

INTEGRATED SAFEGUARDS DATASHEET APPRAISAL STAGE

I. Basic Information

Date prepared/updated: 03/19/2008

Report No.: AC3497

1. Basic Project Data

Country: Bosnia and Herzegovina	Project ID: P107998
Project Name: Second Solid Waste Management Project	
Task Team Leader: Aniruddha Dasgupta	
Estimated Appraisal Date: April 16, 2008	Estimated Board Date: July 10, 2008
Managing Unit: ECSSD	Lending Instrument: Specific Investment Loan
Sector: Solid waste management (100%)	
Theme: Access to urban services and housing (P)	
IBRD Amount (US\$m.): 25.00	
IDA Amount (US\$m.): 10.00	
GEF Amount (US\$m.): 0.00	
PCF Amount (US\$m.): 0.00	
Other financing amounts by source:	
<u>BORROWER/RECIPIENT</u>	
3.50	
3.50	
Environmental Category: B - Partial Assessment	
Simplified Processing	Simple <input type="checkbox"/> Repeater <input checked="" 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 type="checkbox"/>

2. Project Objectives

The project development objective of the Second Solid Waste Management Project (SWM-2) is to improve the availability, quality, environmental soundness and financial viability of solid waste management services in participating regions. Key impacts include an improved disposal management system and enhanced coverage of formal waste management services, improved ground water quality at disposal sites, higher citizen satisfaction with waste management services and an increased cost recovery rate of participating utilities.

3. Project Description

The Project approach is to rehabilitate existing landfills in line with EU standards and subsequently close wild dumps sites throughout BH. Project design is based on the successful implementation of the first Solid Waste Management (SWM) Project that supports the Government's strategy to establish waste management districts through cooperation of municipalities. It assists with the most urgent investments focusing on rehabilitating existing landfill sites, finding safe methods of disposal, raising public awareness, training sector staff and extending collection service. A nationwide Solid Waste Management Strategy, funded by the European Union (EU), was completed in 2000. The key recommendation of the strategy was the development of regional landfill

facilities serving multiple municipalities. The Government is proceeding in three phases; the existing SWM project supports the first phase (2002-2008). In light of successful implementation progress, the Government had sought additional financing for the project. The Bank approved an amount of US\$8 million in June 2005. The existing bank support (US\$ 26 million) for the sector will result in development of 5 international standard regional landfill facilities. The Project will close on November 30, 2009. Given the enormous funding needs to continue and finally complete implementation of the strategy, the Government has approached the Bank for continued support to the sector to expand the project to other regions.

The Second Solid Waste Management Project will build upon the successful project design of SWMP-1 and will ensure continued successful implementation. However, lessons learned during implementation of SMWP-1 will be introduced. Main adjustments include i) introduction of a more flexible and performance-based mechanism for allocation of project funds; ii) amended funding mechanism for Technical Assistance and the PMU; and iii) consolidation of components by reducing the overall number from five to three.

The project has three components. Component A (Waste Management) invests in rehabilitation of existing disposal sites, wild dump closures, collection infrastructure, support equipment, and to a limited extent the conversion of existing small dumpsites to transfer stations. At more advanced regional landfills the component will also support upgrading processes such as sorting, recycling and gas capturing. It will also cover operational cost of regional PITs. The component includes 10 percent co-financing from the Government. Component B (Technical Assistance) provides technical assistance and engineering services to participating regions and will finance institutional strengthening and capacity building activities benefiting the entity level institutions involved in solid waste management. This component supports the preparation of feasibility studies, financial, environmental and social assessments of landfill sites and provides support for bidding procedures for the investments and services provided under Component A. The Component will also finance a Public Communication Program and Environmental Monitoring. In addition it may support strategic studies for Hazardous Waste Management and Inter-state cooperation in Solid Waste Management. Component C (Project Management Unit) supports operation of the PMU and gives assistance in project implementation.

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

SWMP-2 will increase the project size achieved under the first solid waste management project so that eventually full country coverage can be attained. Nevertheless, investments under component A will continue to finance activities in regions that are currently part of the first SWMP and need additional funding to complete investments or scale-up their operation. These regions include Banja Luka, Bihac, Bijeljina, Mostar, Sarajevo, Tuzla, Zenica and Livno.

Specific Environmental Mitigation Plans (EMPs) were completed for each site in the regions included in the first solid waste management project. Full Environmental Assessments (EAs) were prepared where the investment required rehabilitation of a landfill. All documents were disclosed in the country and made available through the INFO Shop. Each of the landfill sites has a technical and design study that reviews the environmental issues such as groundwater quality, surface water quality, soil quality and leachate quality. The studies have been prepared by qualified international and local environmental specialists. Feasibility studies on the clean up of wild dumpsites are being conducted in regions where landfills have been rehabilitated.

In order to participate in SWMP-2 regions will need to meet eligibility criteria for Technical Assistance (Longlist) and Investment Funding (Shortlist). These criteria for sub-project eligibility have been agreed upon to ensure effective implementation and economic efficiency of regional sanitary landfills. In a preliminary screening, the government identified 6 potentially eligible regions to be ready within the first year of the project effectiveness date. Most regions have already completed important steps toward meeting the eligibility criteria based on the premises promoted by this project. These regions include Prjedor and Zvornik in the RS, and Mostar, Gorazde, Zenica and Livno in the Federation.

Regions that meet eligibility criteria in the Longlist will be eligible for TA (Component B). Although regions and their corresponding municipalities may become eligible for component A at different stages of the project, only those that meet all selection criteria (Shortlist) will be eligible to receive funding for investments.

For those sites to be identified for inclusion in the project, the Environmental Covenant in the Legal Agreements confirms that EAs/EMPs must be prepared for those project regions/landfills and the same analysis as that used in the EA/EMPs must be conducted as part of project preparation, and the EMP will be applied. Local disclosure of any such documentation will be provided.

As with the previous project, the sites will not require any land acquisition or resettlement. The sites included are existing landfill sites which will be rehabilitated.

5. Environmental and Social Safeguards Specialists

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: The interventions envisaged under the project trigger the Banks' Environmental Assessment Safeguard Policy OP 4.01. The project has been identified as category B project. To comply with the OP 4.01 policy the borrower has prepared an Environmental Framework (EF), an environmental screening and assessment instrument, since the final selection of landfills for rehabilitation will take place during the course of the project. The EF serves as a tool to ensure that the proposed investments implemented through the Project comply with the existing environmental protection laws, regulations and standards in BH as well as with the World Bank's Operation Policies and Practices. The Environmental Management Plan (EMP) for Mostar landfill, as a representative EMP, was prepared by the borrower to comply with the Bank's criteria on environmental assessment. The EA for Mostar landfill has been approved by the Bank during the first SWMP. All mentioned documents were publicly disclosed and discussed.

The project will not cause any large scale or irreversible impacts. The project is expected to have positive environmental benefits by improving collection, transfer and disposal of solid waste and reducing wild dumping, i.e. will reduce environmental degradation related to inadequate solid waste management. As with operation of any landfill, potential negative impacts include pollution of air and soil. These impacts are associated with a) construction/rehabilitation of landfills, b) collection, transfer and storage, c) management of leachate and gas emissions, d) operation of landfill, and e) decommissioning of landfill. To mitigate environmental impacts, the borrower will prepare and implement EIA with the EMP for each selected landfill, including for transfer stations and closure of wild dumps, where applicable. All these documents will be publicly disclosed and discussed before commencing construction works as defined in the Environmental Framework. The borrower will use the best technical practices (EU landfill directive) for landfill rehabilitation.

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

Potential negative environmental impacts of the project are expected to be minimal and manageable. In addition to potential direct negative impacts on air and soil quality, more indirect impacts are related to aesthetic properties of landfills. However, experience from the first SWMP show rather significant improvements in aesthetics of landfills after rehabilitation. This type of practice will be continued in SWMP-2.

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

The National Waste strategy recommends the development of regional landfill facilities serving multiple municipalities. For the preparation of this strategy site alternatives were discussed, i.e. opening of new landfills vs. rehabilitation/extension of existing ones. Since the existing landfills did not comply with technical standards, rehabilitation of the same was necessary. Decisions on the siting of new landfills are difficult to make, due to negative perceptions of landfills by the community and the NIMBY attitude. This option was rejected since it would have increased costs and caused significant delays in implementation of the Waste Management Strategy.

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.

The Borrower has developed an Environmental Framework to serve as the basis for preparation of site-specific EAs/EMPs when the investment sites are identified. The framework follows national requirements and standards for EIA while making provisions for compliance with World Bank requirements. The environmental impact assessment legislation in the country has been amended in 2006 and is fully in line with the EU EIA directive. All investments to be financed under component A of the second SWMP will prepare EIAs in line with the new legislation as determined in the EF. The Borrower will also develop and enforce Environmental Management Plans for individual sites included in the project to mitigate identified risks related to the rehabilitation and raise contractor awareness of environmental issues. EIAs and EMPs prepared under the second SWMP will be approved by the Bank on a no-objection base. As the project is a repeater of the existing project, institutional capacity to implement safeguard policies already exists. Through this project, the capacity of the implementing agencies, utilities, will be further strengthened especially related to environmental quality monitoring, which should be based on the recommendations from the National Solid Waste Management Strategy and the EU Landfill Directive, which include following parameters to be monitored: leachate quality on site, groundwater quality, surface water quality, soil quality, gas emissions from the suite, incinerator emissions, weight and composition of waste, construction activities, after decommissioning monitoring. The project will also support training on a variety of solid waste management issues including monitoring and regulation which will improve capacity to enforce safeguards policies. The project also supports preparation of social assessments in the areas in which landfills are to be upgraded.

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 the citizens in the regions to be served by the project's rehabilitated sanitary landfills. During preparation of both projects stakeholders, including local and national NGOs, were involved in workshops, local level community meetings, and public consultations. The project includes a sub-component on "Public Communication" which will foster communication between the communities and the SWM authorities.

The EF public consultation was organized by the Federal Ministry of Environment and Tourism of and Ministry of Urbanism, Civil Engineering and Environment of Republika Srpska in Sarajevo on March 7, 2008. The Environmental Framework and Management Plan will be published on the web site of the Federal Ministry for Environment and Tourism. Stakeholders present were representatives from the mentioned ministries, representatives from the regions included in the first phase of the project, the Ministry of Foreign Trade and Economic Relations and representatives from NGOs. The project concept and EF were greeted by all participants.

The first public disclosure of the EA for the rehabilitation of the Mostar landfill was presented in a public consultation in 2002 and has been approved by the Bank during the preparation of the first SWMP. A public consultation of the EF and EMP for rehabilitation of Mostar landfill was organized by City Council of Mostar on 4 March, 2008. The Environmental Framework and Management Plan have been published on the web page of the City of Mostar and the Board of the Public Utility "Deponija" Mostar. The Meeting was concluded with general approval of all those present, while stating that there are no significant issues that need to be overcome in implementing the project.

Zenica undertook an extensive social scoping process, including conducting surveys of nearby inhabitants and hiring of a local NGO to manage the outreach and consultation process. The scoping undertaken here can provide the basis for the development of subsequent practice at other sites.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	03/11/2008
Date of "in-country" disclosure	03/07/2008
Date of submission to InfoShop	03/11/2008
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?	
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	

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 credit/loan? Yes

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:		Mr Aniruddha Dasgupta	03/15/2008
Environmental Specialist:		Ms Natasa Vetma	03/14/2008
Social Development Specialist		Ms Paula F. Lytle	03/13/2008
Additional Environmental and/or Social Development Specialist(s):			
<i>Approved by:</i>			
Regional Safeguards Coordinator:		Ms Agnes I. Kiss	03/17/2008
Comments:			
Sector Manager:		Mr Jonathan S. Kamkwala	03/19/2008
Comments: Cleared			