

Integrated Safeguards Datasheet Appraisal Stage

Report No.: 89100

Date prepared/updated: June 12, 2014

I. Basic Information

1. Basic Project Data

Country: Georgia and Armenia		Project ID: P147833	
		Additional Project ID (if any):	
Project Name: ENPI East Countries FLEG II Program: Complementary Measures for Georgia and Armenia			
Task Team Leader: Andrew Michael Mitchell			
Estimated Appraisal Date: 31-June-2014		Estimated Board Date: N/A	
Managing Unit: ECSEN		Lending Instrument: Bank-Executed and Recipient-Executed Trust Fund	
Sector: Forestry (90%), Public Administration – Agriculture, fishing, and forestry (10%)			
Theme: Biodiversity (10%), Climate change (20%), Environmental policies and institutions (20%), Rural policies and institutions (20%), Other public sector governance (20%)			
IBRD Amount (US\$m.):			
IDA Amount (US\$m.):			
GEF Amount (US\$m.):			
PCF Amount (US\$m.):			
Other financing amounts by source (US\$m): 2.13, Freestanding TF for ECA			
Environmental Category: B – Partial Assessment			
Is this a transferred project		Yes []	No [x]
Simplified Processing		Simple [x]	Repeater []
Is this project processed under OP 8.00 (Rapid Response to Crises and Emergencies)		Yes []	No [x]

2. Project Objectives:

The Project will support Georgia and Armenia to strengthen forest governance through improving implementation of relevant international processes, enhancing their forest policy, legislation and institutional arrangements, and developing, testing and evaluating sustainable forest management models at the local level on a pilot basis for future replication.

The three specific Project Development Objectives are to:

- i) implementation of the 2005 St. Petersburg FLEG Ministerial Declaration and ensuring continuation of the process launched in 2005 (regional level),
- ii) formulation and implementation of sustainable forest sector policies, including legal and administrative reforms for sustainable forest management and protection (national level), and
- iii) demonstration of best sustainable forest management practices in targeted areas for further replication (sub-national level).

3. Project Description:

Through promoting sustainable forest governance, management, and protection of forests in the participating countries, the Project will help ensure the contribution of the country's forests to climate change adaptation and mitigation, to ecosystems and biodiversity protection, and to sustainable livelihoods and income sources for local populations and national economies. The St. Petersburg Declaration on Forest Law Enforcement and Governance in Europe and North Asia, endorsed by 44 governments and the European Commission in 2005, articulates governments' commitments to these objectives.

The Project components include: strengthening forest governance through improving implementation of relevant international processes; enhancing forest policy, legislation and institutional arrangements; and developing, testing and evaluating sustainable forest management models at the local level on a pilot basis.

Country specific activities will be designed based on demand and capacity in Georgia and Armenia and developed during the inception phase (January to March 2014) through coordinated efforts with other development partners active in the forestry sector, including ADA, Öfb (Austrian Federal Forests) and GIZ (German Society for International Cooperation).

Specifically the Program activities will focus on:

- *support for the development of policy and legislation in Georgia and Armenia* (including Strategic Environmental and Social Assessment of the Georgian Forest Code; participatory processes and stakeholder consultations);
- *forest inventory support in Georgia* to assist the selected forestry unit in implementing the developed Sustainable Forest Management Plan;
- *capacity building and training in Georgia and Armenia* (including support to local administrations of the Agency of Protected Areas (APA) in sustainable management of APA forests through conducting forest-specific training for APA rangers; media tour and training of journalists);
- *forest case studies in Georgia* (e.g. assessment of different options for usage of sawdust aiming at reducing pressure on timber forest resources);
- *pilot activities for sustainable forest management in Georgia and Armenia* (including conducting forest restoration in sub-alpine mountain forests in the selected region (Ajara) in Georgia; conducting assessment of the usage of energy sources by local population with special focus on usage of firewood and its share in total energy consumption in Georgia; mapping, clarification of boundaries of the Ijevan sanctuary in Armenia; alternative livelihoods activities aimed at sustainable use of forests, including support to development and implementation of forest-based tourism and other projects in selected communities);
- *public awareness and dissemination of results in Georgia and Armenia* (including awareness raising campaign among local population on usage of energy sources; road shows in forest-dependent communities in Armenia).

In addition, the Project consists of:

- Overall Project Management by the Program Management Team

- Ensuring compliance with World Bank and ADA safeguard policies
- Quality control of Project deliverables
- Project reporting and monitoring of the results framework indicators
- Coordinating national work plans.

Gender aspects will be monitored as part of the World Bank core sector indicator on forest users trained. Gender will also be taken into consideration through the SESAF process, which screens for gender issues. The overall Project communications will include relevant gender issues as applicable.

4. Project Location and salient physical characteristics relevant to the safeguard analysis:

ENPI East Countries FLEG Phase II Program: Complementary Measures for Georgia and Armenia will be implemented in these countries by WWF, IUCN, and the WB (as implementing agencies).

5. Environmental and Social Safeguards Specialists on the Team:

Arcadii Capcelea (ECSEN)
Klavdia Maksymenko (ECSSO)

6. Safeguard Policies Triggered <i>(please explain why)</i>	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
Natural Habitats (OP/BP 4.04)	X	
Forests (OP/BP 4.36)	X	
Pest Management (OP 4.09)	X	
Physical Cultural Resources (OP/BP 4.11)	X	
Indigenous Peoples (OP/BP 4.10)		X
Involuntary Resettlement (OP/BP 4.12)	X	
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Activities to be supported under the Project are aimed at enhancing sustainability of forest use and therefore, are expected to mainly have positive or in some instances a neutral impact on the natural environment. While the new forestry legislation to be developed with Project support could have a wide range of indirect and long term social and environmental impacts, both positive and negative, the proposed pilot activities may generate some direct site specific and

mostly temporary by nature environmental impacts related to biodiversity loss, water pollution, waste management, etc.

Taking these potential impacts into account, the Project was assigned to Category B. The project triggers a series of the WB OPs and in particular the following: (a) OP 4.01 - as it might generate a series of direct and indirect social and environmental impacts specified above; (b) OP 4.09 - as the new forestry legislation might specify new requirements related to Pest Management. Furthermore, the pilot activities might require purchasing or use of agrochemicals for forestry and nursery activities; (c) OP 4.11 - as the new forestry legislation to be developed and/or pilot activities can touch upon the issues of Physical Cultural Resources; (d) OP 4.36 - as the new legislation would include a series of issues provided in this OP and in particular with regard to wood harvesting; (e) OP 4.04 – as the forestry legislation to be developed along with the pilot activities most probably would relate to and might generate some direct and indirect impacts on Natural Habitats; and (f) OP 4.12 – as designing new forestry legislation or implementing pilot activities on the ground might include provisions and/or restrict access of the local population to forestry resources or other involuntary resettlement issues.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The indirect and long term impacts of this Project are all expected to be positive, stemming from improved National Forest Management Systems and improved Forest Governance and Law Enforcement in Georgia and Armenia.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts:

N/A

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:

To address safeguards issues, a Strategic Environmental and Social Impact Assessment Framework (SESAP) was developed for the purposes of implementing the EC-funded FLEG II Program, which will be fully applied to the ADA-funded Project. The SESAP: (1) identifies the types of environmental and social issues that are likely to be associated with the policy documents supported by the Project and (2) provides guidance on how these aspects should be integrated in to the analytical and decision-making processes, including guidelines for strong and effective stakeholder participation. The overall SESAP objective is that all policy documents that are supported under this Project will be environmentally and socially sound and sustainable, consistent with the WB safeguard policies. The SESAP document provides main provisions of all triggered WB OPs (see section A1 above) and recommendations for integrating their requirements into the policy documents to be supported.

For the purpose of the Environmental Assessment (EA) of pilot projects an Environmental Assessment and Management Framework (EAMF) outlines: (i) procedures to assess the potential environmental impacts of the Project activities, as well as the corresponding mitigation

requirements; (ii) details on procedures, criteria, and responsibilities for activities' screening; (iii) requirements for the preparation of the EIA and/or EMP, where applicable; and (iv) roles and responsibilities with regard to EMF implementation and reporting. A special focus of the EAMF is on potential impacts of the pilot activities on natural habitats, on the health of forests and physical cultural resources and what are the necessary measures for identifying them as well as mitigation and monitoring activities. The EAMF also provides the requirements with regard to EA disclosure and public consultation.

While the project triggers the OP 4.09 it doesn't require a special Pest Management Plan as at this stage it is not known if activities to be supported will relate to its issues. Instead the EAMF includes main provisions of this OP and requirements for such PMP in the case needed. Similarly, while the OP 4.36 is triggered, the project doesn't include a special sector-wide analysis of policy and institutional issues and constraints of the forestry sectors in participating countries as at this stage of the project development it is not known which concrete activities will be supported. At the same time the EAMF provides main requirements for such analysis as well as relevant recommendations with regard to what should be reflected in the SEA document.

In addition, a Process Framework (PF) for potential access restrictions guides the mitigation of potential negative impacts on the livelihoods on population's resident near and/or within the location of implementation of certain activities under the Project.

The SESAF, EAMF and PF are mandatory documents for WWF and IUCN under the proposed grants, which will be applied when conducting the environmental and social assessment. Responsibility for ensuring that the SESAF and EAMF are implemented correctly will lie with the National Program Advisory Committee. The Bank, IUCN and WWF will employ safeguards / Quality Control Specialist in Georgia and Armenia to review terms of reference, screen all outputs for both quality and potential safeguards issues, and ensure that appropriate mitigation measures are followed when necessary. These Specialists will provide guidance and will conduct the formal review of policy and legal documents prepared under the Project, then submit the documents and his/her recommendations to the NPACs in Georgia and Armenia for their final review and acceptance. The specialists will also be responsible for reporting to the Bank on the SESAF and EAMF implementation and on the outcomes of the review process. Special training has been given to IUCN and WWF Safeguards / Quality Control Specialists and to selected NPAC members in Georgia and Armenia, to build capacity with regard to safeguards issues.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people:

The SESAF, EAMF and PF are freestanding documents that have been disclosed and consulted at National Program Advisory Committee (NPAC) meetings, which have civil society representation, within Georgia and Armenia. The documents are available in English on IUCN's website at <http://www.iucn.org/about/union/secretariat/offices/europe/work/?4363/ENPI-FLEG-Program> and WWF's website at http://www.wwf.panda.org/what_we_do/where_we_work/black_sea_basin/caucasus/projects/enpi_fleg_caucasus/ and in the WB Infoshop.

B. Disclosure Requirements Date	
Environmental Assessment/Audit/Management Plan/Other:	
Was the document disclosed <i>prior to appraisal</i> ?	yes
Date of receipt by the Bank	04/04/2014 (IUCN) 04/11/2014 (WWF)
Date of "in-country" disclosure	05/22/2014 (IUCN) 06/09/2014 (WWF)
Date of submission to InfoShop	06/12/2014
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	N/A
Resettlement Action Plan/Framework/Policy Process:	
Was the document disclosed <i>prior to appraisal</i> ?	yes
Date of receipt by the Bank	04/04/2014 (IUCN) 04/11/2014 (WWF)
Date of "in-country" disclosure	05/22/2014 (IUCN) 06/09/2014 (WWF)
Date of submission to InfoShop	06/12/2014
Indigenous Peoples Plan/Planning Framework:	
Was the document disclosed <i>prior to appraisal</i> ?	N/A
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	
Pest Management Plan:	
Was the document disclosed <i>prior to appraisal</i> ?	N/A
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	
* 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.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP 4.01 - Environment Assessment			
Does the project require a stand-alone EA (including EMP) report?	Yes [X]	No []	N/A []
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes		

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes
OP/BP 4.04 - Natural Habitats	
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [] No [X] N/A []
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?	
OP 4.09 - Pest Management	
Does the EA adequately address the pest management issues?	Yes [X] No [] N/A []
Is a separate PMP required?	Yes [] No [X] N/A []
If yes, has the PMP been reviewed and approved by a safeguards specialist or Sector Manager? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	
OP/BP 4.11 – Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [X] No [] N/A []
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on physical cultural resources?	Yes, the Environmental Assessment Management Framework (EAMF) of Pilot Projects under the ENPI-FLEG II Program and the Strategic Environmental and Social Assessment Framework (SESAP) cover OP 4.11.
OP/BP 4.10 - Indigenous Peoples	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [] No [] N/A [X]
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit?	
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [X] No [] N/A []
If yes, then did the Regional unit responsible for safeguards or Sector Manager review and approve the plan/policy framework/process framework?	Yes
OP/BP 4.36 – Forests	

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes []	No [X]	N/A []
Does the project design include satisfactory measures to overcome these constraints?			
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	No. Pilot projects will not include commercial harvesting and are mainly focused on conducting forest restoration, mapping of forest boundaries, and developing sustainable alternative livelihoods.		
OP/BP 4.37 - Safety of Dams			
Have dam safety plans been prepared?	Yes []	No []	N/A [x]
Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?			
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?			
OP/BP 7.50 - Projects on International Waterways			
Have the other riparians been notified of the project?	Yes []	No []	N/A [x]
If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?			
What are the reasons for the exception? Please explain:			
Has the RVP approved such an exception?			
OP/BP 7.60 - Projects in Disputed Areas			
Has the memo conveying all pertinent information on the international aspects of the project, including the procedures to be followed, and the recommendations for dealing with the issue, been prepared	Yes []	No []	N/A [x]
Does the PAD/MOP include the standard disclaimer referred to in the OP?			
The World Bank Policy on Disclosure of Information			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [X]	No []	N/A []
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		
All Safeguard Policies			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [x]	No []	N/A []

Have costs related to safeguard policy measures been included in the project cost?	
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Andrew M. Mitchell (ECSEN)	05/20/2014
Environmental Specialist:	Arcadii Capcelea (ECSEN)	05/23/2014
Social Development Specialist	Klavdia Maksymenko (ECSSO)	05/21/2014
Additional Environmental and/or Social Development Specialist(s):		
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Agi Kiss (ECSEQ)	06/16/2014
Comments:		
Sector Manager:	Kulsum Ahmed (ECSEN)	06/24/2014
Comments:		

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