

**INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE**

Report No.: AC2558

Date ISDS Prepared/Updated: 10/30/2006

I. BASIC INFORMATION

A. Basic Project Data

Country: Bosnia-Herzegovina	Project ID: P103703
Project Name: COMMUNITY DEV SUPPLMT	
Task Team Leader: Maniza B. Naqvi	
Estimated Appraisal Date:	Estimated Board Date: December 7, 2006
Managing Unit: ECSHD	Lending Instrument: Specific Investment Loan
Sector: Other social services (20%);Roads and highways (20%);Water supply (20%);Sewerage (20%);Sub-national government administration (20%)	
Theme: Rural services and infrastructure (P);Participation and civic engagement (P);Municipal governance and institution building (P);Conflict prevention and post-conflict reconstruction (S);Infrastructure services for private sector development (S)	
IBRD Amount (US\$m.):	0.00
IDA Amount (US\$m.):	5.00
GEF Amount (US\$m.):	0.00
PCF Amount (US\$m.):	0.00
Other financing amounts by source:	
<u>BORROWER/RECIPIENT</u>	<u>0.00</u>
	0.00

B. Project Objectives [from section 2 of PCN]

The Government requested additional financing for the CDP through the supplemental loan of US\$5.0 million IDA. Additional financing is expected to further strengthen the results and outcomes achieved under the original CDP which is due to close on December 31, 2006. The project would continue to finance investments focused on the improvement of the quality of basic infrastructure and services in poor communities within low-income municipalities, while seeking to strengthen the institutional and financial capacity to manage such services over the long-term. The project would continue to have the same three components as in the original loan (1) Performance Based Grants; (2) Institutional Capacity Building; and (3) Project Implementation.

C. Project Description [from section 3 of PCN]

The proposed operation would provide grants as a mechanism to target non revenue generating investments to low-income municipalities and their poor communities with a focus on improving service delivery, cost recovery, the financial management capacity of local governments; and

public accountability/community participation. The supplemental loan will finance a subset of the same municipalities which participated in the CDP (poorest municipalities). Requests for community investment financing were made in the past one year period by participating municipalities and could not be financed under the original loan due to limited availability of financing. The supplemental loan would finance the pipeline of subprojects that were unable to be financed under the existing CDP loan. This pipeline of projects would be selected for the supplemental loan financing in coordination and cooperation with the Regional Development Agencies.

Component 1-Performance Based Grant Agreements:

The proposed operation would provide grants as a mechanism to target non revenue generating investments to low-income municipalities and their poor communities with a focus on improving service delivery, cost recovery, the financial management capacity of local governments; and public accountability/community participation. The supplemental loan will finance a subset of the same municipalities which participated in the CDP (poorest municipalities). These requests for community investment financing were made in the past one year period by participating municipalities and could not be financed under the original loan due to limited availability of financing. The supplemental loan would finance the pipeline of subprojects that were unable to be financed under the existing CDP loan. This pipeline of projects would be selected for the supplemental loan financing in coordination and cooperation with the Regional Development Agencies of municipalities whose Board members are the local communities.

Component 2-Institutional Capacity Building:

The project would increase the capacity of municipalities to improve service delivery through technical assistance and training. Capacity for municipalities would be developed in the areas of participatory inclusive procedures such as citizens score cards. This component will be implemented in close partnership with the World Bank Institute.

Component 3-Project Implementation:

The project implementation arrangements would remain the same as for the CDP. In the Federation of Bosnia and Herzegovina (FBH) the project would continue to be implemented through ODRAZ Foundation while in Republika Srpska (RS) it would continue to be implemented by the Development Employment Fund (DEF). The project partners would continue to be the poorest municipal governments in BiH and citizens and the identification of projects to be financed will be done in cooperation with five regional development agencies.

The Fiduciary arrangements have performed well under the project and are rated as Satisfactory. The two foundations ODRAZ and DEF were responsible for the financial management and procurement under the project and for supervising and monitoring all activities financed under the project. Both Foundations were audited annually--and audit reports were submitted to the Bank. The project is under the supervision of Bank's FMS. To ensure that project safeguards were met the Bank reviewed 100 percent of projects financed by IDA for social and for procurement clearances.

D. Project location (if known)

The project will be implemented nationally through ODRAZ Foundation in the FBH and DEF in the RS in partnership with a subset of the 88 municipalities involved in the original project. These municipalities are located in both entities.

E. Borrower’s Institutional Capacity for Safeguard Policies [from PCN]

The project is a supplemental loan for additional financing for a financing gap. The Borrower’s capacity to implement the project is high.

The project supports reconstruction and rehabilitation work the procedures for identifying, appraising, implementing and monitoring of such work are laid out in the operations manuals.

F. Environmental and Social Safeguards Specialists

Ms Maniza B. Naqvi (ECSHD)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies Triggered	Yes	No	TBD
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	

Environmental Category: F - Financial Intermediary Assessment

III. SAFEGUARD PREPARATION PLAN

A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: N/A

B. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS: 11/07/2006

C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS.

The project is an FI category and will not require safeguard related studies. The project implementation duration is 18 months of additional financing for an ongoing operation under

¹ Reminder: The Bank’s Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in-country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

which environmental issues have not arise. However, an environmental screening process is in place for each project appraisal.

IV. APPROVALS

<i>Signed and submitted by:</i>		
Task Team Leader:	Ms Maniza B. Naqvi	10/24/2006
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Mr Ronald N. Hoffer	10/24/2006
Comments:		
Sector Manager:	Mr Hermann A. von Gersdorff	10/24/2006
Comments:		