities may trigger some social tensions. The project will assess the requirements of foreign labor force and will propose necessary mitigation measures to ensure training, orientation as well as strict code of conducts for workers to avoid potential conflict between host communities. The ESIA will cover not only the potential labor influx issues but also the unemployment, gender based violence, poverty and vulnerability aspects that may need be paid attention in planning and implementing an investment project. Overall, the long-term impacts of the motorway project are positive. This will connect south -north part of the country, between Bucharest, Ploiesti and Brasov, one of the most intense traffic corridor in Romania, and improved road infrastructure will contribute to decreased level of accidents due to better regulated traffic, lower levels of dusting, noise and vibration.

Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	The policy is triggered since the planned motorway sections are expected to go through and be located near several sensitive natural habitats. The project will meet OP 4.04 requirements during the implementation period through assessing habitat quality and biodiversity values as part of the ESIA and proposing mitigation measures, as appropriate, as part of the ESMP and including potentially a biodiversity management plan as needed
Forests OP/BP 4.36	Yes	The policy is triggered as the ESIA developed as part of the TA output will need to consider impacts on the health and quality of forests, as well as rights and welfare of people that depend on forests –



		these are possible risks of the motorway construction which would be implemented in close vicinity or within known forest areas. The general ESMP will include adequate mitigation measures and their estimated costs to be implemented.
Pest Management OP 4.09	No	Policy is not triggered as the TA will not procure any pesticides nor will it induce an increase in the current low levels of pesticide use.
Physical Cultural Resources OP/BP 4.11	Yes	Policy will be triggered due to the possibility of chance finds of cultural or historic resources during the construction of the new motorway, and also, because cultural resources might be affected by the construction activities. The ESIA financed by this TA will need to consider any possible impacts on the known or not discovered PCRs at the future project locations.
Indigenous Peoples OP/BP 4.10	No	Policy is not triggered since this TA will not affect any indigenous groups. Roma community which is considered as a vulnerable group and a Roma filter has been developed as a part of the appraisal. The ESIA /RPF financed under the TA will review any possible impacts on the known Roma community along the proposed Motorway and will propose 'Vulnerable Group Development Plans', if necessary.
Involuntary Resettlement OP/BP 4.12	Yes	The project does not envisage physical interventions and no tangible adverse social impacts are anticipated. However, the proposed technical assistance may proceed to a larger investment program with interventions that lead to physical infrastructure development for the Ploiesti-Brasov Motorway construction that may entail significant change in land use in areas/main settlements and affect the neighboring population living along road network in hilly terrace sections. Hence, in order identify potential adverse social impacts and risks, especially land acquisitions, physical displacement of properties and people, access restriction to livelihood resources for communities residing along the road network, the policy is triggered as a precautionary measure. The project will carry out social studies including the Resettlement Policy Framework (RPF), Land Acquisition and initial Resettlement Action Plans and Land Valuation Studies which will show potential impacts and suggest an approach to develop additional



safeguards instruments, if necessary. However, this TA will not support to implement the RAPs and/or land acquisitions under the project. A grievance redress mechanism will be established under the project to address concerns and complaints of the public and project affected persons.

The project does not involve construction of new dams, nor will it affect or be dependent on the safety of any existing dam or use of water sources provided by a reservoir.

The project does not involve activities on international waterways.

The project is not located in disputed areas.

Safety of Dams OP/BP 4.37

No

Projects on International Waterways OP/BP 7.50

No

Projects in Disputed Areas OP/BP 7.60

No

## 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 road construction proposed for technical preparation in this project is in a region with three major tourist cities (Buşteni, Predeal and Sinaia) and several villages and communes. The topography consists of flat areas and steep mountains posing challenges for engineering designs. The project affected area also has well known nature reserves and parks and important historical, archeological and cultural resources. The project area also contains numerous utilities (gas and oil pipelines, electrical transmission lines, and sewage systems. Important reservoirs used for drinking water servicing significant metropolitan centers and sources of irrigation systems are also in the project area. Also the proposed corridor development identifies potential social risks and involves both private and public land acquisition, impacts people livelihood and properties of human settlements. Therefore, the project has identified as substantial risk and proposes necessary risk mitigation measures.

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

There will be increased traffic and mobility after the motorway construction, which would trigger an increase in GHGs emissions in the project area. This require systematic operation and maintenance plan by authorities to ensure road safety as well as management of air quality within acceptable national standards. Since the motorway crosses a significant number of touristic cities/location, and people livelihood depend on tourism based industries, the project design needs to consider adequate design measures such as access roads, noise level reduction panels and link facilities to enjoy the full benefits of the economic growth to the people along the road corridor.

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

The TA will update the previous motorway corridor designs, determine alternative engineering designs based on modern EU road construction standards, propose alternative cost benefit options and undertake preliminary scoping of environmental and social impacts and risks. Based on these results, final road construction proposals will be developed.



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 country has experience in implementing IFI (such as EU and EBRD) supported road projects including in World Bank financed projects. However, the existing capacity on safeguards management among implementing agencies is relatively poor. This TA will support to enhance capacities for the staff of the Project Management Unit (PMU) that will be created within the Ministry of Transport with the necessary skills and knowledge to prepare and implement the project and apply the Bank environmental and social safeguards policies. The TA will support to carry out social and environmental assessments including an ESIA with ESMP and RPF for the project. These instruments will assess all potential environment and social impacts and risks of the project and recommend necessary mitigation measures to address all potential risks through appropriate actions under the proposed project.

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

A range of stakeholders including Civil Service Organizations (CSOs), non-governmental organizations, local government bodies (Municipalities of cities) business associations, resident communities, road users, and other interested parties have been identified. As part of the social and environmental review process, stakeholder consultations were carried out in relevant cities along the project road, and central level at the Ministry. The TORs for ESIA (with ESMP) and RPF have been publicly disclosed including addressing the comments provided by stakeholders during the project preparation consultations.

**B. Disclosure Requirements**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
12-Feb-2018	20-Feb-2018	06-Mar-2018

**"In country" Disclosure**

Romania  
20-Feb-2018

Comments

**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank	Date of submission for disclosure
12-Feb-2018	20-Feb-2018

**"In country" Disclosure**



Romania  
20-Feb-2018

Comments

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**

**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

No

**OP/BP 4.04 - Natural Habitats**

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

NA

**OP/BP 4.11 - Physical Cultural Resources**

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

NA

**OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

No

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

NA

**OP/BP 4.36 - Forests**

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

Yes

Does the project design include satisfactory measures to overcome these constraints?

NA





Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

No

### **The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

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

### **All Safeguard Policies**

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

## **CONTACT POINT**

### **World Bank**

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### **Borrower/Client/Recipient**

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**APPROVAL**

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**Approved By**

Safeguards Advisor:	Brandon Enrique Carter	23-Apr-2018
Practice Manager/Manager:	Juan Gaviria	24-Apr-2018
Country Director:	Tatiana Proskuryakova	04-May-2018