1. Project Overview

Location and Responsibilities

The Project is an on line road rehabilitation scheme of 55 km of the M3 between Comrat and Ciumai. The existing asphalt road is categorised as Grade III - a road of local importance (Soviet Union Standard) - with a paved width of eight metres. The Project commences south of Comrat at the junction of the R35 to north of Ciumai at the junction with the M3. All works will fall within the existing road right of way. A one kilometre flood defence wall is also proposed to be constructed to the west of the village of Kirsovo.

The proposed construction start date is late in 2011. Construction works are estimated to last for approximately two years. Works would be ongoing between March and November 2011.

The Project is the responsibility of the Ministry of Transport and Road Industry (MTRI) with implementation being carried out by the State Road Administration (SRA). The SRA's responsibilities include procurement, financial management, contract management, project and programme monitoring and evaluation, and reporting.

The area of influence for the Project has been defined as the road corridor and grass margins, which are owned by the SRA. Land required for the flood defence wall is understood to be owned by the local municipality. Sources of raw materials, asphalt and concrete products are not known at this stage with final procurement to be decided by contractor .for the road works. The majority of the existing road material is likely to be reused on site. Additional materials will be imported as required.

Project Need and Benefits

The M3 corridor provides the shortest road connection between Chisnau the capital, Giurgiulesti and the nearby port in the south giving access to the Danube river and the Black Sea. The M3 corridor is part of a larger trans - European road, the E577. The existing road has a poor surface with limited capacity to accommodate freight traffic loads. As a consequence, traffic uses alternative but longer routes increasing transportation costs and reducing opportunities for local businesses to provide services along the route.

Rehabilitation and reconstruction of the whole of the M3 will facilitate trade, transport, industry and tourism development and improve access to the agricultural markets in the region. The improvements to the M3 will be a prerequisite for securing transportation connections between the country's centre and its southern regions'.¹

¹ Feasibility study for the rehabilitation and the extension of the road M3 Chisnau – Giurgiulesti/Romainan border, Kocks Ingenieure and Universinj, May 2009.

Finance

Finance for the project is being sought from the European Bank for Reconstruction and Development (EBRD) and the scheme will need to comply with the Bank's Environmental and Social Policy (2008). The Project has been categorised as "B" under the policy and requires environmental and social review and analysis. Further details about EBRD and their policies and procedures can be found at: <u>www.ebrd.com</u>

2. Findings of the Environmental and Social Review and Analysis

The review and analysis process has concluded that the environmental and social impacts associated with the Project are likely to be limited in nature and reversible. The following observations have been made:

- The majority of works associated with the resurfacing will fall within the existing road corridor, and no widening, realignment or bypasses are proposed for this 55 km section of the M3.
- Most of the materials required for the resurfacing will be reused from the existing road, supplemented with additional materials obtained from outside the site such as soils, sand, aggregate, concrete and bitumen.
- The existing road drainage channels and culverts will be rehabilitated as part of the works. These works will aim to reduce local flooding. Direct drainage into existing watercourses is limited and mitigation measures will be required to minimise potential pollution from road runoff and accidental spills.
- The SRA has undertaken similar road rehabilitation projects within Moldova and the policies and procedures they have in place for managing environmental and social impacts appear to be well implemented within the organisation.
- A review of the environmental impact assessment² (EIA) and social impact assessment³ (SIA) produced for the whole M3 corridor identified a number of key gaps. Principally these were the lack of assessment of the impacts of the proposed flood bund west of Chirsova, and the lack of identification of potential borrow areas to be used to source material for the road scheme.
- Confirmation has been received from the State Ecological Inspection that a detailed EIA is not required to progress this project (in accordance with the requirements of Moldovan legislation). The Gagauzian Ecological Agency will monitor compliance of scheme works with legislation and norms.

The main environmental impacts of the Project will be from activities to be carried out off the road site itself. These activities include the sourcing of materials for the rehabilitation works. No information is currently available relating to the likely source of these materials and whether or not new or existing quarry and asphalt production facilities will be required to support these activities. This aspect is

² Feasibility study for the rehabilitation and the extension of the road M3 Chisnau – Giurgiulesti/Romainan border, Appendix: Volume 5 Environmental Impact Assessment Report Kocks Ingenieure and Universinj, May 2009.

³ Feasibility study for the rehabilitation and the extension of the road M3 Chisnau – Giurgiulesti/Romainan border, Appendix: Volume 5 Social Impact Assessment Report Kocks Ingenieure and Universinj, May 2009

considered to present the greatest environmental risk to the Project. Under Moldovan law these facilities (including all borrow pits and asphalt plants) are required to be appropriately permitted and licensed for operation and are regulated by the relevant local and regional authorities.

Key social impacts of the Project were identified in the social impact assessment carried out for the whole M3 road. These included the potential spread of HIV/AIDs caused by construction workers and increased traffic flow once the road has been re-surfaced, and a likely increase in human trafficking. Most Moldovan trafficking victims are women and children trafficked for the purpose of sexual exploitation, although a number of men have also been trafficked for forced labour and begging. Children are trafficked for sexual exploitation and begging.

No significant cumulative environmental or social impacts are expected from this phase of the road rehabilitation works.

3. Managing Potential Environmental Impacts

An environmental and social action plan (ESAP) has been prepared for the Project and provides an overarching document to clearly prioritise the Project's key mitigation and monitoring measures drawn from consultation with stakeholders, the Banks environmental and social review and analysis, and the overall environmental and social impact assessment carried out for the M3 corridor. Mitigation measures aim to avoid significant negative impacts or to reduce them to acceptable levels.

A summary of the key mitigation measures identified in the ESAP is set out below:

- a project specific environmental and social management plan (ESMP), which sets out the management and mitigation measures that contractors should adopt and implement best practice to protect the environment and local communities during the construction and road maintenance works.
- implementation of management plans for waste, soils and dust.
- compliance with Moldovan law for permits, monitoring and management of emissions from asphalt plant.
- assessment of the potential impacts associated with the proposed flood bund near Chirsova.
- a method statement for works associated with culverts and bridges.
- assessment of how project activities could affect migration patterns and provide opportunities for traffickers to become active in the Project area. (Safe migration packages need to be included and these are addressed through the anti-trafficking component of the HIV/AIDS awareness and prevention program.)
- the incorporation of awareness messages into Project components already addressing community impact issues, and codes of conduct for construction workers that raise concerns about commercial sex workers and child prostitution to address some trafficking issues.

 awareness messages with commercial sex workers and construction workers combined with anti-trafficking and safe migration messages as migrant construction workers are a high-risk group for HIV/AIDS.

To support the Project, the SRA will produce a stakeholder engagement plan (SEP) to guide the SRA's approach to consultation and disclosure for the life of the Project. This will include the distribution of a one page information leaflet (in Moldovan and Russian) about the Project as well as contact information for SRA should the local community wish to discuss any matters relating to the Project.

4. Conclusion

 The Project involves the rehabilitation of one of Moldova's primary roads and has the potential to generate significant economic and other benefits. The Project is considered to be low environmental and socio-economic risk provided that relevant Moldovan national laws and regulations as well as international best practice standards are adhered to; and that mitigation measures are implemented, as defined in the environmental and social action plan (ESAP) and subsequently incorporated into contract documentation for the implementation of project specific mitigation, management and enhancement measures.