

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 01/12/2010

Report No.: AC4976

1. Basic Project Data

Country: Iraq	Project ID: P111074	
Project Name: IQ: Integrated National Energy Strategy Technical Assistance		
Task Team Leader: Michael Levitsky		
Estimated Appraisal Date: September 27, 2009	Estimated Board Date: December 30, 2009	
Managing Unit: MNSSD	Lending Instrument: Emergency Recovery Loan	
Sector: Oil and gas (60%);Power (30%);General energy sector (10%)		
Theme: Other economic management (40%);Other environment and natural resources management (30%);Infrastructure services for private sector development (10%);State enterprise/bank restructuring and privatization (10%);Regulation and competition policy (10%)		
SPF Amount (US\$m):	0.00	
GEF Amount (US\$m.):	0.00	
PCF Amount (US\$m.):	0.00	
Other financing amounts by source:		
Borrower		0.00
<u>Iraq Reconstruction Trust Fund</u>		<u>5.00</u>
		5.00
Environmental Category: B - Partial Assessment		
Simplified Processing	Simple <input checked="" 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 checked="" type="checkbox"/>	No <input type="checkbox"/>

2. Project Objectives

The Project's development objective is to improve the ability of the Government to develop an energy strategy that is designed to increase the contribution of the sector to sustainable development. The US\$5 million ITF grant provided through the Project will be allocated by the Government of Iraq (GoI) to the financing of strategic energy consultants ("the Consultant"), whose task it will be to support the GoI in developing an Integrated National Energy Strategy (INES). The GoI has appointed a Steering Committee to produce an INES, consisting of representatives of the main ministries engaged with the energy sector, and led by the Head of the Prime Minister's Advisory Commission (PMAC). The Committee will work with the Consultant. Through the eventual delivery of the final INES, with an Implementation Plan, this Project is designed to help improve the likelihood that Iraq's energy resources can be utilized effectively to support sustainable development.

3. Project Description

The INES will be a comprehensive and detailed strategy for the whole of the energy sector. It will provide an overall decision-making framework for energy policies, institutional development and investments. It will also highlight investment priorities and identify key investments required within the strategy. However, the INES is not a complete technical and investment plan for energy development, rather, it will provide the detailed policy, institutional and strategic framework for review and discussion within the Government and among stakeholders. The work will provide a rigorous basis upon which policies and investments can be designed and implemented, in a fully coordinated manner.

The Project deliverables will include:

- a) Review of the key energy sector characteristics,
- b) Review of energy strategy experience in other countries with similar economic and energy circumstances,
- c) Analysis of Iraq's strategic options for energy sector development, including institutional and regulatory structure and framework for priority investments,
- d) Review of key environmental and social policy issues relevant to the energy sector and development of key strategic recommendations on how to address these issues,
- e) Assessment of Iraq's energy equipment supply and services industries, their potential and needs for capacity building,
- f) Development of an implementation plan for the INES,
- g) Dissemination and publication of the INES, including the review of environmental and social issues.

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

The Project will be implemented by the PMAC, based in the Prime Minister's Office in Baghdad. Staff of the Consultant will visit Iraq on a basis to be determined, primarily for data gathering and client consultations and reporting. The bulk of the analysis is expected to be completed at a location to be agreed between the Consultant and the GoI. The work will not involve any physical investment or evaluation of specific investment projects.

5. Environmental and Social Safeguards Specialists

Mr Eleodoro O. Mayorga Alba (LCSEN)

Mr Colin S. Scott (MNSSO)

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: Safeguard policy in Iraq is directed by the Environmental and Social Screening and Assessment Framework (ESSAF) (as revised in April 2006), which prescribes special procedures to account for the continuing instability in the country. The proposed Project finances international and local advisory services as well as information dissemination activities related to the final deliverable. The Project has been rated as a Category B technical assistance project, since the energy sector in Iraq presents many high-profile and sensitive environmental and social issues. In the Bank's view it is important to give full coverage to these issues, and also to provide some scope for public comment in these key areas. In order to give due weight to environmental and social issues, the Consultant would produce a stand-alone report on these.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
The Project will provide high level technical assistance on strategy and policy for the energy sector. This assistance may contribute to decisions about future investments in the energy sector, which would have associated environmental and social impacts. However, investments will be subject to many policy, economic and technical decisions that are beyond the scope of the Project. Any future investments will be subject to specific environmental and social review, and the Project will also provide recommendations for strengthening of such review systems.

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. The INES will include a stand-alone Report detailing the main environmental and social issues relevant to an energy strategy for Iraq, and the associated mitigation interventions

(policies, regulations, etc.). This Report will be utilized both as a stand-alone reference and as a source in developing the INES.

The Report on Environmental and Social Issues in the Energy Sector will include a thorough review of the following areas:

- Environmental impact of oil and gas operations,
- Environmental impact of power sector operations,
- Environmental impact of end-use of energy in the transportation, industrial and household sectors,
- Social aspects of energy sector investments and operations,
- Institutional and regulatory models for the management of environmental and social impacts of energy sector operations,
- Use of Environmental and Social Impact Assessments in the energy sector,
- Examples of relevant practice from other countries with similar energy sector conditions,
- Institutional and regulatory reform options Iraq for in these areas, and
- Considerations relating to the international policy framework to address climate change.

The capacity of the Government of Iraq to implement the Project is subject to risks inherent in the fragile and post-conflict context.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. The stand-alone Report on Environmental and Social Issues in the Energy Sector will be made available to Government and public sector agencies, and to other knowledgeable stakeholders, at the Second Interim stage of the Project reporting schedule (approximately 12 months after the start of the Consultant's work). Feedback will be sought from the recipients of the Report. Workshops will be organized with relevant stakeholders in order to discuss the draft Report's main findings and recommendations. Feedback received will be taken into account in the final Report. Upon completion, final Strategy documents will be readily and freely available to all stakeholders, including online.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Was the document disclosed prior to appraisal?	N/A
Date of receipt by the Bank	12/24/2009
Date of "in-country" disclosure	12/24/2009
Date of submission to InfoShop	12/24/2009
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	12/24/2009

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:

This is a Technical Assistance Project, and the Environmental Assessment is thus not applicable.

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? N/A

If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report? N/A

Are the cost and the accountabilities for the EMP incorporated in the credit/loan? N/A

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's InfoShop? 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? N/A

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 Michael Levitsky	12/16/2009
Environmental Specialist:	Mr Eleodoro O. Mayorga Alba	
Social Development Specialist	Mr Colin S. Scott	
Additional Environmental and/or Social Development Specialist(s):		
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Mr Hocine Chalal	12/16/2009
Comments:		
Sector Manager:	Mr Jonathan D. Walters	12/16/2009
Comments:		