Romania Transport Restructuring Project (P083620)

Executive Summary of Safeguards Issues

Project Development Objective

1. The Government of Romania has defined a strategy for the transport sector that is aimed at improving the efficiency of the railways and roads sectors, and thereby reducing the overall costs of transportation, improving road safety, and reducing the negative impacts of traffic, traffic congestion and pollution in selected important cities. The government intends to achieve this by undertaking the following investments in the years leading up to EU accession:

- Rehabilitate, modernize and develop transport facilities to improve safety and mobility of all travelers. Reducing traffic congestion in or near cities is of the highest priority in order to improve traffic flow and preserve old historic cities.
- Restructure the administration of roads through reclassification of the road network and associated changes in the road management and financing. Increase efficiency of road works through privatization and development of the domestic construction industry.
- Restructure the management of the state railway companies to improve productivity towards full cost recovery and prepare the railways for open competition within the EU transport market.
- Stimulate liberalization of the domestic transport market by privatizing service delivery for both railways and roads.

2. The key performance indicators have been identified to monitor progress towards achieving these objectives. Those relating to the environment are disclosed in the accompanying summaries of the environmental assessments (EA).

Project Components

3. The project includes components for both roads and railways sectors, selected from the governments priority investments for the transport sector.

4. Roads Sub-sector Components, include:

Rd1 Institutional Development: Comprising technical cooperation and training to improve efficiency of road management and administration targeted at the National Company for Motorways and National Roads (NCMNR). There also will be consultancies for the engineering design and supervision of civil works.

Rd2 Road Safety Improvement: To raise public awareness, support the implementation of a road traffic crash database, and to apply corrective measures at road sections with high traffic crash rates (accident black spots).
Rd3 **Construction and Supervision of Bypasses for Selected Cities:** To relieve congestion, environmental pollution, and reduce travel costs for traffic traveling through key cities that are at present a major bottleneck to both passenger and freight transport. The selected cities include; Adjud, Bacau, Brasov, Ramnicu-Sarat, Reghin, Medias and Targu Mures.

Rd4 **Bridge rehabilitation:** Repairs or replacement of selected high priority bridges in the public investment program that are in critical condition and in imminent danger of total collapse.

**Railway Sub-sector Components**

Rw1 **Commercialization of the Railway Industry and Technical Cooperation:** Activities to further consolidate the reforms achieved in the railways industry under the previous Bank loan.

Rw2 **Improved Utilization of Information and Communications Technology (ICT):** Technical support for the integration of modern ICT systems into the operating practices and business processes of the Railways.

Rw3 **Infrastructure Maintenance and Train Control Equipment:** To improve the quality of railway infrastructure and lower the costs of operations for both passenger and freight services.

Rw4 **Systems for quality and environmental management:** To assist the railways to implement integrated systems of quality and environmental management in order to align the industry with European standards for train operations.

5. Details of the results framework expected from the above components together with the key performance monitoring indicators may be disclosed later in the Project Appraisal Document.

**Project safeguard issues and their context**

6. The project is in Safeguards Screening Category S2, and Environmental Screening Category A. The following safeguard policies are triggered by the project.

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment (OP/BP 4.01)</td>
<td>[X]</td>
<td>[ ]</td>
</tr>
<tr>
<td>Involuntary Resettlement (OP/BP 4.12)</td>
<td>[X]</td>
<td>[ ]</td>
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In addition, chance finds are included in the EMP. Safeguard Studies have been disclosed in the country.
7. The ECA Regional Safeguards Coordinator and the Task Team concurred that the primary component with significant environmental impacts was Rd3, Construction and Supervision of Bypasses for Selected Cities, namely: the cities of: Adjud, Bacau, Brasov, Râmnicu-Sarat, Reghin, Medias and Targu Mures. Three of these cities are relatively large, Brasov (300,000), Bacau and Targu Mures (100,000). The others are much smaller and well below 100,000 population.

8. In the past decade Romania has undertaken a significant rehabilitation program of its main highways. Historically the main roads went through the cities. This was rational and of little consequence as the car ownership was low, there was little traffic and all freight hauls longer than 50 kilometers and intercity passenger traffic was assigned for rail transport. Now everything has changed. Car ownership is exploding, trucks and buses compete openly with rail and cities are expanding. Road rehabilitation is no longer sufficient as the routing, the design parameters, and control of access to land are not in keeping with the standards found in the Western countries. The current road network has become too costly.

9. The cities have become congested. Traffic causes pollution and the mere presence of a large number of cars and trucks on inadequate city street network, often dating back to the middle ages, is a significant nuisance. Vibration from traffic is adversely affecting old buildings. The capacity of the through streets is especially insufficient and unsuitable for modern traffic management because they provide access to every site. Traffic delays are large and costly. Traffic accident risk is substantial and the pedestrian environment often poor. In sum, traffic in cities has become unbearable to people, costly to businesses, and a barrier for city and land use development.

10. In this general environment, it is very appropriate that the Government has made city bypasses one of its highest priorities in the road sub-sector. The bypasses will serve multiple goals: eliminating through traffic from the city streets, reducing pollution, reducing traffic risks, reducing the time and costs of freight services and of personal travel, and giving the cities breathing room to grow by providing access and serving new land uses that are emerging especially in the bigger cities. The bypasses will increase the livability of the cities, they will also enable the city and central governments to realistically address city-planning issues to protect and improve the historically valuable parts of the old cities.

11. The bypasses will all require land acquisition. The criteria adopted by the NCMNR and its engineering consultants, have been to minimize land acquisition, avoid resettlement of residents and use marginal lands whenever possible. The NCMNR has prepared a Land Acquisition Policy Framework approved by the Bank, which clarifies steps and procedures in the land acquisition process.

12. During the alternative analyses, in each city, the preferred alternative was routed and designed to meet with the approval of the affected interests, including the Romanian Academy of Sciences, which is the designated national mediator in environmental issues. At the time of appraisal, no opposition to the bypasses had been notified to the Borrower by any interested party; just the contrary, the bypasses were welcomed.
Social issues

13. The railway component of the project has few direct social or environmental implications, as the investment will go to purchase equipment or improve management, and communications technology. There is a small equipment component to assist the railways to improve their environmental management to align the industry with European standards. The roads component will have a considerable impact on the population. The traffic safety component will draw public attention to traffic safety issues and fund works to address bottlenecks and black spots; construction of new bypasses will reduce congestion and danger on city streets; improve the environment and livability of affected cities; and speed the flow of goods; the bridge rehabilitation component will be largely invisible to the public. Affected interests and stakeholders have been consulted and involved since the beginning directly and indirectly in developing and evaluating the alternatives, and other aspects of project preparation.

14. The land acquisition will adversely affecting landowners, particularly those who farm land that will be taken for rights of way. The criteria of NCMNR is to minimize land acquisition, avoid resettlement of residents and use marginal lands whenever possible. During the alternative analyses, a number of the initial alignments were revised to meet these criteria. The exact number of affected persons will be known only when the final designs are completed; however, it is known now that there will be no resettlement of persons or businesses. The NCMNR has prepared a Land Acquisition Policy Framework approved by the Bank, which clarifies steps and procedures in the land acquisition process. Romanian laws and practices are already consistent with essential provisions of OP/BP 4.12 and standard documentation will be used to demonstrate compliance with the OP.

15. The project poses no significant social risks except for the possibility of the emergence of local opposition to the site chosen for a bypass. Such an occurrence, which is not anticipated due to the high priority given to the investments, would most likely manifest as the NIMBY (Not in My Back Yard) syndrome. Romanian Land Acquisition laws provide ample opportunity for people to express their opposition and for their concerns to be heard in both public and administrative hearings. The main social impacts of the project—reduction of accidents in hot spots, increased, overall transport traffic increase, and decreased transport traffic through cities—will be monitored by the project, based on routine data collection by local and regional officials. The preferred alternative in each city has also been routed in such a way that they are compatible with the future development of the intercity highway network. Consequently, it is judged that the project poses no significant social risks in the short or long run.

The Environment

16. The primary environmental issue of significance in the project is positive and will be improvement of peoples' health from environmental risks and pollution from the vehicular emissions and noise pollution now concentrated in areas of highest population densities. The inherent nature of the project component associated with by-pass construction directly relates to this issue. After by-pass construction is completed its very nature will redirect traffic from heavily populated and congested central business districts (CBD) to locations that are less densely populated. The improved traffic flow will also promote greater combustion efficiencies for the vehicles. The net result is expected to be a reduction in the exposure of densely populated
areas to combustion exhausts containing hydrocarbons, carbon monoxide, nitrogen oxides, particulates, and lead.

17. For Environmental Assessment, the project was assigned Environmental Screening Category A. Individual Environmental Impact Assessment (EA) reports were prepared for each of the seven bypasses. As required by Government of Romania, EA reports were prepared in Romanian language for each proposed bypass. This was done before the World Bank was involved. For several reasons (see discussion below) it was agreed that an independent consultant be secured to review these EA reports. This was done and the independent consultant reached the conclusion that all EA studies are in full compliance with the requirements of both the Government of Romania and the World Bank.

18. Generally, the main negative issues identified were during the construction phases and included combustion exhausts from machinery involved with construction, disruption of habitats, noise and vibrations, waste disposal etc., and emissions from suppliers of concrete and asphalt. When the bypasses are in use the chief negative issue would be pollutant runoff from the road during precipitation, which may affect soils, and/or surface and ground waters. Construction issues were determined to be minor, temporary, and reversible. Negative issues associated with the by-pass in use were determined to be minor and far outweighed by the beneficial issues associated with improved air quality and reduced noise levels in areas of high population density.

19. Environmental management plans (EMPs) are included as part of the EA reports. These EMPs incorporated appropriate mitigating measures to address the negative impacts as well as monitoring programs to insure the mitigating measures will be successfully implemented. All project beneficiaries formally agreed to implement these EMPs. The independent consultant reviewed these EMPs indicated that all EMPs were satisfactory and in compliance with World Bank requirements and there is generally sufficient institutional capacity for their implementation, either directly or through the use of specialized consultants (particularly for the monitoring programs). Additional needs (equipment, training etc.) are also included in the EMPs.

20. According to OP/BP/GP 4.01 for a Category A project, EA experts not affiliated with the project must prepare the EA document. Since the EAs were being prepared prior to World Bank involvement in the projects by consultants who were responsible for other project preparation aspects (alternative analyses) it was agreed with Bank management to secure an independent Romanian consultant to: (a) determine if the EAs meet World Bank safeguard policy requirements and (b) provide the World Bank with a summary document for each EA. This consultant would thus provide the independent perspective that in essence would comply with the spirit of OP/BP/GP 4.01.

Key Environmental Issues

21. Key environmental issues for each of the bypass EAs are summarized below from the independent consultant report. All issues are incorporated into the individual project specific Environmental Management Plans, which includes: mitigation program, monitoring program, institutional arrangements for effective implementation, schedule, and institutional development needs. The independent consultant concluded that all EMPs were satisfactory for addressing all individual bypass subproject environmental issues.
<table>
<thead>
<tr>
<th>By-Pass Location</th>
<th>Key Environmental Issues</th>
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| **Adjud**        | Construction: Air emissions from construction equipment operation  
_temporary land use during construction for access roads and material storage  
Operation: Improved air quality and reduced noise levels in central urban area from new traffic pattern |
| **Bacau**        | Construction: Air emissions from construction equipment operation  
_temporary land use during construction for access roads and material storage  
Operation: Improved air quality and reduced noise levels in central urban area from new traffic pattern |
| **Brasov**       | Construction: Air emissions from construction equipment operation  
_temporary land use during construction for access roads and material storage  
Surface water pollution from materials stockpiles runoff  
Influence on nearby protected areas (Harman and Sanpetru)  
Operation: Improved air quality and reduced noise levels in central urban area from new traffic pattern particularly NOx impacts on local ecosystems  
Noise level increases  
Influence on nearby protected area (Harman and Sanpetru) |
| **Medias**       | Construction: Air emissions from construction equipment operation  
_temporary land use during construction for access roads and material storage  
Erosion and surface water contamination  
Disposal of wastes into nearby waters  
Pollution from materials supply plants (asphalt, concrete etc.)  
Impacts on habitats, and vegetation  
Operation: Improved air quality and reduced noise levels in central urban area from new traffic pattern |
| **Ramnicu Sarat**| Construction: Air emissions from construction equipment operation  
_temporary land use during construction for access roads and material storage  
Surface water pollution from materials stockpiles runoff  
Temporary disruption of vegetation and local wildlife  
Operation: Improved air quality and reduced noise levels in central urban area from new traffic pattern |
| **Reghin**       | Construction: Air emissions from construction equipment operation  
_temporary land use during construction for access roads and material storage  
Impacts on habitats, and vegetation  
Operation: Improved air quality and reduced noise levels in central urban area from new traffic pattern |
| **Targu Mures**  | Construction: Air emissions from construction equipment operation  
_temporary land use during construction for access roads and material storage  
Noise impacts on natural habitat  
Surface water pollution from materials stockpiles runoff  
Pollution from materials supply plants (asphalt, concrete etc.)  
Impacts on habitats, and vegetation  
Operation: Improved air quality and reduced noise levels in central urban area from new traffic pattern |
Concluding comments

21. Critical stakeholders have been involved directly and indirectly in project preparation from the beginning. All of the road and bridge investments address inadequacies in the road network, congestion, and safety hazards that are well-known to residents as well as politicians and road specialists. Principal stakeholders in the project include staff of the railroad and road administrations, road construction and maintenance companies, local governments, road users, residents of the respective cities and landowners in proposed rights of way. The components emerged from discussions with the Ministry of Transport, the Romanian Railway Companies and the National Company for Motorways and National Roads, based on the recommendations of other stakeholders. Local administrations strongly support the bypasses and have been engaged closely with consultants working on alternative analyses, strongly influencing the preferred alignments. In turn, local leaders consulted constituents informally, and through public hearings. A range of stakeholders will be consulted in the process of selecting and designing works addressing specific hotspots, including local administration, local technical staff, police, civil society groups and residents immediately adjacent to the sites. Some of these stakeholders will also provide data for monitoring and impact assessment.

22. The project is expected to have an indirect impact on poverty reduction. For example, selection of the bypasses included in the project will be based on economic and social criteria to maximize the beneficial impact of the investments. This will include the size of population affected and the incidence of poverty in the target zone. At least three of the bypass candidates are in the poorest regions and the four others in historically important Transylvania. Overall, a broad spectrum of people will benefit from the bypasses and resolution of hot spots, including residents along current routes that traverse the cities who experience traffic congestion, noise and danger posed by transport vehicles and reduced air quality, and producers and consumers of products that will move more speedily and safely. A third set of beneficiaries will be the owners of buildings along current routes, especially historical buildings, which are affected by the vibrations and emissions of trucks that must traverse the cities.