

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

Report No.: 88754

Date prepared/updated: 6/16/2014

I. Basic Information**1. Basic Project Data**

Country: Georgia	Project ID: P146123	
Project Name: Empowering Poor Communities and Micro-Entrepreneurs in the Georgia Tourism Sector		
Task Team Leader: Nicolas Perrin		
Estimated Appraisal Date: 6/25/2014	Estimated Board Date: N/A	
Managing Unit: ECSSO	Lending Instrument: Investment Project Financing	
Sector: Other Social Services (50%); Other industry (50%):		
Theme: Micro, Small and Medium Enterprise Support (40%); Participation and Civic Engagement (30%); Cultural Heritage (30%)		
IBRD Amount (US\$m.): IDA Amount (US\$m.): GEF Amount (US\$m.): PCF Amount (US\$m.): Other financing amounts by source: US\$ 2.5 million (Japan Social Development Fund - JSDF)		
Environmental Category: B		
Is this project processed under OP 8.00 (Rapid Response to Crises and Emergencies)	Yes []	No [X]

2. Project Objectives:

The development objective is to support employment generation and increase household incomes for targeted poor and vulnerable communities in the Kakheti and Imereti regions by helping them to (i) start/grow micro, small, and medium-sized enterprises in the tourism sector and (ii) implement small works in the vicinity of cultural heritage sites.

3. Project Description:

The proposed grant project will have the following five components:

Component 1: Market Assessment and Gender assessment (US\$ 82,680). This component will be carried out with the objective of better understanding MSMEs and vulnerable groups' role, including women, in the local economy. Baseline indicators will be drawn from these analyses. This output will closely inform the design of components 2 and 3. Those assessments are crucial to the proper design of the Technical Assistance and Capacity Building activities.

Component 2: Technical Assistance and Capacity Building (US\$ 220,800). This will include management and other skills development, advisory services, training on access to markets (particularly tourism), and product development. The goal is to address the constraints of poor and vulnerable groups in accessing networks and know-how to tap into the tourism sector opportunities. Gender-sensitive training will be provided for women among the targeted beneficiaries.

Component 3: Support to MSMEs (US\$ 1,080,000). This component will fund (a) matching grants to eligible beneficiaries to start or expand their businesses/enterprises. The matching grant (average amount of US\$2,000) will support the production of goods and services related to cultural heritage for micro-entrepreneurs currently not targeted by the two RDP projects. This may include agro-processed foods, guiding services, handicrafts, performing arts, and other cultural industries. The grant will cover activities such as equipment, services, product promotion, and the acquisition of technical and market information; (b) Support will be provided to MSMEs to enhance their business development capacity, and build credit with local financial institutions. This will include consultations, meetings, and workshops that will link entrepreneurs with local business associations and financial institutions.

Component 4: Community Mobilization for Implementation of Small Works at Targeted Cultural Heritage Sites (US\$ 741,520). The project will support community mobilization and small works at targeted cultural heritage sites. The grant facility will fund community driven initiatives that engage neighborhood groups in protecting their own heritage and enhancing tourist visitation through the improvement of the areas along the access routes and in the vicinity of the sites, such as cleaning the area, improving access to sites, providing signage and interpretation, etc. under the stewardship of the NCHPA. Those activities will be small scale initiatives not currently financed under RDP and RDP II. The grantees will be required to contribute up to 20% of project costs in cash or in kind. The size of the grant supporting the community driven initiatives shall not exceed USD 60,000.

Component 5: Participatory Monitoring and Impact Evaluation and Project Management and Administration (US\$ 375,000). This component will support technical support and training for Monitoring & Evaluation (M&E), knowledge dissemination, project management and administration.

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

The Project will be implemented in various locations within Kakheti and Imereti regions of Georgia, around the sites identified by RDP and RDP II¹. These locations include Telavi, Kvareli, and Tusheti and areas around improved cultural heritage sites in Kakheti, as well as Tskaltubo, Vani, and areas around improved cultural heritage sites in Imereti.

5. Environmental and Social Safeguards Specialists on the Team:

Mrs. Darejan Kapanadze (ECSN)

¹ Since 2012, two Regional Development Projects (P126033 & P130421) have been under implementation in the Kakheti and Imereti regions. Those projects aim to improve large scale infrastructure services and institutional capacity to support the development of regional economies based on tourism and cultural heritage circuits

Mrs. Nino Metravili (ECCSO)

6. Safeguard Policies Triggered (<i>please explain why</i>)	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

- Environmental Assessment (OP/BP 4.1) is triggered because the activities /interventions proposed include physical works that may have certain impacts on natural environment, human health, and safety. Environmental Management Frameworks (EMFs) developed and approved for the implementation of RDP and RDP II were used to produce an Environmental and Social Management Framework (ESMF) for purposes of JSDF grant-financed project;
- Physical Cultural Resources (OP/BP 4.11) is triggered because interventions are expected in the vicinity of historic and cultural monuments. EMSF includes provisions for the protection of the Physical Cultural Resources.
- Involuntary Resettlement (OP/BP 4.12) is triggered in light of possible temporary impacts of minor civil works associated to MSME development and small community grants for the beautification of the sites. Because the location and footprint of these investments will not be known until implementation, the Resettlement Policy Framework (RPF) prepared for RDP and RDP II was adapted for the purposes of JSDF-financed project and will be used for its implementation.

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:

Impact on the environment. The project will issue small grants to MSMEs and communities which will be used to improve the accessibility and hospitality of the sites supported by RDP and RDP II. The JSDF investments are not expected to have significant impact on the environment, however they will support physical works and hence OP/BP 4.01 Environmental Assessment is triggered and the project is classified as environmental Category B. The JSDF-financed enterprise development activities and community-driven initiatives will follow safeguard procedures outlined in the ESMF. When necessary, site-specific Environmental Management Plans (EMPs) will be prepared for individual investments, disclosed, and discussed with the stakeholders prior to commencement of works at each site.

Impact on physical cultural resources: The project aims at supporting women entrepreneurs and local communities in the vicinity of the cultural heritage sites supported by the RDP and RDP II. This would imply improvement of access to these sites and development of tourist services around them. OP/BP 4.11 is triggered to ensure that no element of cultural heritage is affected negatively neither during construction nor operation of the infrastructure provided under the project. Grant Selection Committee reviewing applications for the activities in the vicinity of cultural heritage sites will include professional(s) and a representative of the Ministry of Culture and Monuments Protection or NCHPA capable of and authorized to screen these applications for filtering out initiatives that may negatively affect aesthetic value or otherwise damage the heritage. These people will also be involved in the technical supervision of works. EMSF includes provisions for the protection of the Physical Cultural Resources.

Involuntary Resettlement: No involuntary land acquisition is expected from the JSDF supported activities. OP/BP 4.12 is triggered in case MSME and community investments create disruption in local livelihoods due to particular land being used either temporarily or permanently for project purposes or due to the temporary or permanent loss of access to land-based resources. RPF, currently used for the RDP and RDP II, was adjusted to the project, published on Elkana web page and will be followed as required. Resettlement Action Plans (RAPs) for individual subprojects will be prepared as needed in line with the RPF and resettlement measures implemented prior to commencement of civil works at any given sub-project site.

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

The project is not expected to have any long-term impacts on the natural environment, while the social impacts will be positive.

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:

EMFs are prepared and are being used by MDF for RDP and RDP II. These EMFs were used to develop the ESMF for the purposes of implementing JSDF grant-financed activities. ESMF carries detailed guidance on the environmental and social screening of sub-projects as well as on the developing of site-specific EMPs and tracking of their implementation.

RPF was prepared and is being used by MDF for RDP and RDP II. It was updated and will be applied to the JSDF-financed project. Whenever required, RAPs will be produced and implemented for the needs of the specific community and business initiatives.

A national NGO called Elkana will be an implementing agency for the JSDF-financed project and, among other duties, will carry responsibility for applying the Bank's safeguard policies to the project-supported activities. Elkana will put in place, and will maintain throughout project

implementation, arrangements for safeguards supervision and reporting satisfactory to the Bank. This would include special provisions for the technical supervision of works in proximity to the sensitive natural and cultural receptors. Elkana has an extensive experience in implementing projects aimed at improving rural livelihoods of Georgian farmers and fostering environmentally sustainable farming practices. Also, Elkana has supported rural guesthouses in Georgia by helping to upgrade their infrastructure and services. While administering those projects mostly supported by donor institutions, Elkana had to adhere to the good international environmental and social protection standards. Implemented projects had positive evaluation on donor's behalf.

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 include (but are not necessarily limited to): beneficiaries of JSDF activities, community members and small businesses, local government members and employees, and NGOs/CBOs actively involved in working with the poor and the conservation of cultural heritage in the project area.

The ESMF, drafted for the JSDF-financed project based on the EMFs of RDP and RDP II, was disclosed on Elkana's web page and discussed with stakeholders in the two consultation meetings held on June 17th and 19th in the regions of Keheti and Imereti which are targeted for the project interventions. Finalized ESMF will be re-disclosed on Elkana's web page and published through the Bank's InfoShop. When necessary according to ESMF, site-specific EMPs will be prepared for individual investments under JSDF-financed project, shared with the Bank, disclosed, and discussed with the local communities prior to commencement of works at each site.

The RPF, prepared for the JSDF-financed project following the sample RPF used for the ongoing RDP and RDP II, was disclosed through Elkana's web page and discussed in stakeholder consultation meetings together with ESMF. Once finalized, the RPF will be re-disclosed through Elkana's web page and through the InfoShop. When necessary according to RPF, site-specific RAPs will be prepared for community and private sub-projects JSDF-financed project, shared with the Bank, disclosed, and discussed with the local communities prior to commencement of works at each site.

<i>B. Disclosure Requirements Date</i>	
Environmental Assessment/Audit/Management Plan/Other:	
Was the document disclosed <i>prior to appraisal</i> ?	
Date of receipt by the Bank	6/16/2014
Date of "in-country" disclosure	6/16/2014
Date of submission to InfoShop	6/16/2014
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 <i>prior to appraisal</i> ?	Yes
Date of receipt by the Bank	6/11/2014

Date of "in-country" disclosure	6/13/2014
Date of submission to InfoShop	6/16/2014
Indigenous Peoples Plan/Planning Framework:	
Was the document disclosed <i>prior to appraisal</i> ?	N/A
Date of receipt by the Bank	N/A
Date of "in-country" disclosure	N/A
Date of submission to InfoShop	N/A
Pest Management Plan:	
Was the document disclosed <i>prior to appraisal</i> ?	N/A
Date of receipt by the Bank	N/A
Date of "in-country" disclosure	N/A
Date of submission to InfoShop	N/A
* If the project triggers the Pest Management and/or Physical Cultural Resources policies, 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 4.01 - Environment Assessment			
Does the project require a stand-alone EA (including EMP) report?	Yes [X]	No []	N/A []
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes [X]	No []	N/A []
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [X]	No []	N/A []
OP/BP 4.04 - Natural Habitats			
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes []	No [X]	N/A []
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes [X]	No []	N/A [X]
OP 4.09 - Pest Management			
Does the EA adequately address the pest management issues?	Yes []	No []	N/A [X]
Is a separate PMP required?	Yes []	No [X]	N/A []
If yes, has the PMP been reviewed and approved by a safeguards specialist or Sector Manager? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes []	No []	N/A [X]
OP/BP 4.11 – Physical Cultural Resources			

Does the EA include adequate measures related to cultural property?	Yes [X]	No []	N/A []
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on physical cultural resources?	Yes [X]	No []	N/A []
OP/BP 4.10 - Indigenous Peoples			
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes []	No []	N/A [X]
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes []	No []	N/A [X]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit?	Yes []	No []	N/A [X]
OP/BP 4.12 - Involuntary Resettlement			
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [X]	No []	N/A []
If yes, then did the Regional unit responsible for safeguards or Sector Manager review and approve the plan/policy framework/process framework?	Yes [X]	No []	N/A []
OP/BP 4.36 – Forests			
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes []	No []	N/A [X]
Does the project design include satisfactory measures to overcome these constraints?	Yes []	No []	N/A [X]
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes []	No []	N/A [X]
OP/BP 4.37 - Safety of Dams			
Have dam safety plans been prepared?	Yes []	No []	N/A [X]
Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?	Yes []	No []	N/A [X]
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?	Yes []	No []	N/A [X]
OP/BP 7.50 - Projects on International Waterways			
Have the other riparians been notified of the project?	Yes []	No []	N/A [X]
If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?	Yes []	No []	N/A [X]
What are the reasons for the exception? Please explain:	Yes []	No []	N/A [X]
Has the RVP approved such an exception?	Yes []	No []	N/A [X]
OP/BP 7.60 - Projects in Disputed Areas			

Has the memo conveying all pertinent information on the international aspects of the project, including the procedures to be followed, and the recommendations for dealing with the issue, been prepared	Yes []	No []	N/A [X]
Does the PAD/MOP include the standard disclaimer referred to in the OP?	Yes []	No []	N/A [X]
The World Bank Policy on Disclosure of Information			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [X]	No []	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?	Yes [X]	No []	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 [X]	No []	N/A []
Have costs related to safeguard policy measures been included in the project cost?	Yes [X]	No []	N/A []
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [X]	No []	N/A []
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [X]	No []	N/A []

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Nicolas Perrin	6/16/2014
Environmental Specialist:	Darejan Kapanadze (ECSEN)	6/16/2014
Social Development Specialist	Nino Metreveli (ECCSO)	6/16/2014
Additional Environmental and/or Social Development Specialist(s):		
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Agi Kiss	6/16/2014
Comments:		
Sector Manager:	Elisabeth Huybens	6/16/2014
Comments:		

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