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

Appraisal Stage | Date Prepared/Updated: 07-Apr-2017 | Report No: PIDISDSA19460



BASIC INFORMATION

A. Basic Project Data

Country Zambia	Project ID P159330	Project Name Zambia: Improved Rural Connectivity Project-SUF	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 09-Feb-2017	Estimated Board Date 04-May-2017	Practice Area (Lead) Transport & ICT
Lending Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency National Road Fund Agency	

Proposed Development Objective(s)

The objectives of the Project are to: (i) improve the Recipient’s rural road accessibility for communities in selected areas, (ii) strengthen institutional capacity for sustainable management of rural roads, and (iii) respond promptly and effectively to an Eligible Crisis or Emergency.

Components

Improvement of feeder roads
Institutional strengthening
Contingent Emergency Response.

Financing (in USD Million)

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

Environmental Assessment Category

B - Partial Assessment

Decision

The review did authorize the preparation to continue

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Other Decision (as needed)

B. Introduction and Context

Country Context

1. Zambia is a resource rich, low middle-income country that has achieved an impressive growth of about 6.4 per cent over the last decade, however the growth has not translated into appreciable improvement in the living standards of majority of the population. With the decline in the price of copper, Zambia's main export, the economy slowed to an estimated 3.2 percent in 2015 and was expected to improve to 4.2 percent in 2016. According to the latest Living Conditions Monitoring Survey of 2015, Zambia had an estimated 15.5 million population, of which 58 percent resided in rural, and 42 percent in urban areas. Of the population, 54.5 percent lives below the national poverty line while 40.8 percent are considered to be in extreme poverty.
2. The national poverty incidence improved marginally from 62.8 percent in 2006 to 60.5 percent in 2010. Still, about 8.4 million people live below the poverty line. Poverty is located overwhelmingly in rural areas where the rate is more than three times that in urban areas. In 2015, rural poverty was estimated at 76.6 percent, a marginal improvement from 77.9 percent in 2010. Urban poverty level stood at 23.4 percent in 2015, a significant drop from 27.5 percent in 2010. Rural areas are clearly lagging behind. At the same time, the Gini coefficient has risen in the last five years from 0.65 to 0.69, suggesting that income distribution has not improved.
3. The urban-rural divide in terms of poverty is stark in Zambia. In the two most urbanized provinces, Lusaka and Copperbelt, poverty densities may appear high due to their high population, but poverty headcount is relatively low, at 20.2 percent and 30.8 percent respectively. In the other eight provinces, the vast majority of the population live under the poverty line. In Western, Luapula, Northern and Eastern provinces, which are predominantly rural and rely on subsistence agriculture, 82.2, 81.1, 79.7 and 70.0 percent respectively experience extreme poverty and are not able to satisfy basic food requirements. In these areas, many rural farmers do not have good access to productivity enhancing inputs, resulting in low crop yields. Rural access by road to markets is limited. According to the revised Rural Access Index (RAI), rural accessibility in Zambia is estimated at 17 percent, meaning that 83 percent of rural population or 7.5 million rural residents do not have access to good quality road network. In Western and Northwestern Provinces, accessibility is even lower, at 10 percent or less.

Sectoral and Institutional Context

4. Zambia's 67,671 km of classified road network, covers the country relatively well, geographically. The classified road network comprises 3,116 km of Trunk Roads, 3,701 km of Main Roads, 13,707 km of District Roads, 5,597 km of Urban Roads, 14,333 km of Primary Feeder Roads (PFRs), about 15,000 km of Secondary Feeder Roads (SFRs) and Tertiary Feeder Roads (TFRs), 6,607 km of Park Roads and 5,000 km of Community Roads. This translates to a road density of 9.1 km per 100 km², which, by regional standards, would be categorized as the minimal network for good connectivity. The average total road density in Sub-Saharan Africa is 14.9 km per 100 km², and among eastern and southern African countries, classified road density is 28.4 in Kenya, 10.6 in Tanzania and 10.0 in Zimbabwe.
5. Zambia has achieved notable success in maintaining the Trunk, Main, and District (TMD) roads, a large proportion of which is generally in good and fair condition, but the feeder road network remains significantly poor. The proportion of TMDs in good or fair condition, based on Road Development Agency's (RDA's) 2014 road condition survey, stood at 75 percent. A total of 10,106 km TMDs and Urban Roads, or about 15 percent of the classified



road network, are paved and generally well maintained. In 2014, about 88 percent of the paved roads were in good or fair condition. However, the road condition of the feeder road network has been poor and rapidly deteriorating in the last few years. The proportion of the PFRs in poor condition rose from 72 percent in 2013 to 82 percent in 2014. Less than 50 km of the PFRs is paved, the rest is to earth and gravel wearing course standards.

6. There is also a need for institutional capacity strengthening especially focusing on improving the management of roads. The road sector reforms of the mid 1990s did reposition the operational responsibilities of road management from direct civil service into the three corporatized entities. RDA was created to manage the road network, the National Road Fund Agency (NRFA) to manage road financing, and Road Transport and Safety Agency (RTSA) to manage road safety. The positive impacts of the reforms, viewed in terms of post-reform condition of the Zambian road network are apparent in general terms. However the intended efficiency gains have not been fully realized mainly due to governance concerns.

C. Proposed Development Objective(s)

Note to Task Teams: The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet.

Development Objective(s) (From PAD)

7. The development objective of the project is to improve rural accessibility for communities in selected areas in Zambia and to strengthen institutional capacity for sustainable management of rural roads, and, in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis.

Key Results

8. The primary beneficiaries of the project are road users whose travel time and transport cost will be reduced as a result of infrastructure improvements. Currently, much of the PFR network is poorly maintained and connectivity is hampered by unreliability of transport services, slow vehicle operating speeds, high vehicle maintenance costs, poor road safety, and reduced travel comfort. More specifically, the beneficiaries will be rural farmers who will have improved access to inputs and markets. The rural communities in general will have better access to health, education and other services. Employment in road construction activities and the expected rural development also have the potential to generate new opportunities for the rural communities. Transport service providers whose vehicle operating cost will be reduced and travel speeds increases will also benefit.
9. Other direct beneficiaries are Government of the Republic of Zambia's (GRZ's) road sector institutions, and the construction industry. The institutional capacity strengthening initiatives supported by the project will enhance institutional performance and sustainability within the participating ministries and agencies. The Ministry responsible for roads Ministry of Housing and Infrastructure Development (MoHID) will be enabled to monitor and assess the performance of the road agency. The ministry responsible for road transport policy (MoTC) will operationalize the newly drafted transport policy, which also emphasizes the importance of rural accessibility. Ministry of Local Government and Housing (MLGH) and its Local Road Authorities (LRAs) will have their capacity to manage rural roads improved. NRFA's road management ability will be improved. RDA will develop



a strategy for maintenance of rural roads. The National Council for Construction (NCC) will implement its employment creation policy and RTSA will deepen its involvement in road safety on rural roads.

10. The use of the Output and Performance-based Contracting (OPRC) approach will provide the local construction industry with an opportunity to improve their service delivery, skills, and competitiveness. The approach will promote innovativeness and provide ample time for them to develop their business. A secondary spin-off benefit to rural communities is the private sector's contribution towards job creation in rural areas as they employ workers especially during the maintenance parts of the OPRC contracts.
11. In the event that the Crisis Emergency Response Component (CERC) is triggered, the project beneficiaries would include communities benefiting from the related interventions.

. D. Project Description

12. The project will support improvement of selected Primary Feeder Roads and also contribute towards Government's efforts to address institutional capacity challenges within the roads sector. The rural accessibility aspect of the project is linked to Government's ten year OPRC Roll-out program. The national program aims to improve about 8,000 km of roads at an estimated cost of US\$ 400 million over ten years. At the end of ten years, each of Zambia's ten provinces would have benefitted from the national program by having approximately 300 km of selected feeder roads improved and maintained. World Bank's US\$ 200 million forms part of this ten-year program, but its implementation would be detached from the government's program operation.
13. For optimal impact, it is necessary to sequence province participation in the OPRC Roll-out program. Taking into consideration the program's overarching goal to address poverty through improved rural accessibility and to thereby boost agricultural development, it was important to ensure that the decisions on the choice and sequencing of beneficiary provinces, especially in its initial phase that involved Bank support, were well informed. All the ten provinces of Zambia were therefore subjected to a ranking process that weighted and combined their poverty headcount, agricultural production, potential for agribusiness, and rural accessibility - poverty headcount having the highest weighting and rural accessibility the lowest.
14. The project will also finance capacity building initiatives based on areas prioritized by Government and its agencies. The beneficiaries will include Ministry of Housing and Infrastructure Development, Ministry of Transport and Communication, Ministry of local Government and Housing, National Road Fund Agency, Road Development Agency, Road Transport Safety Agency and the National Construction Council. The areas of support will include strategic aspects, human skills development, and institutional capacity enhancements.

. E. Implementation

. Institutional and Implementation Arrangements

15. The roles and responsibilities of the various institutions have been defined. The credit will be to GRZ, through the Ministry of Finance, which will, by a subsidiary agreement, pass it on to the NRFA. The NRFA will manage the credit on behalf of GRZ and in this regard it will account for the deposits and withdrawals and perform the audits and provide financial reports in accordance with the Bank rules and guidelines. NRFA will monitor the utilization of the project resources by each beneficiary including itself and provide expenditure projections. It will provide progress reports, including the Mid-Term Review Report, and the Implementation Completion Report. It will also



coordinate Procurement function, and prepare and revise Procurement Plans. For the purpose of the credit agreement, it will be the Implementing Agency. NRFA will also be responsible for the preparation of the project Procurement Plan and its revision. It will liaise closely with all the other ministries to provide procurement guidance where necessary and to ensure adherence to the procurement guidelines.

16. RDA will lead Component 1 (Improvement of feeder roads) activities through a dedicated Project Management Unit (PMU). It will take full responsibility for the preparation of the component, procurement of services related to the component, implementation, quality control, road contracts cost, reporting and timely completion of the component activities. MLGH will coordinate the participation of the Local Road Authorities (LRA). The LRA will be involved in supervising certain aspects of the contractor's activities. MoTC, MoWS, RTSA and NCC (and indeed MoHID, MLGH, NRFA and RDA) will manage specific component outputs under Component two on institutional capacity building.
17. Component 2 will support seven government institutions – three line ministries and four agencies, based on the roles played by each one of them. They will each be responsible to deliver their respective outputs under the component, with the coordination of the Ministry of Housing and Infrastructure Development (MoHID). The Ministry of Transport and Communication (MoTC) will be supported to deliver specific strategic outputs. MLGH will be supported to coordinate the activities of participating Local Road Authorities (LRA), and perform the respective ministry level implementation functions. Its support will include that of the LRAs, the priority being on those from participating districts.
18. Government agencies responsible for specific Component 2 activities are NRFA (which will also manage the credit on behalf of GRZ), RDA, RTSA and NCC.

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

The project will involve the construction and rehabilitation of feeder roads and drainage structures in selected provinces. Actual construction will take place in the rural parts of the provinces, where population densities are relatively low and the main economic activity is agriculture. Existing corridors will be followed and due to the low population densities, it will be relatively easy to align the road geometry to avoid encroachment into farms or settlements. The rural locations of feeder roads will entail some labor influx and establishment of work camps in some areas, especially in the first two years of the contracts. Contractors will be encouraged through conditions of contract to use local labor including women for construction and ongoing routine maintenance works.



G. Environmental and Social Safeguards Specialists on the Team

Mwansa Lukwesa

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The policy has been triggered since the project involves the upgrading and maintenance of rural roads serving rural communities. It is envisaged that about 3,600 km of roads are to be included on the project. Since the specific feeder roads have not yet been defined and are in various parts of the country. RDA developed an ESMF and RPF that were submitted to the Bank and have since been cleared and disclosed in infoshop and at national level. These instruments identified the possible environmental and social risks that may arise during project implementation and also proposed mitigation measures including institutional arrangement to minimize the risks. Prior to initiating construction works, RDA will be required to screen all activities and subprojects to ensure the site specific EIA's are undertaken and approved/cleared by ZEMA and the Bank.
Natural Habitats OP/BP 4.04	No	The policy has not been triggered since periodic maintenance of feeder roads will be restricted to already existing roads and alteration of existing routes will avoid areas of ecological sensitivity.
Forests OP/BP 4.36	Yes	The policy has been triggered considering the maintenance and upgrade of feeder roads may require the clearance of vegetation and trees to allow for road works. This will result in vegetation loss but this will however be minimized by restricting construction works to the project footprint.
Pest Management OP 4.09	No	The policy is not triggered because project will not involve the use of pesticides or support to subprojects/activities that require their application.
Physical Cultural Resources OP/BP 4.11	Yes	The policy has been triggered since the upgrade and maintenance of feeder road will cover a total of



		3,600km increasing the likelihood of chance finds. During project implementation the ESIA and ESMP will incorporate a chance find procedure to help manage artifacts of historical and heritage value.
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. A RPF was developed by RDA and submitted to the Bank. The instrument has since been cleared and disclosed in infoshop and at national level. The RPF has addressed issues relating to relocation, encroachments and compensation.
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.

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 policy on Environmental Assessment has been triggered and the project has been assigned a partial assessment - category B. Although the project footprint will be restricted to the road and road reserves, the policy on forests has been triggered as the expansion of already existing roads will result in the loss of vegetation. The policy on Involuntary Resettlement has been triggered. since road improvement works will entail bush clearing to demarcate the road works corridor and to enhance road safety, earthworks to achieve engineered road profiles and excavation of natural material for road pavement layers. Drainage structures will include channels, culverts, drifts and small bridges. Involuntary resettlement will be necessary especially if there is any encroachment on road reserves or where horizontal geometry will require improvements.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: Construction of road drainage features such as miter drains and culverts may concentrate water along new channels.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. The location of drainage features will be carefully established so as to minimize negative effects on the environment. Furthermore, new drainage channels will be protected where necessary to minimize soil erosion.



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 Road Development Agency (RDA) has been involved in the execution of Bank supported projects and is conversant with the Bank's safeguards policies and Zambian EIA requirements. It has an Environmental and Social Management Unit that oversees the preparation of the necessary studies, monitoring and compliance. RDA will be required to seek approval from the Zambia Environmental Management Agency (ZEMA) for project activities or sub projects that will require the preparation of an Environmental Social Impact Assessment (ESIA). During project preparation, the bank safeguards team held regular consultations including the review of TOR's and safeguards instruments.

Preparation of ESIA's will include screening for potential social and environmental risks of adverse impacts due to labor influx, including the establishment of work camps. Potential labor influx related risks and mitigation measures will be consulted with local communities and stakeholders as part of preparation of ESIA's and ESMPs, including contractors' ESMPs. Mitigation and monitoring of any labor influx related risks that are identified will be addressed in the ESIA's, ESMPs, Contractor ESMPs and Codes of Conduct, and related monitoring and supervision plans.

To ensure that environmental and social safeguards are properly managed, RDA has made arrangement for two oversight layers. The primary oversight function will be carried out by RDA's supervision consultants, whose duty it will be to ensure that contractors observe the contractual obligations on the matter, including implementation of actions identified in the project ESIA's and RAPs. The second oversight function will be carried out by the National Construction Council (NCC), which will be empowered to review road construction sites and consult beneficiary communities to assess compliance by contractors and consultants, including on issues.

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

On the project the Road Development Agency (RDA) are the key stakeholders. The Environmental and Social Management Unit are involved in the preparation of the safeguard documents, public consultation approvals with ZEMA. The disclosure of safeguards instruments will be the responsibility of RDA and they will be guided by the provisions of the ZEMA EIA regulations and Bank policies.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank 07-Feb-2017	Date of submission to InfoShop 08-Feb-2017	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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"In country" Disclosure

Zambia
08-Feb-2017

Comments



The ESMF was reviewed and cleared by the Bank and has since been disclosed by RDA at national level.

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank

07-Feb-2017

Date of submission to InfoShop

08-Feb-2017

"In country" Disclosure

Zambia

08-Feb-2017

Comments

The RPF was reviewed and cleared by the Bank and has since been disclosed by RDA at national level

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?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

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?

Yes

OP/BP 4.12 - Involuntary Resettlement

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

Yes

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

Yes



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?

Yes

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's Infoshop?

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

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Borrower/Client/Recipient



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APPROVAL

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