Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Nepal	SOUTH ASIA	P177902	
Project Name	BBIN Regional Transport and Trade Facilitation Program - Nepal Phase 1		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Transport	Investment Project Financing	4/4/2022	5/26/2022
Borrower(s)	Implementing Agency(ies)		

Proposed Development Objective
To develop cost-efficient and resilient trade and transport in Nepal along main selected corridors

Financing (in USD Million)	Amount
Total Project Cost	250.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?
No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

D. Environmental and Social Overview
D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]
The Phase 1 of this MPA covers Bangladesh and Nepal and proposes to finance infrastructural interventions as well as policy and technical assistance towards improving regional trade and connectivity across the countries. The BBIN MPA Phase 1 (Bangladesh) is a continuation and scale up of the BRCP1. The land ports and customs houses to be supported under the MPA Phase 1 are Bangladesh's most important gateways for regional and global trade, measured by

volume and value of trade, and truck volumes. This is reflected in the scale of financing and infrastructure needs – and thus a higher environment and social risk rating than BCRP1 under which the infrastructure development is comparatively moderate. In Bangladesh, the program will support the upgrading of existing inland port facilities at Benapole, Bhomra, and Burimari which will involve significant land acquisition and involuntary resettlement as well as displacement of residential and commercial standing infrastructures including potentially schools and religious establishments at Benapole; facilitate trade policy and regulatory reforms, institutional capacity building and construction of custom house at Benapole, Chottogram and Dhaka and as well as a training academy for the custom officials in Chattogram. The proposed civil works will occur in peri-urban and urban settings which are accessible by roads and, in some cases by rail and air. None of the proposed sites are located near wetlands or ecologically sensitive areas based on the site screening conducted by the team . In Nepal, the program will finance the phased improvement of 42km Butwal-Gorusinghe section of the East-West highway. It may also support– subject to financing request from the government - priority trade gateway infrastructure along the East-West Highway (e.g. Dodhara-Chandani , Jaleswar or Kakarbhitta). The East-West highway is located within the transboundary Terai Arc Landscape (TAL) which extends for over 900 km from the Bagmati River in eastern Nepal to the Yamuna River in Uttaranchal India in the west, with an area of 51,002 km2. The TAL was declared a conservation landscape based on its significant ecological functions hosting one of the most spectacular assemblages of large mammals in Asia. The TAL includes a network of 15 protected areas, forests, agricultural lands, wetlands, and built up areas along the Indo-Nepal border. Whilst the Butwal-Gorusinghe section is not located within protected areas, it traverses multiple forest areas with potentially high biodiversity and wildlife species such as tigers, greater one-horned rhinoceros, swamp deer and Asian elephants. With regards to the social landscape, the Terai is inhabited by low-income, rural and in most cases indigenous communities with strong traditional governance and cultural protocols. The majority of the population depend on agriculture, animal husbandry and harvest of forest resources as their main livelihood activities.

D. 2. Borrower's Institutional Capacity

Whilst the program is regional in scope, country-focused activities will be implemented by relevant agencies in Bangladesh and Nepal. In Bangladesh, different government agencies are expected to implement various components of the country program. The National Board of Revenue (NBR), Bangladesh Land Port Authority (BLPA) and the Ministry of Commerce (MOC WTO Cell) will implement component 1; component 2 and component 3 respectively. All three implementing agencies (IAs) are currently implementing the Bank-funded Bangladesh Regional Connectivity Project (BRCP), using the Bank's safeguards policies as guiding frameworks. However, the proposed Program will be the first under ESF, suggesting the need for upfront technical support to the project teams towards adequate assessment and management of environmental and social impacts of the program. All three IAs have Project Implementation Units (PIUs) for implementing the BRCP with dedicated E&S specialist by BLPA. However, in general, all the IAs will require further institutional E&S risk management capacity building given the expanded scope of E&S management under ESF. A borrower capacity assessment of the implementing agencies will be carried out prior to appraisal as part of the preparation of the ESF documents for the Bangladesh activities. The assessment will consider the current organizational structure, systems and procedures and recommend areas of capacity strengthening. The assessment will inform the E&S staffing for the implementation of the Program and the related Institutional Capacity Development Plan. Further, given the duration of the Program, potentially spanning over 10-12 years, scope of setting up an institutional E&S Risk Management Unit will be explored at BLPA in Bangladesh. In the case of Nepal, the program activities will be implemented by the Department of Road (DoR), Ministry of Physical Infrastructure and Transport (MoPIT) and, possibly, the Ministry of Industry, Commerce and Supply (MoICS). DoR is responsible for the development and management of the strategic road network whereas MoICS is responsible for facilitating internal, bilateral, and regional trade. DoR and MoICS are long-time clients and partners of the World Bank and are currently implementing the Nepal India Regional Trade and Transport project (NIRTTP) and Nepal Strategic Roads and Trade

Improvement Project (SRCTIP). Through these projects, the capacity for managing E&S in both organizations has been strengthened. The DOR maintains an ESMF which is being updated to make it consistent with the objectives and requirements of the ESF. The E&S units of both agencies have been established and are gaining experience and traction in implementing projects under the ESF. The PIUs established under NIRTTP and SRCTIP will be retained and further developed to implement various components of this proposed program. Nonetheless, there is a risk that fragmentation of staff time over several projects could limit the operational effectiveness and efficiency of the IAs in managing the risks and impacts of this program. Thus, additional environmental and social specialists will be hired to augment the existing E&S capacity of the PIUs. The E&S capacity assessment done for DoR and MoICS under SRCTIP about a year ago remains relevant and will constitute the basis for capacity building support under this project.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

High

Environmental Risk Rating High

The overall environmental risk rating for the first phase of the Program is High. This is due to the scale of civil works, its physical footprints in two countries, sensitive locations of some works (especially in Nepal), multiple implementing agencies and complex institutional arrangements. In Bangladesh, the proposed activities are assessed to have Substantial risk given that most of the works are mainly rehabilitation and improvement of existing infrastructure. The project would also support the development of last last mile and hinterland transport infrastructure to trade gateways, which may include access roads to port facilities. Furthermore, from the initial screening, there appears to be no environmentally sensitive areas that will be affected by the project activities. Also, the building infrastructures under NBR and BLPA are typical buildings that require standard construction procedures. The proposed buildings include customs houses, warehouse, transshipment sheds, truck shed, export shed, office and residential building, etc. Therefore, the anticipated environmental and pollution risks are typical for construction works: air, water and land impacts as well as health and safety issues of workers and communities. In the operations phase there will be normal waste management issues related to operation of offices and land port activities: general wastes, e-wastes and spoiled perishable goods discarded by importers/exporters as well as usual typical occupational health and safety issues. Under this project, there is scope of enhancement measures such as use of renewable energy in the new buildings, reuse of wastewater and composting of biodegradable wastes. In terms of capacity and track record, BLPA have demonstrated under the BRCP-1 project the ability to manage environmental risks and impacts satisfactorily. Although the ESF is new to BLPA, it is expected that with training and adequate specialist support to the PIU, the anticipated environmental risks can be managed. The environment risk rating for the Nepal activities is assessed to be High. This is mainly because of its sensitive locations, with the proposed road passing through forest areas with potentially high biodiversity values and known wildlife species. The improvements and widening of the road could potentially affect wildlife movement and migration if no crossings are constructed. During construction, risks related to health & safety, induced landslides and road or traffic-related accidents are expected to increase. Several roadside settlements will be exposed to noise, dust, air pollution and landslide and traffic-related safety risks.

Social Risk Rating High

Overall, the social risk rating for the program is assessed to be High as the proposed undertakings are expected to induce significant land acquisition with considerable physical and economic displacement which may impact rural,

low-income and indigenous communities. In both Bangladesh and Nepal, the proposed construction and expansion of roads and other transport and trade infrastructure will require extensive land-take and suggest the need for acquisition of private land and property by the respective implementing agencies. Other social risks factors include (i) concerns of community Health and Safety during the construction and operation of major road sections; (ii) labor influx into rural and localized environments with its social consequences (i.e. sexual harassment/sexual exploitation and abuse); (iii) exposure of workers and nearby communities to COVID-19 and other communicable diseases; and (iv) the likelihood that land acquisition activities in some cases may lead to displacement and relocation of indigenous groups. Depending on technical feasibility, the program will explore design options and alternative routes to avoid and/or minimize displacement of local communities including IPs. In Bangladesh, works require an estimated 120 acres in 3 land ports in peri-urban and urban settings and could displace commercial and residential properties/structures including potentially in the case of Benapole land port schools and religious structures, in peri-urban environments. Whilst NBR and other public agencies own significant portions of the required land, informal settlers and squatters on public lands is a common phenomenon in the country. BLPA has had considerable experience of land acquisition under the ongoing BRCP, however, the additional responsibility under the project and expanded risks mean that the IAs will require sustained capacity building support on E&S risk management. In Nepal, works on the 42km Butwal-Gorusinghe section of the East-West highway will traverse areas likely inhabited by indigenous groups, and are likely to displace individuals and households along the Right of Way (RoW) including table-top traders, tea shop as well as fruit and vegetable vendors. In such areas, a Free, Prior, Informed Consent (FPIC) may be required to guide the land acquisition and relocation process. Overall, the ability of the implementing agencies to adequately assess and manage pertinent risks and impacts of the program will help realize overall benefits, by enhancing trade across the region, ensuring effective and efficient transit of goods, creating jobs and improving the safety of communities living along the highways.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

This ESRS is only applicable to the phase 1 activities of the MPA that covers interventions in Nepal and Bangladesh. Phase 1 prioritizes the design and development of land ports, construction and rehabilitation of selected highways, development of automated border management systems, modernization of border crossing points and multimodal transport terminals, as well as technical assistance for the implementation of the WTO trade facilitation agreements. Based on preliminary review, the E&S risks and impacts of the phase 1 operations are rated as high. In Bangladesh, the proposed construction works and ancillary facilities will occur in peri-urban and urban environments with E&S risks that include land acquisition and involuntary resettlement, labor influx and associated SEA/SH risks, noise and air pollution, removal and degradation of vegetative cover, occupation health and safety (OHS), community health and safety (CHS), and the risk of Covid-19 and transmission of infectious diseases among workers and communities. Some environmental issues may materialize during operations of the ports and include general and e-waste, disposal of spoilt perishable goods, and OHS. E-waste from digitalization, if any, is expected to be negligible and, if needed, would be managed as per the country laws and the requirements of ESS1 and ESS3. An estimated 120 acres of land is required for 3 land ports, and suggest the need for land acquisition, displacement and involuntary resettlement involving informal settlers and as well as commercial and residential properties/structures. The initial SEA/SH

assessment indicates moderate SEA/SH risks considering that the incentives for work and increased economic activities at project sites may also draw labor influx and its associated SEA/SH risks including sex trafficking of young girls/women into the project areas. For Nepal, the key E&S risks related to the program activities include degradation and fragmentation of forests and wildlife corridors, loss of habitats and potential increase in road kill along the Right of Way (RoW) of the Butwal-Gorusinghe highway, traffic congestion during construction, OHS and CHS, air and noise pollution to the nearby communities due to construction works, SEA/SH risks and exposure to COVID-19 and other infectious diseases. In general, road improvement would attract wildlife poaching, illegal logging and overgrazing. These risks need to be assessed during project preparation. Significantly, works on sections of the Butwal-Gorusinghe highway in Nepal will traverse areas inhabited by indigenous and vulnerable people and are likely to cause some physical and economic displacement. To the extent possible, land acquisition and resettlement will be minimized by assessing various alternatives (e.g., routing) and working within the existing ROW. With regards to IPs, Free, Prior, Informed Consent (FPIC) may be required to guide the land acquisition and relocation process. During the stakeholder consultation process IP communities will be informed about the issues related to potential resettlement and relocation and benefits that the project may extend to the local communities. Depending on technical feasibility, the program may explore design options, including considering alternate locations/routes to minimize the impacts on IPs. At concept stage, the scope, design and location of the program interventions are evolving at different stages in the both countries. The scope and location of activities in Bangladesh as described above are certain, albeit feasibility, designs and layouts of these activities are undecided. It is noted that the funds will be drawn from the existing BRCP and will be used to carry out feasibility studies, detailed designs as well as ESIAs for the infrastructural components of the program in the country. The activities in Nepal are at different stages of scoping except for Butwal-Gorusinghe, where the feasibility study is underway. Concept designs, scoping, and location of the proposed ICDs are evolving. Consistent with the requirements of the ESS 1, a mix of environmental and social instruments will be used as basis for risks screening/classification, environmental and social assessment and mitigation planning. In Bangladesh, a combination of frameworks and site-specific instruments will be used. For activities whose scope, feasibility and/or designs are yet to be determined, frameworks will be prepared prior to appraisal to guide the preparation of specific instruments once the details of the activities are available. For those activities that have the feasibility and design details ready during preparation, ESIA/ESMP will be prepared. Prior to appraisal, Environmental and Social Management Framework (ESMF), Resettlement Policy Framework (RPF) and ESIA/ESMP, including CIA where relevant and required, will be prepared and disclosed. The ESMF will specify procedures for assessing and identifying indigenous peoples, vulnerable and marginalized communities and propose strategies for gender and social inclusion. The ESMF will also include provisions and steps for conducting a cumulative impact assessment, where required, as part of the ESIA based on the IFC Good Practice Handbook on CIA. The need for a CIA in the case of Bangladesh will be included in the screening process of the subprojects and will be integrated into the ESIA. In the case of Nepal, a combination of frameworks and site-specific instruments is proposed. Feasibility studies for the Butwal-Gorusinghe may be completed on schedule and used to inform designs, ESIA/ESMP and RAP and related studies prior to appraisal. In respect of proposed ICDs, the operations in Nepal will also prepare ESMF as a guide for risks assessment and mitigation planning as designs and specific footprints of such investments are not known. ESMF will also include provisions for specifically assessing and managing potential risks and impacts of the digitalization activities and will also include provisions in assessing cumulative impacts. In Nepal, ‘disadvantaged groups’ include indigenous peoples, but also others such as Dalits (historically referred to as ‘untouchables’), Madhesis (for reasons of regional exclusion), disabled, female-headed households, all of whom are considered vulnerable, marginalized and disadvantaged. Multiple deprivations and exclusions are particularly apparent, especially in the case of Dalits, considered among the worse marginalized and excluded groups in Nepal. The issues related to these vulnerable

groups, other than the IPs, will be addressed through the site-specific ESIAs/ESMPs. The ongoing SESA and CIA for the East West Highway under the ongoing SRCTIP will also benefit the Nepal component/activities (construction of Butwal – Gorusinghe that is also along East West highway) and need not be repeated under this project. The ESMFs will also provide the guidelines for periodic assessment of borrower's capacity and institutional requirements as the MPA progresses. During implementation, site-specific environmental and social assessments in accordance with the ESMF will be carried out prior to the commencement of the specific work. In addition to the ESMF, a Resettlement Framework and RAP will also be prepared and disclosed for sites that are known, and will be done by appraisal. To the extent possible and consistent with the ESF Capacity Building Plans for Bangladesh and Nepal, the project will support joint trainings and capacity building activities for the PIUs in both countries. Regardless of the stage of program preparation, each country will develop and implement a Stakeholder Engagement Plan (SEP) relative to the scope of activities and the E&S risks and impacts presented through the operations. The preparation of SEP will start at an early stage of the project's preparation and will involve public consultation and disclosure. The SEPs will be finalized and publicly disclosed before appraisal.

Areas where "Use of Borrower Framework" is being considered:

The use of borrower framework is not considered as country laws and regulations show considerable shortfalls relative to the objectives and requirements of the relevant environmental and social standards that are applicable to the project.

ESS10 Stakeholder Engagement and Information Disclosure

The project stakeholders will include a broad range of groups and individuals from diverse backgrounds including individuals and local communities (including IPs) living around project-funded works and physical installations, business and trade associations, transport operators, media, civil society and NGOs, think tanks, academic and research organizations, etc. The stakeholders also include vulnerable and disadvantaged groups identified in the preparation of the ESIA through Bank's due diligence and they will be engaged in the project design as well as implementation. The project will engage all the relevant stakeholders from the early stage of preparation and all through the implementation. Prior to appraisal, each country program will prepare a stakeholder engagement plan (SEP) proportionate to the overall risks, impacts and concerns related to the activities in the country. Consultation and engagement with the stakeholders will start from the early stage of the project's preparation with the SEP providing the detailed modalities and approaches for engagement with the stakeholders in line with their relevance to the project. The SEP will include a detailed plan of activities to engage the stakeholders along with a Grievance Redress Mechanism (GRM) to receive and address project-related complaints and grievances from project-affected persons, groups and stakeholders. The SEP will also detail the program's communication strategy and provide for feedback mechanisms that will facilitate uptake and use of stakeholder concerns in a systematic manner.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The preparation and implementation of project activities will involve direct workers (i.e. public and civil servants with direct responsibilities for project operations and technical specialists engaged from the market); contracted workers (i.e. workers engaged by civil contractors); and primary supply workers (i.e workers of construction material suppliers

such as sand and gravel and loading/construction material transport services). The number and type of workers required in each country are not known at this stage and will be determined when specific designs are complete. Regardless of the designs and country context, construction activities under the program will expose workers to OHS risks and impacts including injury from maluse or misuse of tools and equipment, burns from hot asphats, fatal traffic accidents, as well as falls from heights. Experience in Nepal suggests that the risks related to falls from heights is common at construction sites especially in areas with steep topography and works during the monsoons. Nepal is typically disaster prone, often experiencing earthquakes, landslides and mudslides. Data from the Nepal Disaster Risks Reduction Portal indicates that 85 peope died, 41 missing and 92 got injured due to landslides and floods between June and August 2021. The sites in Bangladesh are not in the flood-prone zones but natural disasters are common in the country. The land ports in Bhomra and Benapole and as well as the custom house and training academy for NBR in Chittagong are located in coastal areas which are subject to periodic cyclones. These natural events and disasters combined with COVID-19 pandemic pose additional risks to project workers. Despite state efforts to contain COVID-19 in Bangladesh and Nepal, the disease remains pervasive and could spread among workers especially when relevant protocols are not observed on site or in workers accommodation. These risks underscores the relevance of this ESS for managing risks of the program. In line with the requirement of the standards, the borrower/IAs in each country will prepare Labor Management Procedures (LMP) with details on the modalities for hiring and disengaging workers, and procedures to ensuring that all workers receive clear contractual agreement with detailed wage/remuneration rate and payment schedules/timeline. The LMPs will outline labor requirements (how different categories of workers will be managed, in accordance with the requirements of national laws and ESS2) and risks associated with the project, and as well as provisions against child and forced labor. The LMP will also determine the resources needed to address labor related issues. To ensure the health and safety of workers during construction, the IAs will require the contractors to prepare and implement Occupational Health and Safety Plan (OHSP) following the WGB EHS Guidelines (for construction activities), GIIP and relevant OHS standards (e.g., US OSHA). The ESMFs will include a basic outline / ToRs for OHS Management Plans compliant with WBG General Guidelines. The OHSP will also include procedures on incident investigation and reporting, recording and reporting of non-conformances, emergency preparedness and response procedures, and continuous worker training/awareness. OHS measures applying to the Project will be set out in the bidding documents and the ESCP. Finally, the LMP will include provisions/procedures for a labor-specific standalone GM where all project workers will be able to raise their work-related grievances. The OHSP will include measures to address protection from COVID-19 as per WHO guidelines and relevant national legislation. Following measures required under ESS4, an emergency prevention and preparedness plan will be prepared to include protocols and standard operating procedures (SOPs) to respond to emergency events such as earthquakes, landslides, mudslides and sudden outbreak of infectious diseases (e.g. COVID-19, SARS, etc.) among workers. Trainings on the SOPs and other related procedures will be provided to all categories of project workers. Signage will be posted in all public spaces mandating hand hygiene and PPE use. The IAs will also ensure availability of adequate supplies of PPE (particularly facemasks, gloves, hand-washing soap and sanitizer) at its premises.

ESS3 Resource Efficiency and Pollution Prevention and Management

Water, energy and nature-based resources such as sand, stones, timber and wood are expected to be used during construction and operation of key project installations. At the same time, the use and disposal of such resources can pollute and degrade the environment. For example, erosion during construction and the disposal of waste water can pollute closeby water bodies and impact their lifespan and use. The full extent of use and potential adverse impacts

of project activities on natural resources will be assessed in detail during the preparation of ESIAs. Water and energy use efficiency measures will be considered during the design of the facilities, e.g. solar power, rainwater harvesting and wastewater reuse. The design of the port facilities will also include adequate measures for dust control. GHG gas emission estimation will also be undertaken during the site specific ESIA preparation. Site specific ESIAs and the feasibility studies will provide detailed analyses on these investments and assess the potential impacts of waste handling and disposal and inform the ESMP of the requirements for appropriate hazardous and non-hazardous waste disposal practices for mitigating and preventing pollution from the mentioned sources. Waste management and pollution mitigation measures will be further addressed in the waste management procedures under the contractors' ESMP. For Nepal, During the construction stage of Butwal-Gorusinge section of east-west corridor, the operation of the construction equipment and heavy vehicles and machinery will generate dust, air pollutants and noise especially in dry season while works like site clearing, excavation, cutting, filling, leveling, compaction etc. is carried out. These works shall cause dust and air pollution to the entire surrounding areas. Construction activities would also induce landslides and increase in siltation and turbidity of streams and rivers nearby. The extraction of materials from inappropriate places or in excessive amount can seriously damage the local environment and natural resources. Since uncontrolled quarrying by contractors from non-approved sources will damage the environment, this need to be controlled. Through road upgrading and widening, excess spoils, used oils and chemicals and solid wastes from labor camp may be generated. These wastes need to be minimized and recycled as much as possible and finally disposed of at approved sites according with the national laws and regulations. The project will consider the WBG Guidelines on Toll Roads and includes key aspects related to appropriate management of drainage, river crossings, and erosion control to prepare ESIA and ESMP.

ESS4 Community Health and Safety

The potential project impacts on Community Health and Safety (CHS) are recognized in both Bangladesh and Nepal. These issues include road traffic disruption and accidents in impacted areas, and the risks for diseases transmission among workers and community members as 'outsiders' migrate to project areas for employment and economic opportunities. According to the World Bank (2019), reported road-crash fatalities in Nepal stood at 2006 for the year 2016 and about 69, 330 serious injuries during the same year. Construction activities in project areas are expected to raise expectations for jobs and induce labor influx with concerns for traffic safety, spread of communicable diseases, incidents of sexual exploitation abuse and sexual harassment (SEA/SH) especially of women and girls in the communities. The borrowers will adopt the necessary mitigation measures , proportionate to the risks of Phase 1, with the adoption of a SEA/SH Action Plan, and also incorporate relevant provisions in contractor bidding documents including a Code of Conduct for the workers, set up a SEA/SH compliant GM and raise awareness on SEA/SH among the beneficiaries. The generation and improper disposal of hazardous substances during construction process, potential acceleration of land slides (especially in steep location in Nepal) and public safety concerns are also recognized as potential CHS risks and impacts. These risks and issues will be assessed during the ESIA process and mitigation measures will be developed and incorporated as part of ESMPs for application during the detailed design, bidding, construction or operational phases. The ESIA will assess risks posed by security arrangements/use of security forces in relation to project activities to those within and outside project site and the ESMPs will include measures to avoid, mitigate such identified risks in accordance with ESS4. The WB ESHS measures will also address protection from COVID19 as per WHO guidelines and relevant national legislation. The contractors ESMPs will include measures to mitigate and minimize the related risks of road traffic and nearby waterways (as applicable) and will put in place necessary mitigation and management measures to address the risks and inconveniences. The design of the port

facilities should also include universal access, adequate water supply and sanitation facilities for the workers/traders at the port.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The project activities in Bangladesh and Nepal present significant risks of land acquisition and involuntary resettlement. In Bangladesh, the project anticipates about 120 acres in 3 land ports of land acquisition by BLPA in a peri-urban and urban setting. No land donation is anticipated. It will involve significant relocation and resettlement including demolition of important standing structures such as multi-story buildings comprising of residential homes and various types of commercial structures and potentially in the case of Benapole, school and religious structures. The project activities are also expected to lead to displacement of informal occupants from their existing tenements and/or businesses requiring necessary compensation and rehabilitation, as appropriate, for all such project affected persons (PAPs). The civil works under Component 2 by NBR will not require land acquisition but the presence of informal occupants cannot be ruled out. In Nepal, the proposed construction and expansion of the Butwal-Gorusinghe section may induce significant physical and economic displacement involving low-income, peri-urban, rural and indigenous communities. Economic displacements may affect small-scale roadside business operators such as tea shops, fruit and vegetable vendors and grocery shops. At this concept stage, the scope of displacement and resettlement is unknown and will be be determined when feasibility studies and designs are complete. The IAs in each country will prepare respective Resettlement Frameworks before appraisal and based on these frameworks, design and implement site-specific Resettlement Action Plans (RAPs) prior to land-take and commencement of construction activities. The preparation of the RAPs will be informed by in-depth census and inventory of the PAPs and assets and engage PAPs and other relevant stakeholders in meaningful consultations, disclosing project impacts and benefits to stakeholders and allowing them opportunities to inform the resettlement planning process. Where relevant, the RAPs will include with gendered and disaggregated data on vulnerable PAPs, and adopt specialized assistance to address perculiar issues relevant to female-headed and vulnerable households with the overall objectives of improving their livelihoods in line with ESS5.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

In Bangladesh, the initial screening indicated that the proposed activities will be implemented in sites that are not environmentally sensitive and it is very unlikely that the infrastructure works will significantly affect natural habitats. This will be confirmed by the ESIAs. If site-specific assessment will identify any potential impacts on biodiversity and living natural resources, the ESMP will include appropriate mitigation measures following mitigation hierarchy. The ESMF will provide an overview of the potential risks on biodiversity and living natural resources. It will also provide guidelines and a screening approach to ensure that when designs and new sites become more firm, the scope of site specific ESIAs adequately reflect the potential risks in a proportionate manner. East-west highway in Nepal is located in Terai Arc Landscape (TAL) which is the first conservation landscape in Nepal. TAL supports 85 species of mammals, 565 species of birds, 47 species of reptiles and amphibians, and more than 125 species of fish in the habitats of the Terai-Duar savanna and grasslands ecoregion. TAL has globally important populations of tiger (Panthera tigris tigris), greater one-horned rhinoceros (Rhinoceros unicornis), swamp deer (Cervus duvaucelii duvaucelii), and Asian elephant (Elephas maximus). These are classified as endangered species under the National Parks and Wildlife Conservation Act (NPWCA) 1973. The rhinoceros population in Chitwan National Park is the second largest in the world, and the densities of tiger in the Terai grasslands are among the highest across its range. In total, six protected

areas located in TAL. The road sections between Butwal – Gorusinghe does not cross or is not located near any of protected areas. However, the proposed road segment goes through several forest areas and road improvement works would require additional forest clearance which would cause further forest degradation and fragmentation. TAL supports meta-populations of important mega-fauna (e.g., tiger, elephant and rhinoceros) by providing ecological connectivity through habitat corridors that link protected areas. Hence, the clearance of part of connected forest areas and ecosystems would have potential impacts on the habitats and migration corridors of important large mammals. Therefore, the potential impacts would be carefully assessed and mitigation measures proposed in accordance with mitigation hierarchy. In this context, a Biodiversity Assessment, including a Critical Habitat Assessment (CHA), will be carried out as part of ESIA for Butwal – Gorusinghe road section improvement and Biodiversity Action Plans/Biodiversity Management Plans would be prepared either as part of the ESMP or separately depending the risk level on biodiversity. ESMF will include the procedures and ToRs for CHA and BAPs. In general, The road improvement would also attract wildlife poaching, illegal logging and overgrazing. These risks in the project will be assessed in ESIA for Butwal – Gorusinghe section during project prepration in the context of this project.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

At the concept stage, this standard is considered relevant for managing risks and impacts in Nepal. Its applicability in Bangladesh will be determined as the concept and footprints become much clearer and well-defined. The tool for ennvironmental and social risks screening to be provided in the ESMF, will also help to to determine the presence of IPs at various project areas. There are Indigenous communities, as defined by ESS7, present in the project area in Nepal, and include groups such as the Newar, Magar, Danuwar, Chepang and Gharti. These groups are recognized by the Government of Nepal as indigenous peoples with defined rights. As noted above, the proposed construction activities in Nepal may require physical relocation of some of these groups, suggesting the need for the Department of Roads (DoR) to engage and consult them early in the project preparation process. Depending on technical feasibility, the program may explore design options, including considering alternate locations/routes to minimize the impacts on IPs. Feasibility studies of the East-West Highway (including the Butwal-Gorusinghe section) is underway and will inform designs and ESIAs for the proposed road works. The ESIA will be leveraged to assess the potential impacts of works on on Indigenous groups and propose mitigation measures to address such adverse impacts whilst advancing development outcomes for such communities. In addition, DoR will conduct meaningful consultations with these groups early in the project preparation phase and throughout the project life. When required, FPIC will be obtained and documented with clear records of how the project attained the collective support of the IP groups in line with their customs and traditions. The proposed ESMF under ESS1 will cover aspects of FPIC and propose the terms of reference (ToR) for its conduct. The FPIC exercise, if needed, will be supported by independent expert. Based on the findings of the ESIA and issues emerging from consultations, an Indigenous People's Development Plan will be prepared and implemented with targeted interventions that will enhance project benefits for IP communities in the project area.

ESS8 Cultural Heritage

Initial screening has shown that some religious and cultural establishments such as mosques, temples and grave yards including schools may be affected by project interventions in Benapole, Bangladesh. Appropriate relocation and reconstruction provisions will be provided for these religious sites by the project, which will be included in RAPs and ESMPs. However, further assessments will be done on all proposed project sites, to verify/identify presence of

cultural heritage and depending on the scale of risks and impacts, a stand alone Cultural Heritage Management Plan maybe prepared, otherwise measures on cultural heritage will be included in the ESMP. For physical cultural heritage, chance finds procedures will be included in the ESMPs and chance find clause will be included in works contracts requiring contractors to stop construction if physical cultural heritage is encountered during construction and to notify and closely coordinate with relevant mandated country authorities for the salvaging and restoration of such cultural heritage. For Nepal, there are a number of temples located between Butwal – Gorusinghe along east-west highway. The probability and severity of impacts and importance of those temples will be assessed in the course of project preparation. Further due diligence will be also carried out to investigate if there are other known cultural heritage sites would exist along the proposed road segment. The stakeholder engagement process will be leveraged to identify and document both tangible and intangible cultural heritages, and ensure that the requisite risks assessment and mitigation will be carried out to avoid and/or mitigate project impacts on such resources. The ESIA for improvement of Butwal – Gorusinghe section will cover issues of project impacts on cultural heritage and propose mitigation measures to avoid, reduce and mitigate the potential impacts on cultural heritage. Depending on the magnitude of risks and impacts identified in ESIA, separate Cultural Heritage Management Plan will be developed, or could be part of the ESMP.

ESS9 Financial Intermediaries

The project concept involves no financial intermediaries. As such, this standard is not relevant to the environmental and social issues related to the project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

OP 7.60 Projects in Disputed Areas

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered?

No

Financing Partners

No other financing partners are considered. However, the borrowing countries will provide counterpart funding in support of project activities.

B. Proposed Measures, Actions and Timing (Borrower's commitments)

Actions to be completed prior to Bank Board Approval:

BANGLADESH - Preparation, consultation and disclosure of ESCP, ESMF, ESIAs/ESMPs for select sites and IAs - Preparation, consultation and disclosure of Resettlement Framework and RAPs for select sites - Preparation, consultation and disclosure of the Stakeholder Engagement Plan (SEP) - Preparation and disclosure of Labor

Management Procedures (LMP) NEPAL - Preparation, consultation and disclosure of ESIA for western section (Butwal - Gorusinghe) of the East-West Highway - Preparation, consultation and disclosure of ESMF for other sub-projects - Preparation, consultation and disclosure of ESIAs/ESMPs for the other activities under Phase 1 (Nepal) if the location and technical details are available - Preparation, consultation and disclosure of Resettlement Action for western section (Butwal-Gorusinghe) of the East West Highway - Preparation, consultation and disclosure of the Stakeholder Engagement Plan (SEP) - Preparation and disclosure of Labor Management Procedures (LMP)

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

Bangladesh - Implementation of Stakeholder Engagement Plan (SEP) - Implementation of Labor Management Procedures (LMP) - Preparation, disclosure, implementation and monitoring of site-specific ESIA/ESMPs - Preparation, disclosure, implementation and monitoring of RAPs - Implementation of Institutional Capacity Development Plan for the IAs and explore the possibility of setting up an E&S Risk Management Unit at BLPA. NEPAL - Preparation, consultation and disclosure of Indigenous Peoples' Framework (if necessary) - Implementation of ESMF, RPF, IPF, ESIAs/ESMPs, SEPs, LMPs, RAPs.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS 04-Apr-2022

IV. CONTACT POINTS

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V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s):	Jan Erik Nora
Practice Manager (ENR/Social)	Christophe Crepin Recommended on 26-Oct-2021 at 17:59:22 GMT-04:00

Safeguards Advisor ESSA	Pablo Cardinale (SAESSA) Cleared on 27-Oct-2021 at 11:23:38 GMT-04:00