

PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE

Report No.: AB4354

Project Name	ROAD REHABILITATION AND MAINTENANCE PROJECT PHASE II
Region	AFRICA
Sector	Roads and highways (100%)
Project ID	P106596
Borrower(s)	REPUBLIC OF ZAMBIA
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Implementing Agency	
	National Road Fund Agency P O Box 50695 LUSAKA Zambia Tel: +260 1 250823 Fax: +260 1 253154 nrfa@zamnet.zm
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	June 29, 2009
Date of Appraisal Authorization	March 16, 2009
Date of Board Approval	October 1, 2009

A. Country and Sector Background

1. Despite almost a decade of economic growth and an even longer experience with peaceful democratic government, almost two-thirds of Zambians are still living in poverty. Rural people continue to lag behind urban dwellers in most measures of social welfare with rural areas suffering from years of development neglect. According to the latest available data more than 50 percent of rural households still live more than five kilometers from the nearest health facility; only eight percent are within five kilometers of a secondary school; and about half have to travel more than 25 kilometers to reach a market.

2. The unfolding impact of the worldwide economic crisis both in terms of the copper price which has dropped by more than 60 percent since 2008 and the value of the national currency, the Kwacha, which has lost more than 80 percent of its value against the US Dollar between mid-2008 and the beginning of 2009, is yet to be known. It is clear, nevertheless, that the Zambian's economy is entering a turbulent period which will test his resilience. The ripple effect of this crisis will also, undoubtedly, affect the future capacity of the Government to finance the road sector both from budget allocations as well as users' fees (fuel levy).

3. Zambia has a classified and non classified road network of roughly 67,671 km. The Road Development Agency (RDA) is responsible for the management of the 40,113 km that comprise the core (i.e., classified) road network. This includes 7,213 km of paved and 32,900 km of unpaved roads. The Government of the Republic of Zambia (GRZ) with support from the Cooperation Partners (CPs),

including the International Development Agency (IDA), successfully completed in 2003 the first five years (1998-2002) of its first ten-years (1998-2007) Road Sector Investment Program (ROADSIP I). That year, following a review of ROADSIP I's progress, GRZ requested financial support from the CPs, including IDA, to implement its second ten-year (2004-2013) ROADSIP II program whose cost was then estimated at US\$1.2 billion. In response to this request, IDA developed a 10-year (2004-2013) Adaptable Program Lending (APL) called "Road Rehabilitation and Maintenance Program" (RRMP). The RRMP was designed from the onset to be implemented in three successive phases. By the end of 2008, the ongoing Phase I of the RRMP was progressing satisfactorily. Additionally, the key program triggers for moving from Phase I to Phase II of RRMP had been successfully achieved. Accordingly, GRZ requested in 2008, and IDA agreed, to launch the preparation of RRMP Phase II.

B. Objectives

4. The overarching goal of RRMP is to stimulate economic growth and contribute to poverty reduction through appropriate investment in road infrastructure, adequate policy and institutional reforms, and enhanced road sector management. The specific objectives of RRMP Phase II are as follows:

- To preserve road assets;
- To strengthen the technical and managerial capacity of existing road authorities;
- To improve road safety; and
- To provide an enabling environment for improved rural transport services.

C. Rationale for Bank Involvement

5. The proposed project is consistent with the Country Assistance Strategy (2008-2011) which was approved by the Board in May 2008. The CAS supports infrastructure development through improving the condition of roads and bridges to access tourism destinations and agricultural markets. The CAS has also recognized the need for: (a) reviewing national transport policy to better integrate and align transport sector priorities to the national poverty reduction strategy; (b) reinstating and reconstructing bridges in selected provinces to bring back isolated communities into the mainstream economy; and (c) providing access to currently inaccessible areas in selected national parks.

D. Description

6. The proposed US\$75 million, notwithstanding US\$2.64 million in unallocated funds, for Phase II will be allocated among the following components:

- **Component 1 (US\$59.5 million) - Civil works for road improvement:** The civil work component will focus on: (a) the rehabilitation of a 51 km section of the paved road between Lusaka and Chirundu (section km 4 to 55); (b) the construction of the Mufachani bridge; and (c) the construction of two weighbridges, one in Eastern Province and one in Copperbelt Province.
- **Component 2 (US\$5.6 million) - Engineering and technical services:** Technical assistance for carrying out feasibility studies, engineering design and supervision services for the rehabilitation and upgrading works under Component 1.
- **Component 3 (US\$3.6 million) - Institutional development and capacity building:** Technical assistance and training in the areas of institutional development aimed at implementing GRZ's transport policy as well as the recommendations from ongoing institutional review study of the three road agencies. In addition this component will support continued financing of the HIV/AIDS prevention program and supply of goods including computers.

- **Component 4** (US\$2.7 million) - Road Safety: This will continue to support the activities initiated under Phase I, namely: (a) establishment of a road safety school park, (b) financing of road safety initiatives, (c) organization of road transport enforcement and regulation campaigns, and (d) upgrade of three vehicle inspection centers in Lusaka, Ndola and Livingstone.
- **Component 5** (US\$1.0 million) – Accessibility and mobility improvement: This component is aimed at providing continued support for improving physical access for the poor in order to promote their economic and social development. It will include community transport infrastructure, intermediate means of transport, canals, and waterways.

E. Financing

Source:	(\$m.)
BORROWER/RECIPIENT	2.00
International Development Association (IDA)	75.00
Total	77.00

F. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural Habitats (OP/BP 4.04)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pest Management (OP 4.09)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Physical Cultural Resources (OP/BP 4.11)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Involuntary Resettlement (OP/BP 4.12)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Indigenous Peoples (OP/BP 4.10)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Forests (OP/BP 4.36)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Projects in Disputed Areas (OP/BP 7.60)*	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Projects on International Waterways (OP/BP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

G. Contact point

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* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

