

**INTEGRATED SAFEGUARDS DATA SHEET  
ADDITIONAL FINANCING**

**Report No.: ISDSA8851**

**Date ISDS Prepared/Updated:** 15-May-2014

**Date ISDS Approved/Disclosed:** 05-Feb-2014, 15-May-2014

**I. BASIC INFORMATION**

**1. Basic Project Data**

<b>Country:</b>	Nicaragua	<b>Project ID:</b>	P146845
		<b>Parent Project ID:</b>	P123447
<b>Project Name:</b>	Additional Financing Rural Roads Infrastructure Improvement Project (P146845)		
<b>Parent Project Name:</b>	Rural Roads Infrastructure Improvement Project (P123447)		
<b>Task Team Leader:</b>	Stephen Muzira		
<b>Estimated Appraisal Date:</b>	27-Jan-2014	<b>Estimated Board Date:</b>	25-Jun-2014
<b>Managing Unit:</b>	LCSTR	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Rural and Inter-Urban Roads and Highways (80%), General transportation sector (10%), Public administration- Transportation (5%), Agriculture, marketing, and trade (5%)		
<b>Theme(s):</b>	Rural services and infrastructure (60%), Micro, Small and Medium Enterprise support (20%), Infrastructure services for private sector development (15%), Natural disaster management (5%)		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
Total Project Cost:	66.47	Total Bank Financing:	57.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			9.47
International Development Association (IDA)			2.90
IDA Grant			54.10
Total			66.47
<b>Environmental Category:</b>	B - Partial Assessment		

<b>Is this a Repeater project?</b>	No
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**2. Project Development Objective(s)**

**A. Original Project Development Objectives – Parent**

The Project Development Objectives are to: (a) improve the access of the rural population living in the Project areas to markets, and to social and administrative services through: (i) the carrying out of improvements in the Recipient's road infrastructure, and (ii) the strengthening of MTI's institutional capacity for asset and disaster risk management; and (b) support the generation of short-term employment opportunities for the rural population living in the Project areas.

**B. Current Project Development Objectives – Parent**

**C. Proposed Project Development Objectives – Additional Financing (AF)**

The original project PDO is being revised to: (a) improve the access of the rural population living in the Project areas to markets, and to social and administrative services through: (i) the carrying out of improvements in the Recipient's road infrastructure, and (ii) the strengthening of MTI's and FOMAV's institutional capacity for road asset and disaster risk management; (b) support the generation of short-term employment opportunities for the rural population living in the Project areas; and (c) to improve the country's capacity to respond promptly and effectively to an eligible emergency.

**3. Project Description**

Revisions to the project's components are being proposed: introduction of a new sub-component 1.3: results based routine maintenance; and new component 4: Immediate Response Mechanism as summarized below.

Sub-component 1.3 Results based routine maintenance (with a US\$ 1.0 million allocation): FOMAV has taken on increased responsibility for maintenance of the paved road network. It is currently piloting the results based routine maintenance on the adoquines roads by converting MCA members into small micro-enterprises. This is a welcome endeavor that would give sustainability to the MCA model, and also ensure the long-term preservation of project investments. For these reasons, this new sub-component is proposed for inclusion into the Project, targeting a total of 75 km of result based routine maintenance.

Component 4: Immediate Response Mechanism (With an initial zero allocation. In case this component is activated, it will be completely financed with IDA funds): Given that Nicaragua is a country that is highly prone and greatly vulnerable to natural disasters, this component is being proposed for incorporation into the project with zero allocation. This component allows for the possibility to access IDA resources for eligible expenditures in case of a natural disaster.

With the Additional Financing, an extra financial allocation has been made to components 1, 2 and 3. As a result, the physical targets for component 1 have also been revised. These details are indicated in the Project Paper.

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

The project is being developed as a road improvement program for the main agriculture, livestock, and fisheries producing regions of the country. Taking geographical equity, local demand prioritization, and the existence of financing available under previous or current projects into consideration, MTI under the parent project had identified five key departments (Rivas, Matagalpa, Leon, Granada, Managua) with seven priority road sections totaling 88km. With Additional Financing, the Project will expand the geographic focus to include Jinotega, Boaco and Chontales plus others potentially to be determined during implementation for a combined total estimate of 185km of rural roads to be paved.

Road sections identified to date to be financed under the AF with funds of this sub-component include: El Cua – San Jose Bocay (10 km); El Portillo – El Cua (11.58 km); Santa Lucia – Boaco (4.8 km); and Esquipulas – Empalme San Dionisio, sub-section San Dionisio-Planta Ocalca (11.2 km). The recipient has prepared site-specific Environmental and Social Impact Assessments (ESAs) which include the respective Environmental and Social Management Plans (ESMPs) for each of these sub-projects. Screening has confirmed that none of these sub-projects pass through any environmentally sensitive zones. Under the parent project, all road works took place within the existing right of way without any need to acquire land or displace any physical assets. Furthermore, there were no indigenous peoples present in any of the project areas. As the Additional Financing will be used to upgrade and maintain a set of unspecified additional road sections, two new safeguards policies (OP 4.10, and OP 4.12) have been triggered and will be applied.

### 5. Environmental and Social Safeguards Specialists

Noreen Beg (LCSEN)

Jason Jacques Paiement (LCSSO)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	<p>For the parent project, an Environmental and Social Assessment (ESA) was conducted within each of the seven areas of influence of the proposed roads to be resurfaced through the Project. These assessments have been cleared by the Bank. Public consultations and disclosure of the ESAs have been conducted for each of the seven road sections. Public consultations included a wide range of stakeholders such as local residents, authorities, public service providers, agricultural producers, etc.</p> <p>Similarly, Environmental and Social Assessments (ESAs) have been prepared for all sub-projects to be funded through the Additional Financing. The same model of consultations was also used for the projects identified under additional financing. Screening has determined that none of the projects traverse environmentally sensitive zones. Only relatively minor negative impacts are expected as a result of the project, and appropriate</p>

	<p>mitigation measures have been put in place to reduce them.</p> <p>Based on OP 4.01, the parent project was classified as Category B, as the associated potential environmental and social impacts are moderate to low, site specific, and expected primarily during construction. As a result of the project there will be positive impacts such as reduction on suspended dust from unpaved roads, noise and travel time reductions. The road maintenance component will also improve road surface conditions and drainage, and reduce road erosion. Maintenance works involve minor activities such as surface cleaning, repairing of drainage structures, patching of potholes, and resurfacing of asphalt, none of which are expected to have any significant impact.</p> <p>A Valoración Ambiental y Social (Environmental and Social Assessment ESA) has been prepared for each of the seven road sections under the parent project. Each ESA was prepared by a special unit within the MTI, the Environmental and Social Management Division (DGA). The ESAs have been submitted to the Bank, consulted on with the relevant stakeholders, and disclosed. The corresponding environmental license, issued by the departmental delegation of the MARENA (Ministerio del Ambiente y los Recursos Naturales, Environment and Natural Resources Ministry), was acquired previous to the beginning of works. Each ESA includes an Environmental Management Plan (EMP) for construction and operation, which details mitigation measures, monitoring, responsibilities and specific procedures (such as waste management plans, encampment plans, and borrow pit management plans when applicable).</p> <p>The DGA , which has benefitted from direct training on Bank safeguards over the years, and has also attended capacity building workshops for Bank financed projects, will be overseeing environment and social related project activities</p>
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		<p>both for the rural road works improvement component and the periodic maintenance works. Both the DGA and FOMAV attended special training on Bank social and environmental policies, held in Nicaragua in 2013.</p> <p>The DGA and FOMAV have a positive and improving track record of implementation evaluated throughout the years with their continuous involvement in four previous IDA operations, and the parent of this project.</p>
Natural Habitats OP/BP 4.04	Yes	OP 4.04 is triggered only on a precautionary basis. No project components or activities are expected to directly or indirectly cause any significant conversion of or loss to any existing natural habitats. However, there are some road sections with river crossings, which require protection of river beds and/or reforestation to reduce erosion and landslides. In cases where the road may be in the close vicinity of national reserves, (while not traversing them or being directly adjacent), appropriate measures to protect biodiversity will be implemented.
Forests OP/BP 4.36	No	This policy is not triggered as any impacts are likely to be small scale and will not affect the welfare of forest dependent communities or the management of forests.
Pest Management OP 4.09	No	No pesticide or herbicide will be utilized during road construction or road maintenance under the project. The elimination of vegetation at the edges of the roads is done mechanically or manually, with no chemicals involved.
Physical Cultural Resources OP/ BP 4.11	Yes	OP 4.11 is triggered on a precautionary basis. All civil works are taking place within the right of way of existing roads, and thus no impact to any physical or cultural resource (PCR) is expected. However, there will be land movements and borrow pit usage, and chance findings may occur. The ESAs submitted to IDA for the parent project already include chance finding mechanisms and corresponding protocols of action. These procedures have been incorporated into the ESAs for Additional Financing.
Indigenous Peoples OP/BP 4.10	Yes	The original project did not trigger OP 4.10 as none of the activities financed were located in areas occupied or claimed by Indigenous Peoples.

		<p>Furthermore, the five site-specific Environmental and Social Assessments (ESAs) carried out to date on road sections identified for the Additional Financing confirmed that there are no indigenous peoples present in any of the known project areas.</p> <p>However, as the exact locations of all project activities will only be determined during project implementation, the proposed Additional Financing could eventually result in new subprojects being selected that are located in areas occupied or claimed by Indigenous Peoples. For this reason an Indigenous Peoples Planning Framework (IPPF) was prepared, consulted and disclosed as an integral part of the unified Environmental and Social Management Framework (ESMF). The IPPF will assist the MTI to determine whether indigenous peoples are present in any of the project areas, and if so, to ensure that the interested communities support the proposed activities as well as any additional measures required to maximize their culturally appropriate benefits and/or avoid potentially adverse impacts.</p>
<p>Involuntary Resettlement OP/BP 4.12</p>	<p>Yes</p>	<p>Under the original project, all road works were executed within the existing road way, and in the case of the proposed minor drainage and erosion control measures, within existing rights of way. Therefore, there was no need to acquire any land or displace any physical assets. The same situation was determined to apply for each of the five known road sections proposed for the Additional Financing.</p> <p>However, because the exact locations and design specifications for the proposed additional investments—for example, localized road realignments, the elimination of accident-prone points — remain unknown at this time, OP 4.12 will apply and a Resettlement Policy Framework (RPF), part of the ESMF, has been prepared, consulted and disclosed. The RPF clarifies resettlement principles, institutional arrangements, and design criteria to be applied to subprojects to be prepared during project implementation.</p>

Safety of Dams OP/BP 4.37	No	Not applicable.
Projects on International Waterways OP/BP 7.50	No	Not applicable.
Projects in Disputed Areas OP/BP 7.60	No	Not applicable.

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

<p><b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b></p> <p>The Environmental and Social Assessments (ESA) in the parent project underline that resurfacing of existing dirt roads with adoquines will generate significant positive social impacts. In addition to expected positive outcomes and impacts related to reduced transportation costs and increased accessibility to markets and public services, the project is expected to help: (i) create direct and indirect employment opportunities in poor regions where local residents welcome these opportunities to supplement their incomes; (ii) build valuable technical skills among local residents, including youth and women, that are essential for their productive participation in the new social and economic opportunities created through increased accessibility to markets and public services; (iii) reduce regional disparities and promote the social and physical integration of all residents within the project areas; (iv) improve road safety; and (v) reduce vulnerabilities to natural disasters, through better road designs and more efficient drainage structures.</p> <p>The social and environmental risks associated with the Project are limited due to the nature and location of the proposed interventions. Both the civil works and the road maintenance components will continue to involve a significant proportion of women who are directly employed as engineers, accountants, traffic controllers and maintenance workers.</p> <p>Based on OP 4.01, the parent project was classified as Category B, as the associated potential environmental and social impacts are moderate to low, site specific, and expected primarily during construction. As a result of the project there will be positive impacts such as reduction on suspended dust from unpaved roads, noise and travel time reductions. The road maintenance component will also improve road surface conditions and drainage, and reduce road erosion. Maintenance works involve minor activities such as surface cleaning, repairing of drainage structures, patching of potholes, and resurfacing of asphalt, none of which are expected to have any significant impact.</p> <p>No change is anticipated on the original project EA Category: B – Partial Assessment.</p> <p>Based on OP 4.01, the parent project was classified as Category B, as the associated potential environmental and social impacts are moderate to low, site specific, and expected primarily during construction. As a result of the project there will be positive impacts such as reduction on suspended dust from unpaved roads, noise and travel time reductions. The road maintenance component will also improve road surface conditions and drainage, and reduce road erosion. Maintenance works involve minor activities such as surface cleaning, repairing of drainage structures, patching of potholes, and resurfacing of asphalt, none of which are expected to have</p>
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any significant impact.
<b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b>
<p>No specific long term or indirect negative impact is expected. The works will improve unpaved roads already in use by vehicles, and as such will not imply opening of new routes, or disruption of existing natural habitats.</p> <p>Improved access to goods and services within the project area is expected to encourage beneficiaries to shift to more modern farming techniques and diversify their incomesources. Anticipated human capital gains are also expected to lead to improved health and literacy outcomes, thereby improving the overall welfare and social resilience of the beneficiary communities.</p>
<b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b>
<p>These are all existing roads that will be rehabilitated; therefore alternative layouts are not applicable. The adoquines construction option has proven to be technically efficient, and is preferred for this type of roads over more capital-intensive road construction techniques particularly in consideration of its environmental impacts.</p>
<b>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.</b>
<p>The Bank has been supporting road network improvements in Nicaragua and building the institutional capacity of the Ministry of Transport and Infrastructure (MTI) for over 17 years. Previous Bank-funded projects in the road sector (including the parent project) did not require any involuntary resettlement, impacts on indigenous peoples or significant adverse environmental impacts, and none are expected during the implementation of the proposed AF.</p> <p>The MTI will again be the implementing agency for the proposed Project. MTI has managed previous Bank projects satisfactorily, through a specifically created coordination unit-- Environmental and Social Management Division (DGA), which has experience with five Bank and many other multi-lateral lending operations in the roads sector. This considerable experience has enhanced MTI officials' knowledge of Bank policies and procedures to enable effective implementation and monitoring of fiduciary and safeguards issues. MTI will maintain overall responsibility for the Project (with line reporting to Minister and Vice Minister) from the Head of the coordination unit.</p> <p>Given that the scope and nature of all potentially adverse impacts are relatively minor and essentially restricted to the construction phase, both MTI and FOMAV institutional capacity to manage safeguard risks were judged to be satisfactory. Both MTI and FOMAV have now attended workshops to improve their environmental and social management practices, for which the parent project allocated specific resources under Component 2.</p> <p>As a result of MTI' s previous exposure to Bank safeguards, the organization has developed an Environmental and Social Management Framework (ESMF) that details applicable legislation, policies, procedures and institutional responsibilities. The World Bank project team will continue to assist the MTI to ensure that this ESMF is fully consistent with relevant sectorial best practice and applicable World Bank operational policies. The MTI intends to apply this ESMF to the screening, selection, design, implementation and supervision of all yet to be identified additional</p>

<p>road works. The DGA also prepared the environmental and social assessments required for the Fourth Rural Roads Project as well as the parent project and ESAs already identified under AF. The Road Maintenance Fund FOMAV (Fondo de Mantenimiento Vial) will need to continue to rely on the DGA for assistance. This arrangement has proven to be effective during previous projects.</p> <p>Given the appropriate capacity the government agency has demonstrated in implementing the original project, it is expected that the moderate safeguard risk is also adequate for the AF.</p>
<p><b>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</b></p>
<p>Following Nicaraguan legislation, a Valoración Ambiental y Social (Environmental and Social Assessment ESA) has been prepared for each of the seven road sections under the parent project. The final ESAs have been submitted to the Bank by the DGA, and have been consulted with relevant stakeholders, including municipal officials, producer organizations, and local residents, and the results have been included in the assessments. These ESAs were consulted with local stakeholders and approved for publication on the MTI website and the World Bank's Infoshop. MTI also prepared, consulted and disclosed an Environmental and Social Management Framework (ESMF) that will apply to all yet to be identified road sections. This ESMF has been re-disclosed as it now contains updated sections covering a Resettlement Policy Framework (RPF) and an Indigenous Peoples Planning Framework (IPPF).</p> <p>MTI also provides each of the Community Modules for Adoquines (Módulos Comunitarios de Adoquinado) with copies of their environmental and social manuals. MCAs are a local labor-based method of constructing adoquines roads. This approach generates employment opportunities in the short term, helps in technology transfer and builds technical skills. MCAs can also engender a sense of community and ownership for the roads with participation from the local mayors and residents, and present certain cost control advantages too since beneficiary communities' main incentives is not financial gain, but rather to maximize the benefits of the roads.</p>

**B. Disclosure Requirements**

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	17-Jan-2014
Date of submission to InfoShop	20-Jan-2014
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
<i>Comments:</i>	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	14-May-2014
Date of submission to InfoShop	15-May-2014
"In country" Disclosure	
<i>Comments:</i>	
<b>Indigenous Peoples Development Plan/Framework</b>	

Date of receipt by the Bank	14-May-2014
Date of submission to InfoShop	15-May-2014
"In country" Disclosure	
<i>Comments:</i>	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>	

### ***C. Compliance Monitoring Indicators at the Corporate Level***

<b>OP/BP/GP 4.01 - Environment Assessment</b>	
Does the project require a stand-alone EA (including EMP) report?	Yes [ ] No [ ] NA [ × ]
<b>OP/BP 4.04 - Natural Habitats</b>	
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [ ] No [ × ] NA [ ]
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?	Yes [ ] No [ ] NA [ × ]
<b>OP/BP 4.11 - Physical Cultural Resources</b>	
Does the EA include adequate measures related to cultural property?	Yes [ × ] No [ ] NA [ ]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [ × ] No [ ] NA [ ]
<b>OP/BP 4.10 - Indigenous Peoples</b>	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [ × ] No [ ] NA [ ]
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes [ × ] No [ ] NA [ ]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Sector Manager?	Yes [ ] No [ ] NA [ × ]
<b>OP/BP 4.12 - Involuntary Resettlement</b>	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [ × ] No [ ] NA [ ]
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes [ × ] No [ ] NA [ ]
<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ × ] No [ ] NA [ ]

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 [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]

### III. APPROVALS

Task Team Leader:	Name: Stephen Muzira	
<b>Approved By</b>		
Sector Manager:	Name: Aurelio Menendez (SM)	Date: 15-May-2014