

<b>Integrated Safeguards Data Sheet (ISDS)</b>	
<b>Section I – Basic Information</b>	
Date ISDS Prepared/Updated: May 28, 2004	Report No.: AC256
<b>A. Basic Project Data</b>	
<b>A.1. Project Statistics</b>	
Country: Bulgaria	Project ID: P084831
Project: ENERGY EFFICIENCY	TTL: Istvan Dobozi
Total project cost (by component):	
Appraisal Date: June 15, 2004 (planned)	Loan/Credit amount(\$m):
Board Date: September 10, 2004 (planned)	
Other financing amounts by source:	(\$m.)
GLOBAL ENVIRONMENT FACILITY	10
BILATERAL AGENCIES (UNIDENTIFIED)	5.75
GOVERNMENT OF BULGARIA	1.80
Managing Unit: ECSIE	Sector: General energy sector (100%)
Lending Instruments: Specific Investment Loan	
Is this project processed under OP 8.50 (Emergency recovery)? Yes? <input type="checkbox"/> No? <input checked="" type="checkbox"/>	
Environmental Category: Financial Intermediary	Safeguard Classification: S <sub>F</sub> (Fin. Intermediary)
<b>A.2. Project Objectives</b>	
<p>The objective of the proposed project is to support a large increase in energy efficiency (EE) investment in Bulgaria through development of a self-sustaining, market-based financing mechanism. The project is focused on the development and implementation of financially profitable EE projects, which can provide sustainable and increasing reductions in greenhouse gas emissions.</p>	
<b>A.3. Project Description</b>	
<p>The project supports the establishment and operation of the Bulgarian Energy Efficiency Fund (BEEF) in a public-private partnership. BEEF combines both technical project development capacity and financial structuring capacity into one entity, thereby addressing the current weak capacity to develop bankable EE projects. It will be a flexible design, offering financial products demanded by the evolving EE finance market. It is expected that the BEEF would consist of three components:</p> <ul style="list-style-type: none"> <li>• Partial Credit Guarantees: to share in the credit risk of EE finance transactions.</li> <li>• Loan Financing: to co-finance bankable EE projects on a profit-oriented commercial lending basis.</li> <li>• Technical Assistance: to initially finance on a grant basis a portion of EE project development and set-up and operating costs of BEEF in the early years.</li> </ul> <p>Designed as a demand-driven facility, BEEF would make available both loans and partial credit guarantees for EE projects. The Fund Manager of BEEF is expected to make rational choices about the appropriate financing tool based on specific project circumstances and overall project portfolio management</p>	

considerations.

On May 19, 2004, the GEF Council approved the project for work program inclusion.

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

The subprojects supported by BEEF will be implemented countrywide in Bulgaria. Geographic location, information about key environmental and social characteristics of the area, and population likely to be affected, proximity to protected areas, etc., will be dealt with in the process of environmental assessment of the individual subprojects.

**B. Check Environmental Category** A , B , C , FI

*Comments:*

**C. Safeguard Policies Triggered**

	Yes	No
<a href="#">Environmental Assessment (OP/BP/GP 4.01)</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Natural Habitats ( <a href="#">OP/BP 4.04</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pest Management ( <a href="#">OP 4.09</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cultural Property (draft OP 4.11 – <a href="#">OPN 11.03-</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement ( <a href="#">OP/BP 4.12</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Indigenous Peoples ( <a href="#">OD 4.20</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Forests ( <a href="#">OP/BP 4.36</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams ( <a href="#">OP/BP 4.37</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas ( <a href="#">OP/BP/GP 7.60</a> )*	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways ( <a href="#">OP/BP/GP 7.50</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Section II – Key Safeguard Issues and Their Management

### **D. Summary of Key Safeguard Issues.**

D.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 significant negative environmental impacts will be caused by the project, which is specifically designed to mitigate GHG emissions through energy savings. Only those projects are eligible for BEEF support for which at least half of the financial benefits come from measurable energy savings. Environmental benefits associated with these savings will be systematically monitored and reported by BEEF. Likely subproject

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

candidates are: street lighting improvements, installation of heat exchangers and automatic temperature control and metering in DH systems, improved thermal insulation of buildings, replacement of network pipes, fuel switching, power factor correction, reconstruction of boilers, economizers, steam traps and fuel switching. Typically, the subprojects are expected to be relatively small. With investment costs generally not higher than US\$1 million, none of them will have any adverse large-scale, significant and/or irreversible environmental impacts.

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

N/A

D.3. Describe the treatment of alternatives (if relevant)

N/A

D.4. Describe measures taken by the borrower to address safeguard issues. Provide an assessment of borrower capacity to plan and implement the measures described.

As described in the Environmental Chapter of the OM, compliance with Bulgarian environmental law, policies and procedures will be, in most cases, a necessary and sufficient condition for the Bank's endorsement of financing of subprojects under BEEF. The Fund Manager of BEEF will include at least one staff appointed to deal with the EIA and environmental management aspects of the subprojects supported by BEEF. Under the environmental chapter of the OM, every subproject proposal should contain a questionnaire completed by the developer/sponsor, which allows to determine the applicable course of action.

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

Key project stakeholder groups are as follows: (i) SMEs mostly in the industrial and the service sector, municipalities and housing cooperatives/associations as potential subproject clients (project sponsors); (ii) equipment/materials manufacturers, building design and retrofit contractors, ESCOs and EE consultancies as business partners; (iii) companies in the financial sector, particularly banks, mortgage and leasing companies as co-financiers; and (iv) local environmental and EE advocacy groups and NGOs.

During project preparation, most of these stakeholders were consulted to seek their views on the objectives and design of BEEF and to generate larger public interest in the facility. In June 2002, the project concept was presented to the NGO community in a special workshop. Further outreach actions, including an investors' workshop, are envisaged during further stages of project preparation. Broad-based participation and public involvement are incorporated in the project design. Organized outreach and public information campaigns are included in the TA component. Primarily, the Fund Manager will be in charge of these activities. In addition, during the EE market assessment (funded from the GEF PDF-B project preparation grant), top management and energy managers of companies in the industrial, service and municipal sectors as well ESCOs will be engaged with the purpose of both information dissemination and initial project pipeline development.

<b><i>E. Safeguards Classification (select one)</i></b>	
<input type="checkbox"/>	S <sub>1</sub> . –The project has significant, cumulative and/or irreversible impacts; where there are significant potential impacts related to several safeguard policies.
<input type="checkbox"/>	S <sub>2</sub> . – One or more safeguard policies are triggered, but effects are limited to their impact and are technically and institutionally manageable.
<input type="checkbox"/>	S <sub>3</sub> . – No safeguard issues
<input checked="" type="checkbox"/>	S <sub>F</sub> . – Financial intermediary projects

<b><i>F. Disclosure Requirements Date</i></b>	
<i>Environmental Chapter of BEEF's Operational Manual</i>	
Date of receipt by the Bank	04/26/04
Date of “in-country” disclosure	05/13/04
Date of submission to InfoShop	05/13/04
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors: Not Applicable	
<i>Resettlement Action Plan/Framework/Policy Process:</i>	
Date of receipt by the Bank	Not Applicable
Date of “in-country” disclosure	Not Applicable
Date of submission to InfoShop	Not Applicable
<i>Indigenous Peoples Development Plan/Framework:</i>	
Date of receipt by the Bank	Not Applicable
Date of “in-country” disclosure	Not Applicable
Date of submission to InfoShop	Not Applicable
<i>Pest Management Plan:</i>	
Date of receipt by the Bank	Not Applicable
Date of “in-country” disclosure	Not Applicable
Date of submission to InfoShop	Not Applicable
<i>Dam Safety Management Plan:</i>	
Date of receipt by the Bank	Not Applicable
Date of “in-country” disclosure	Not Applicable
Date of submission to InfoShop	Not Applicable
If in-country disclosure of any of the above documents is not expected, please explain why.	

<b>Section III – Compliance Monitoring Indicators at the Corporate Level</b>		
<b><i>OP/BP 4.01 - Environment Assessment:</i></b>	<u>Yes</u>	<u>No</u>
Does the project require a stand-alone EA (including EMP) report?		x
If yes, then did the Regional Environment Unit review and approve the EA report?		
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?		
<i>Comment: the Operations Manual of BEEF includes an environmental chapter which meets EA requirements.</i>		
<b><i>OP/BP 4.04 - Natural Habitats:</i></b>	<u>Yes</u>	<u>No</u>
Would the project result in any significant conversion or degradation		x

of critical natural habitats? 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?			x
<b><i>OP 4.09 - Pest Management:</i></b>	<u>Yes</u>	<u>No</u>	
Does the EA adequately address the pest management issues?			x
Is a separate PMP required?			x
If yes, are PMP requirements included in project design?			
<b><i>Draft OP 4.11 (OPN 11.03) - Cultural Property:</i></b>	<u>Yes</u>	<u>No</u>	
Does the EA include adequate measures?			
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on physical cultural resources?			
<b><i>OD 4.20 - Indigenous Peoples:</i></b>	<u>Yes</u>	<u>No</u>	
Has a separate indigenous people development plan been prepared in consultation with the Indigenous People?			x
If yes, then did the Regional Social Development Unit review and approve the plan?			
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit?			
<b><i>OP/BP 4.12 - Involuntary Resettlement:</i></b>	<u>Yes</u>	<u>No</u>	
Has a resettlement action plan, policy framework or policy process been prepared?			x
If yes, then did the Regional Social Development Unit review and approve the plan / policy framework / policy process?			
<b><i>OP/BP 4.36 – Forests:</i></b>	<u>Yes</u>	<u>No</u>	
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?			x
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?			
<b><i>OP/BP 4.37 - Safety of Dams:</i></b>	<u>Yes</u>	<u>No</u>	
Have dam safety plans been prepared?			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?			
<b><i>OP 7.50 - Projects on International Waterways:</i></b>	<u>Yes</u>	<u>No</u>	
Have the other riparians been notified of the project?			x
If the project falls under one of the exceptions to the notification requirement, then 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?			
<b><i>OP 7.60 - Projects in Disputed Areas:</i></b>	<u>Yes</u>	<u>No</u>	

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, cleared with the Legal Department and sent to the RVP?		x
Does the PAD/MOP include the standard disclaimer referred to in the OP?	x	
<b><i>BP 17.50 - Public Disclosure:</i></b>	<u>Yes</u>	<u>No</u>
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	x	
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?	x	
<b><i>All Safeguard Policies:</i></b>	<u>Yes</u>	<u>No</u>
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of the safeguard measures?	x	
Have safeguard measures costs been included in project cost?	x	
Will the safeguard measures costs be funded as part of project implementation?	x	
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures?	x	
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	x	
<i>Signed and submitted by:</i>	<u>Name</u>	<u>Date</u>
Task Team Leader:	Istvan Dobozi	06/01/04
Project Safeguards Specialist 1:	Victor Loksha	06/01/04
Project Safeguards Specialist 2:		
Project Safeguards Specialist 3:		
<i>Approved by:</i>	<u>Name</u>	<u>Date</u>
Regional Safeguards Coordinator:	Ronald N. Hoffer	06/01/04
Comments:		
Sector Manager:	Henk Busz	06/01/04
Comments:		

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