

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 05/06/2008

Report No.: AC2792

1. Basic Project Data

Country: South Eastern Europe and Balkans	Project ID: P084605	
Project Name: ALBANIA/MONTENEGRO LAKE SKHODER INTEGRATED ECOSYSTEM MANAGE		
Task Team Leader: Karin Shepardson		
GEF Focal Area: International waters	Global Supplemental ID:	
Estimated Appraisal Date: March 12, 2008	Estimated Board Date: May 27, 2008	
Managing Unit: ECSSD	Lending Instrument: Specific Investment Loan	
Sector: General agriculture, fishing and forestry sector (100%)		
Theme: Biodiversity (P);Environmental policies and institutions (S);Water resource management (S)		
IBRD Amount (US\$m.):	0.00	
IDA Amount (US\$m.):	0.00	
GEF Amount (US\$m.):	4.55	
PCF Amount (US\$m.):	0.00	
Other financing amounts by source:		
BORROWER/RECIPIENT		0.74
Local Sources of Borrowing Country		8.57
<u>Bilateral Agencies (unidentified)</u>		<u>5.90</u>
		15.21
Environmental Category: B - Partial Assessment		
Simplified Processing	Simple <input type="checkbox"/>	Repeater <input type="checkbox"/>
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Project Objectives

The Project Development Objective is to help establish and strengthen institutional mechanisms for transboundary cooperation through joint efforts to improve sustainable management of Lake Skadar-Shkoder.

3. Project Description

The project will achieve its objectives through three main components: (i) Capacity Building for Improved Understanding and Joint Management of the Lake; (ii) Promoting Sustainable Use of the Lake; and (iii) Catalyzing Pollution Reduction Investments. Some project-financed activities will be carried out in both countries and some in each country but all activities will have lake-wide benefits.

Component 1: Capacity Building for Improved Understanding and Joint Management of the Lake (Total: US\$3.43 million; GEF: US\$1.80 million)

20. This component builds capacity to establish and strengthen institutional cooperation to operationalize the Bilateral Lake Management Committee. Technical working groups will be established to support SAP activities including: develop a lake-wide management plan; raise public awareness and conduct public education programs; and coordinate tourism planning and marketing. The component will also support incremental activities with a transboundary dimension beyond ongoing national-level water and ecological monitoring and research on the lake including: (a) create a predictive hydrological model of the lake basin; (b) research and monitor to better understand impacts of changes in inflowing water quantity and quality; and (c) harmonize monitoring on both sides of the lake through a publicly accessible joint database. Under this component the project will engage with GEF International Waters Learning Exchange and Resource Network IW:LEARN, which includes project promotional materials, participation in international workshops, and data exchange. A key output of this component will be improved information and coordination for transboundary decision-making.

Component 2: Promoting Sustainable Use of the Lake (Total: US\$4.79 million; GEF US\$1.06 million).

21. This component will promote adoption of sustainable approaches to economic development of the lake (and its natural resources) by focusing on tourism and fisheries where there is high potential for economically significant sustainable use. It will support environmentally and socially sustainable tourism by improving nature- and culture-based facilities and attractions; raising public awareness; and providing technical assistance to local residents considering tourism-based businesses. It will support sustainable fisheries management by helping to develop lake-wide stock assessment and fisheries management plans and by integrating plan results and recommendations into national plans, regulations, and programs. In response to this assessment, the project will provide incentives for fishermen to cease illegal fishing methods and help strengthen government regulatory and enforcement capacity for fisheries management.

Component 3: Catalyze Pollution Reduction Investments (Total: US\$11.51 million; GEF: US\$1.69 million).

22. This component will support selected investments to stimulate pollution reduction activities: educate and encourage people to replicate demonstration projects of village-level wastewater treatment and buffer vegetation restoration; and provide TA to catalyze remediation of the lake's largest-scale industrial pollution "hotspot." A demonstration pilot project for wastewater treatment, based on constructed wetlands, is proposed for the village of Vranjina in Montenegro, in locations visible along the lake and the main road to facilitate education and promote replication. Technical assistance will be provided to the Government of Montenegro to prepare for a large-scale remediation investment. The government has budgeted an initial €5.0 million to invest at the site, however the full

cost can be determined only upon completing an inventory, feasibility study, and site remediation design. Project TA funds will support an inventory and characterization of on-site waste and feasibility study/preliminary design of options study for remediation, recycling, and/or disposal. The TA would include an international adviser to assist regulatory authorities' work on the KAP site, and some financial support for an EIA on recommended actions from the feasibility study. Restoration of lakeshore buffer vegetation to protect against siltation and chemical run-off will be demonstrated in Albania. This includes: (a) Restore prioritized lakeside groves (willows and other native trees) in erosion-prone areas; (b) Implement stream bank erosion control at one site through combined re-vegetation, gabions, and other small infrastructure; and (c) Support community-driven vegetation and restoration sites (prioritizing buffer vegetation for fish nursery areas)

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

Lake Skadar-Shkoder, the largest lake on the Balkan peninsula (surface area averages 475 km²), is located on the border between Montenegro and Albania, south of the Dinaric Alps. The proposed project area consists of the lake and immediately surrounding areas. In Montenegro the entire project area falls within the Lake Skadar National park, and in Albania within the Lake Shkoder Managed Nature Reserve. Water quality of the lake is currently good, due in part to economic decline and industrial collapse during the 1990s helped to reduce pollution inputs to the lake. However, renewed economic growth in the area threatens to recreate earlier pollution problems unless proactive management measures are taken. The lake is an important refuge and stopover for migratory birds and has a rich fish fauna, but the area's globally significant biodiversity is threatened by over-exploitation (fishing, hunting, tree cutting).

5. Environmental and Social Safeguards Specialists

Ms Karin Shepardson (ECSSD)

Ms Paula F. Lytle (ECSSD)

Ms Natasa Vetma (ECSSD)

6. Safeguard Policies Triggered	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: No large scale, significant or irreversible environmental impacts are expected. Primary impacts would be construction relating to investments in small scale wastewater improvements, upgrades to cultural monuments, and construction of park small works such as waterfowl monitoring stations, eco-camping facilities and transboundary hiking trails. A small scale wastewater investment along the lake will improve water quality by reducing sewage inputs. Cultural heritage sites will be rehabilitated in coordination with the Ministries of Culture. There is a potential for negative impact on livelihoods associated with improving management of the fisheries and by reducing levels of illegal (and possibly legal) fishing and increasing areas off-limits to fishing and other uses. A process framework has been prepared to address this. The process framework does not address resettlement associated with possible demolitions by ongoing government programs in accordance with their law. Planning supported under this project only addresses natural resources management planning at a regional level which does not trigger O.P. 4.12. The project will finance TA and feasibility studies for a contaminated land site and and EIA for this which will require close environment supervision. The project hires a technical adviser to help strengthen government's capacity to work at this site.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
No indirect or long term negative environmental impacts from project investments are expected.

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. Resource Access Restriction Process Frameworks have been prepared by both countries to reduce and mitigate any potential negative socio-economic impacts, and a framework EIA was prepared to ensure that appropriate EIA is carried out for any on-ground investments. The project includes some basic support (training and equipment) to park rangers in both country on improving environmental enforcement since this has been recognized as a weak area on capacity.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. Key stakeholders are communities living within the project area and local authorities. More broadly, the international community (given the global significance of the Lake), including locally represented NGOs such as the Regional Environment Center and Euronatur. All preparation activities including preparation of the Transboundary

Diagnostic Analysis and Strategic Action Plan have been undertaken with wide consultation and resulting documents being made available on the ground and through websites. Public consultations on the EIA were held in both countries and minutes of the meetings are available.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	03/15/2007
Date of "in-country" disclosure	04/05/2007
Date of submission to InfoShop	09/11/2007
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	

Resettlement Action Plan/Framework/Policy Process:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	03/15/2007
Date of "in-country" disclosure	04/05/2007
Date of submission to InfoShop	09/11/2007

Indigenous Peoples Plan/Planning Framework:

Was the document disclosed prior to appraisal?	
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	

Pest Management Plan:

Was the document disclosed prior to appraisal?	
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, 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/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?	Yes
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	Yes

credit/loan?

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats? No

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? N/A

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property? Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property? Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared? Yes

If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan? Yes

OP 7.50 - Projects on International Waterways

Have the other riparians been notified of the project? Yes

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? N/A

Has the RVP approved such an exception? N/A

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop? Yes

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

Have costs related to safeguard policy measures been included in the project cost? Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? Yes

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Ms Karin Shepardson	03/04/2008
Environmental Specialist:	Ms Natasa Vetma	03/09/2008
Social Development Specialist	Ms Paula F. Lytle	03/06/2008
Additional Environmental and/or Social Development Specialist(s):	Ms Karin Shepardson	03/04/2008
<i>Approved by:</i>		
Sector Manager:	Ms Emilia Battaglini	03/12/2008
Comments: Ms. Battaglini is acting sector manager.		