

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 11/08/2006

Report No.: AC2599

1. 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 19, 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>		2.00
		2.00
Environmental Category: F - Financial Intermediary Assessment		
Simplified Processing	Simple <input checked="" type="checkbox"/>	Repeater <input checked="" type="checkbox"/>
Is this project processed under OP 8.50 (Emergency Recovery)	Yes <input type="checkbox"/>	No <input type="checkbox"/>

2. Project Objectives

The Government requested additional financing for the CDP through the supplemental credit 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 credit (1) Performance Based Grants; (2) Institutional Capacity Building; and (3) Project Implementation.

3. Project Description

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 credit 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 credit due to limited availability of financing. The supplemental credit would finance the pipeline of subprojects that were unable to be financed under the existing CDP credit. This pipeline of projects would be selected for the supplemental credit 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 credit 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 credit due to limited availability of financing. The supplemental credit would finance the pipeline of subprojects that were unable to be financed under the existing CDP credit. This pipeline of projects would be selected for the supplemental credit 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.

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

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.

5. Environmental and Social Safeguards Specialists

Ms Maniza B. Naqvi (ECSHD)

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 project is a supplemental credit for additional financing for an ongoing operation under which environmental issues have not arise. However, an environmental screening process is in place for each project appraisal.

None of the activities financed under the project are expected to have an adverse environmental impact. Nevertheless, appropriate environmental aspects will be considered when assessing financing of rural roads and other infrastructure proposals. The Operations Manuals for both RS and Federation include the environmental and social screening process.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
None.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
Alternatives were considered for the original project. The current project is additional financing to scale up the activities under the original project.

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's capacity to implement the project is high. The project supports reconstruction and rehabilitation work, and the procedures for identifying, appraising, implementing and monitoring of such work are laid out in the operations manuals.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. The key stakeholders are: beneficiaries; non-governmental organizations; local and central governments; and other donors and agencies. The procedures for identifying, appraising, implementing and monitoring of such work are laid out in the operations manual.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Date of receipt by the Bank	11/08/2006
Date of "in-country" disclosure	11/08/2006
Date of submission to InfoShop	11/08/2006
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	

*** 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:

The Operations Manuals for both RS and federation include the environmental and social screening process which will be used when assessing financing of rural roads and other infrastructure projects.

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?	No
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?	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	Yes

groups and local NGOs?

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? N/A

Have costs related to safeguard policy measures been included in the project cost? N/A

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? N/A

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? N/A

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Ms Maniza B. Naqvi	11/08/2006
Environmental Specialist:	Ms Maniza B. Naqvi	11/08/2006
Social Development Specialist Additional Environmental and/or Social Development Specialist(s):		
<i>Approved by:</i>		
Sector Manager:	Mr Hermann A. von Gersdorff	
Comments:		