

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.: AB5757

Project Name	National Roads and Airport Infrastructure Project
Region	LATIN AMERICA AND CARIBBEAN
Sector	Roads and highways (95%);Aviation (5%)
Project ID	P122007
Borrower(s)	REPUBLIC OF BOLIVIA
Implementing Agency	Administradora Boliviana de Carreteras ABC
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B - High <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	July 30, 2010
Estimated Date of Appraisal Authorization	December 16, 2010
Estimated Date of Board Approval	February 24, 2011

1. Key development issues and rationale for Bank involvement

Bolivia continues to have high poverty rates but has seen recent reductions. With around 60 percent of its population living below the poverty line, and more than a third of the country below the extreme poverty line, Bolivia is among the poorest countries in Latin America. However, these rates have slowly declined from the peak levels of the 1999-2001 crisis, more noticeably in rural than in urban areas.

The Government of Bolivia (GoB) has designed and is implementing the National Development Plan (PND), approved June 16 2006, to further reduce poverty in the country. The National Development Plan (*Plan Nacional de Desarrollo*) has the goal of reducing poverty and social exclusion for Bolivians. The PND, inter alia, promotes improvements in transport infrastructure (notably roads and airports), and the sustainable development of tourism and agricultural production.

The objectives of the transport sector in Bolivia are aligned with those of the PND. The stated objectives of the transport sector in Bolivia are (i) to benefit the Bolivian population by creating better channels for communication, thereby supporting the productive sector and the economic and social development of the country; (ii) to strengthen the transport sector institutional framework, by improving the State's capacity with regards to its administration, regulation, and monitoring, thus benefiting the Bolivian population with safe, accessible, efficient, and environmentally sustainable transport; and (iii) to achieve efficient management while developing technical-managerial capacity of the public-private sectors to satisfy the needs of the Bolivian population.

Rationale for Bank involvement

The proposed Project complements at least two of the four pillars of the latest Interim Strategy Note objectives, dated April 9, 2009 and applicable to the 2010 and 2011 fiscal years. The proposed Project supports pillars I (Productive development and support to production) and II (Sustainable Development) by, respectively (i) encouraging the development of agricultural production along the San Buenaventura – Ixiamas corridor; and (ii) installing mechanisms for the proper export of goods produced along the corridor from the region, as well as supporting a policy of development of higher-value and environmentally-friendly tourism, such as ecotourism.

The proposed Project supports the PND in strengthening regional integration and supporting the development of airport infrastructure. In light of these dual goals, the intervention is further explained by (i) the need for regional integration between the areas broadly to the north of Ixiamas onto northern Beni, Pando and Brazil, and those broadly to the south of San Buenaventura; and (ii) the sustained underfunding of the Airport and Auxiliary Air Navigation Services Agency (AASANA).

2. Proposed objective(s)

The Project Development Objectives are to (i) ensure the year-round transitivity of the San Buenaventura – Ixiamas corridor; and (ii) improve the regularity of incoming and outgoing air traffic serviced by Rurrenabaque airport.

3. Preliminary description

The Project is comprised of 3 components, namely: (i) improvement of a 113.6 km segment of National Route F-16, linking San Buenaventura in the south with Ixiamas in the north; (ii) integral upgrading of the Rurrenabaque airport, including infrastructure and equipment, and; (iii) Institutional and Capacity Support.

Component 1. Improvement of San Buenaventura – Ixiamas Road

This component will finance the supervision consultancy and works for improvement of the San Buenaventura – Ixiamas corridor, along National Route F-16. The corridor consists of two continuous sections connecting (from south to north) the cities of San Buenaventura and Tumupasa (52.84 km), and Tumupasa and Ixiamas (60.76 KM.). As this activity falls under the comprehensive development of the region of Rurrenabaque, particular attention must be paid to the interaction between the construction of the corridor and its effect on the value of the local tourism sector and other sectors such as forestry and biodiversity conservation (see section on risks). The corridor presents special challenges due to its proximity to Madidi National Park, which must be satisfactorily addressed. The proposed intervention runs alongside to the park at a distance varying between 5 and 10 kilometers from its administrative border (and not abutting it).

Component 2. Upgrading of the Rurrenabaque airport

This component will finance the supervision consultancy, goods and works for Rurrenabaque airport, which is located 2 kilometers northeast of Rurrenabaque’s city center. The existing infrastructure consists of two intersecting runways, a passenger terminal, and an access road off the main road to Rurrenabaque. Due to runway surface conditions and low clouds, an estimated 30-35% of annual flights are cancelled. The component will finance:

- Construction of a taxiway
- Construction of an apron
- Construction of a control tower
- Construction of a new passenger terminal
- Construction of a fence enclosing the entire airport
- Procurement of rescue and firefighting equipment

Component 3. Institutional and Capacity Support

This component will strengthen the institutional capacity of AASANA and ABC, and of other relevant non-executing agencies as necessary, including the social and environmental aspects of the project both during preparation and execution.

The executing agencies for these activity will be national road agency, *Administradora Boliviana de Carreteras* (ABC), given its mandate of managing the primary road network, and AASANA.

4. Safeguard policies that will apply

Significant safeguards risks derive in part from the corridor’s location alongside Madidi National Park, coupled with ABC limited capacity to manage environmental impacts. Madidi has an area of 18,958 square kilometers, and is part of one of the largest protected areas in the world and one of its most biologically diverse regions. An important environmental risk given this proximity is the potential for increased illegal logging (although its source has yet to be determined). Social risks include some resettlement and increased migration to the area because of the road improvement.

Safeguards (airport): The following safeguards are triggered Environmental Assessment (OP 4.01) and Involuntary Resettlement (OP 4.12).

Safeguards (San Buenaventura – Ixiamas): The following safeguards are triggered: Environmental Assessment (OP 4.01), Natural Habitats (OP 4.04), Forests (OP 4.36), Indigenous Peoples (OP 4.10), and Involuntary resettlement (OP 4.12). The project requires preparation of Environmental Assessment and associated Environmental Management Plan, Social Assessment and resulting Indigenous People’s Plan, Resettlement Action Plan and a Grievance Mechanism for people to submit complains and questions.

5. Tentative financing

Source:	(\$m.)
BORROWER/RECIPIENT	-
International Development Association (IDA)	-

Total 100

6. Contact point

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