



Integrated Safeguards Data Sheet Restructuring Stage

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I. BASIC INFORMATION

1. BASIC PROJECT DATA

Project ID	Project Name
P164424	Montenegro Second Institutional Development and Agriculture Strengthening Project
Task Team Leader(s)	Country
Silvia Mauri	Montenegro
Approval Date	Environmental Category
30-Jan-2018	Partial Assessment (B)
Managing Unit	
SCAAG	

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	34.89
Total Financing	34.89
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	34.89
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2. PROJECT INFORMATION

Current Program Development Objective

The Project Development Objective is to improve the competitiveness of agriculture and fisheries in Montenegro through enhanced delivery of government support in alignment with EU accession requirements.



3. PROJECT DESCRIPTION

The project supports Montenegro in meeting several specific benchmarks for EU's Chapters 11, 12 and 13, namely:

- Support for meeting the two benchmarks for Chapter 11 (Agriculture and Rural Development): (i) IACS to be fully operational by the date of accession; and (ii) Paying Agency to be fully operational by the date of accession.
- Support for meeting three closing benchmarks for Chapter 12 (Food Safety, Veterinary and Phytosanitary Policy): (i) upgrading of establishments for products of animal origin, including establishments for animal by-products (ABPs); (ii) setting up of an EU compliant system for official control of animal and plant products, including its funding; and (iii) developing, in accordance with the acquis, the relevant administrative structures for food safety controls, and further increasing administrative capacities and infrastructure.
- Support for meeting two benchmarks for Chapter 13 (Fisheries): (i) adoption of legislation that provides a substantial degree of alignment with the EU acquis for fisheries and ensures that Montenegro will be able to fully apply the Common Fishery Policy upon accession, and (ii) strengthen the administrative, inspection and control capacity required by the CFP and ensure that EU requirements will be fully met at the date of accession.

The project includes the following components:

Component 1: Strengthening MARD agriculture, rural development and fisheries program. The component aims at: (i) increasing and diversifying income generation opportunities for productive units, contribute to the creation of jobs, as well as improve resilience of productive units for adaptation to climatic pressures¹, and (ii) supporting Montenegro for meeting Chapter 11 closing benchmarks. The grant program is expected to address most of the constraints faced by the country's agricultural sector, including: (i) enabling access to finance to grant beneficiaries to adopt modern and energy efficient technologies; (ii) development of aggregators to improve collection, storage, packaging and marketing of produce; and (iii) implementation of agro-environmental measures, including those measures that will help mitigate GHG emissions from current agricultural practices.

Component 2: Support for the Food Safety, Veterinary and Phytosanitary Services. This component aims at developing capacity for food safety, veterinary and phytosanitary services as part of the creation of an integrated food quality system which is consistent with EU requirements. Promoting safer agricultural products, including the prevention and control of animal and plant diseases are essential for improving the competitiveness of Montenegro's agricultural production both domestically and abroad. It will also help producers to introduce cross-compliance requirements to receive IPARD funds. This component supports: (i) the establishment of an official, comprehensive control system for the safe disposal and/or processing of ABPs; (ii) strengthening of the diagnostic capacity of the phytosanitary laboratory; and (iii) strengthening of the capacity of the inspection services.

Component 3: Modernization of the Fisheries Sector. This component provides financing for public sector investment aimed at achieving two objectives: (i) enhancing the productive capacity of the sector with investments in basic infrastructure and equipment that will provide fishermen with regulated safe, and sanitary landing facilities and access to port, and (ii) strengthening the institutional capacity to apply the CFP upon EU accession, as well as substantially strengthen administrative, inspection, and control capacity.

¹ by means of creating alternative employment and income opportunities outside the agricultural sector



Component 4: Project Management. This component covers the costs for project management related to staffing, consultancies, and equipment costs, as well as implementation of the Environmental and Social Management Framework (ESMF), monitoring and evaluation of all project activities in line with the Results Framework, adequate fiduciary (procurement and financial management), audits and accountability mechanisms for oversight, including a grievance redress mechanism.

4. PROJECT LOCATION AND SALIENT PHYSICAL CHARACTERISTICS RELEVANT TO THE SAFEGUARD ANALYSIS (IF KNOWN)

The project will be implemented throughout Montenegro, including the activities targeting the fisheries under Component 3 in the coastal part of Montenegro. The activities on grants and direct payments will follow the well established screening procedure from the original MIDAS project, and will help screen out activities that may have additional safeguards implications. The ABP plant will be located (as indicated in the spatial plan and supported by the Strategic Environmental Assessment already conducted in country) at the Celinska kosa regional sanitary landfill in the municipality of Bijelo polje at the very northeast corner of Montenegro. Celinska kosa is a remote area, where the city of Bijelo Polje has some 15,000 inhabitants and the entire municipality has 50,000. Bijelo Polje has the main economic activities of agriculture, meat processing and recreational tourism.

5. ENVIRONMENTAL AND SOCIAL SAFEGUARDS SPECIALISTS ON THE TEAM

Esma Kreso Beslagic, Environmental Specialist
Nina Valcic, Social Specialist

6. SAFEGUARD POLICIES TRIGGERED

Safeguard Policies	Triggered	Explanation
Environmental Assessment (OP) (BP 4.01)	Yes	The project activities on direct payments and grants under Component 1 will finance a diverse series of activities aimed at improving the agricultural practices in country. However, some of these activities, as evident from the support provided under the original MIDAS project, could have environmental impacts and implications. This includes, but is not limited to, small scale construction of barns, farm facilities, manure management platforms, traditional katuni huts, etc. The environmental screening procedure has been implemented for the original project and will continue to be applicable to these activities; the procedure has been slightly revised to reflect the



envisaged project activities including support to the fisheries sector, in the form of an ESMF.

Furthermore, the ESMF addresses the construction and reconstruction activities under Component 3, aimed at improving the pier facilities for the fisheries. The activities envisaged under the original project did not foresee any major environmental impacts except for the dust and noise, material sourcing, and waste management with regards to Components 1 and 3. For Component 2, the technical assistance provided will help establish a sound management system of the animal byproducts as a follow on to the strategic planning documents to be developed by the client towards the end of 2017. The restructuring will also include the construction of the ABP plant which will also require development of an ESIA for the activity, which shall adequately follow the provisions of the Project's ESMF.

Performance Standards for Private Sector Activities OP/BP 4.03	No	Not relevant, as there are no private sector activities.
Natural Habitats (OP) (BP 4.04)	No	The activities will be carried out on already established farms on agricultural land and there will be no activities involving natural habitats.. All identified impacts will also include adequate mitigation measures.
Forests (OP) (BP 4.36)	No	There are no activities involving forests foreseen under the project.
Pest Management (OP 4.09)	Yes	The project will support increase and improvement in agricultural practices, and may indirectly lead to an increase in the pest management practices. The project will not support directly purchasing or supplying of pest management materials, but the project's ESMF includes a precautionary section on PMP.
Physical Cultural Resources (OP) (BP 4.11)	No	There are no activities involving cultural resources foreseen under the project. Nonetheless all due diligence documentation includes provisions for chance finds.
Indigenous Peoples (OP) (BP 4.10)	No	There are no activities involving indigenous peoples foreseen under the project.
Involuntary Resettlement (OP) (BP 4.12)	Yes	The project restructuring triggers the Bank's Policy OP 4.12 on Involuntary Resettlement as it is expected that the project would finance the construction of the animal by-products (ABPs) facility in the municipality of Bijelo Polje and that



private land will need to be expropriated for that purpose. The scale of land acquisition is moderate as it will affect 4 private landowners, with no physical displacement impacts. The land is on a high altitude hilly terrain, and is hosting meadows and forests with no evident cultivated culture. The scope of the impacts on livelihood and vulnerable persons will be determined under the Resettlement Action Plan which is currently being developed by the PCU and is in a well advanced stage. The RAP will be disclosed and consulted on before any land acquisition activities begin, i.e. September 15, 2022.

Safety of Dams (OP) (BP 4.37) No

There are no activities involving dams foreseen under the project.

Projects on International Waterways (OP) (BP 7.50) No

The activities under Component 3 aimed at supporting and improving the docking facilities for fisheries may pose a risk to international waterways, i.e. the Adriatic Sea. However, due to the scope of works there is very little potential to impact the quantity and quality of water to riparians. In consultations with LEGEN it was determined that the activities are not of such scope or scale that would require triggering of this policy.

Projects in Disputed Areas (OP) (BP 7.60) No

II. KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. SUMMARY OF KEY SAFEGUARD ISSUES

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

The potential environmental and social impacts that are foreseen for the original project activities financed under the project are not large scale, significant or irreversible. The activities financed under the original project can be broadly grouped into three groups, per project components: the grants and direct payments scheme, the support to the fisheries sector through small scale infrastructure interventions and the technical assistance towards establishment of a management system of animal byproducts (ABPs). The grant scheme activities will be screened using an ESMF and a mechanism established under the original MIDAS 1 project. The procedure will screen out activities that correspond to a Category A or that trigger additional safeguards policies. For activities that correspond to a World Bank Category B adequate due diligence will be prepared. The ESMF also sets up the monitoring and follow up activities that the PMT will undertake. The activities supporting the fisheries component will be subject to a Checklist EMP for simple infrastructure works, since all of the works anticipated are of a limited scope and to be carried out within the existing marine areas designated for reception of the fisheries fleet. Support provided under the animal byproducts Technical Assistance, will be supplemented with the adequate environmental and social due diligence



documentation, that would be adapted to the final selection of the methods and treatment chosen for safe management of ABPs.

The restructuring will be used to support construction of the ABP facility for which majority of the due diligence documentation has been prepared as per the Montenegrin Law on EIA and Law on Waste Management. The environmental impacts associated with this activity include: management of dust and noise and construction waste or materials, traffic disruptions, worker health and safety, and ensuring adequate operation of the facility, including again worker health and safety, community health and safety, and proper management of the incoming waste including temporary storage on site, processing and management of the final products.

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

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

No alternatives have been considered for the original project. The ABP plant location has been selected based on a complex procedure in Montenegro on spatial planning, strategic assessment and public hearings that have included analysis of alternatives.

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 Client has a well established PMT with a part time environmental and social specialist in place. The key staff have attended multiple World Bank environmental safeguards trainings and have a good track record along with the experience of implementing multiple rounds of grant calls and screening of all received applications. The PMT has strong ownership over the screening process and have used each subsequent call to additionally fine-tune the screening procedures, and to also conduct environmental awareness raising trainings for all applicants. The Client has prepared a revised ESMF coupled with the Checklist EMP for the fisheries component and a precautionary Integrated Pest Management Plan and has disclosed this document with the public consultations held on November 10, 2017 in Podgorica. The PMT continues to supervise activities on the ground, and has shown strong ownership but also a partnership with the Bank team in helping guide the proper development of the documentation required for the ABP plan.

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

The key stakeholders are the project beneficiaries, that is the farmers and agricultural and fisheries workers, along with the neighbors and adjacent plots that could be impacted by the supported activities. Additionally, the stakeholders that may be involved include the different institutions supporting the development and operations of the agricultural sector in country, including government institutions, academia and non-governmental institutions. The client has publically disclosed the ESMF with an announcement made on their website and through the local media for the public consultations that were held on November 10, 2017 in Podgorica. In addition to the public consultations of the ESMF, each of the ESMPs that will be produced under the ESMF procedure will also be subject to public disclosure and consultations, as well as the Checklist EMPs for the fisheries infrastructure. Overall, the project has an established grievance redress mechanism where each of the affected parties can communicate directly with the designated contact person through established email and telephone contacts.



B. DISCLOSURE REQUIREMENTS

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank

14-Nov-2017

Date of submission for disclosure

14-Nov-2017

For Category 'A' projects, date of distributing the Executive Summary of the EA to the Executive Directors

"In country" Disclosure

Country

Montenegro

Date of Disclosure

03-Nov-2017

Comments

Resettlement Action Plan/Framework Policy Process

Date of receipt by the Bank

31-May-2022

Date of submission for disclosure

15-Jun-2022

"In country" Disclosure

Country

Montenegro

Date of Disclosure

15-Jun-2022

Comments

Pest Management Plan

Was the document disclosed prior to appraisal?

Yes

Date of receipt by the Bank

14-Nov-2017

Date of submission for disclosure

14-Nov-2017



“In country” Disclosure

Country

Montenegro

Date of Disclosure

03-Nov-2017

Comments

C. COMPLIANCE MONITORING INDICATORS AT THE CORPORATE LEVEL

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 Practice Manager (PM) review and approve the EA report?	Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes

OP 4.09 - Pest Management

Does the EA adequately address the pest management issues?	Yes
Is a separate PMP required?	NA
If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	NA

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	No
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	NA

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?	Yes
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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
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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

III. APPROVALS

Task Team Leader(s)	Silvia Mauri	
Approved By		
Safeguards Advisor	James Peter Moore	23-Jun-2022
Practice Manager/Manager	Frauke Jungbluth	23-Jun-2022

Note to Task Teams: End of system generated content