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Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 21-Aug-2017 | Report No: PIDISDSC22610



BASIC INFORMATION

A. Basic Project Data

Country Montenegro	Project ID P164424	Parent Project ID (if any)	Project Name Montenegro Second Institutional Development and Agriculture Strengthening Project (P164424)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date Oct 23, 2017	Estimated Board Date Dec 14, 2017	Practice Area (Lead) Agriculture
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Agriculture and Rural Development	

Proposed Development Objective(s)

The Project Development Objective is to improve the delivery of government support for agriculture, fisheries and rural development in a manner consistent with EU accession requirements.

Financing (in USD Million)

Financing Source	Amount
International Bank for Reconstruction and Development	34.00
Total Project Cost	34.00

Environmental Assessment Category B-Partial Assessment	Concept Review Decision Track I-The review did authorize the preparation to continue
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Other Decision (as needed)



B. Introduction and Context

Country Context

Montenegro is a small and open upper middle-income transition economy; the country gained independence in 2006 and is negotiating accession to the European Union. It started negotiations with the European Union in June 2012 and strives to join by 2020 ahead of the other countries in the Western Balkans. Of the 35 negotiations chapters, two have been provisionally closed and twenty-four have been opened. In the latest European Commission (EC) Progress Report on Montenegro, issued in November 2016, the EC notes that Montenegro is at an early stage of preparation regarding fisheries and budgetary and financial provisions and at some level of preparation in the area of environment and climate change. Good progress has been made in the area such as free movements of goods, agriculture and rural development, food safety, veterinary and phytosanitary policy, energy, employment and social policy, regional policy and preparation for structural instruments. The EC also notes in the report that, looking ahead, Montenegro should also focus on competition policy and economic and monetary policy. Strengthening the administrative capacity for ensuring the application of the *acquis* remains a substantial challenge for Montenegro.

Montenegro has gone through a period of economic boom and poverty reduction followed by one of economic bust and stagnation. The economic boom, from 2000 to 2008, was triggered by a large inflow of capital that stimulated aggregate demand and led to a steady increase in the rate of growth, and a fall in the rate of unemployment. During the boom, there was a steady decline in the percentage of households below the poverty line and an increase in the income of households in the bottom 40 percent, most of them in rural areas. After experiencing a double-dip recession due to the 2008 global financial and the 2012 Eurozone debt crisis, Montenegro's economy expanded by 3.5 percent in 2013 but slowed down to 1.8 percent in 2014 and recovered to 2.5 percent in 2016. Montenegro remains highly susceptible to external shocks owing to its high external current account deficit and external debt ratio (19 percent and 138 percent of GDP in 2016, respectively).

Montenegro's overarching development goal is to achieve smart, sustainable and inclusive growth. Montenegro's development plan is outlined in three separate but complimentary strategies: the EU Accession Program 2014-2018, the Montenegro Development Directions (MDD) 2015-2018, and the Montenegro Economic Reform Program 2016-2018 (ERP). The MDD, aligned with the Europe 2020 strategy, was adopted by the Government in July 2015. Under the overarching objective of achieving "smart, sustainable and inclusive growth," the MDD identifies four driving sectors, namely tourism, energy, agriculture and rural development, and manufacturing industry.

Sectoral and Institutional Context

Agriculture is one of the key sectors for the economic development of Montenegro. In this predominantly mountainous country, agricultural land represents 38 percent of total land area, two thirds of which is covered by pastures. Agriculture and food production play an important role in the economy, contributing 12 percent of GDP (with primary sector contributing 10 percent, and agro-food processing and fisheries contributing around 2 percent). With agricultural exports increasing by around 4 percent annually during the last 8 years, agricultural imports have been increasing much faster (around 16 percent annually) leading to the worsening of agricultural trade deficit from US\$166 million in 2005 to quadruple by 2014. As a share of goods trade deficit, agriculture increased from 21 percent to 27 percent during the same period.

Agriculture contributes to income and job creation. Agriculture is by far the largest activity of the rural population;



48,870 families (or roughly a quarter of the country's population), with small-scale holding of 4.5 hectares on average, obtain their income partly or entirely from agriculture. Despite its small size, the agro-climate and landscape varies dramatically from the North to the South and coastal areas of the country. Olive and citrus fruit production dominate coastal region. Early vegetable production and wine yards in the center and in proximity of the larger agglomerations of Nikšić and Podgorica, and extensive livestock production in the north. Agriculture may be more important than official statistics reveal. According to MONSTAT, the number of persons formally employed in agriculture was 2,347 in 2010. However, according to the 2010 Agricultural Census, the equivalent of 46,473 Annual Work Units were working in agriculture, indicating that only 5 percent of agricultural employment is formal.

The potential of agriculture, and fisheries, can be further developed. In 2014, 3,316,4 tons of fisheries products were imported in Montenegro, of which 2,000 tons of fresh, frozen and fileted products; 11 tons of fisheries products were exported. With estimated sea catches around 900 tons a year and a similar volume of farmed production, Montenegro has the potential to increase the share of its production in the domestic market and its processing industry from domestic catches and farming. However, the sector is constrained by outdated equipment, lack of infrastructure such as landing places and facilities for unloading, sorting-out, weighting, packaging, marketing of fish, etc.

Montenegro agriculture suffers similar constraints that are seen elsewhere in Southeast Europe. These are: (i) inability to adopt modern technologies due to lack of access to finance; (ii) small average farm size and an incomplete land use planning; (iii) slow uptake in development of aggregators that could improve collecting, storage, packaging and marketing of produce; (iv) the effects of climate change, especially increased risks of weather-related natural disasters such as floods, and to a lesser extent droughts, the former often resulting in damaging land erosion once torrential rains occur after these dry periods.

The Ministry of Agriculture and Rural Development (MARD) is the central institution in the agricultural sector in Montenegro. It has a cross-cutting mandate that covers not only agriculture, rural development, and the food system, but also encompasses water, forestry and fisheries. While the focus of the past 10 years has been primarily on aspects related to agriculture and to a lesser extent to food safety, the Ministry recognizes the need to strengthen other sub-sectors, i.e. food safety and fisheries, for which it is responsible and for which little policy orientation or support has been provided. MARD has taken some important steps in the last two years to address this matter by adopting the legislation that provides a new framework for food safety and establishes the Administration for Food Safety, Veterinary and Phytosanitary Affairs. Further, it has functionally separated the Directorate of Agriculture and Fishery into two Directorates to focus on supporting each sub-sector individually.

Agriculture is an important sector in the EU accession goals of Montenegro. Since the early stages of Montenegro's EU accession process, the EC and the World Bank have closely coordinated their activities to support Montenegro's authorities and the agricultural sector towards unlocking access to the Instrument for Pre-Accession and Assistance for Rural Development (IPARD). The IBRD and GEF-funded Montenegro Institutional Development and Agriculture Strengthening Project (MIDAS) was launched in July 2009¹ and has made important contributions to closer compliance with the IPARD requirements. The country's authorities have put considerable efforts into setting up the required legal and institutional framework to meet EU pre-accession requirements. To this end, the MIDAS project contributed to (i) the establishment and capacity building of the Directorate for Rural Development and preparation of the IPARD 2014-2020 Program and of the Code of Good Agricultural Practices; (ii) setting up of the Directorate for Payments, and establishment of the Farm Registry and of the Price Reference Database; (iii) providing grants to the agriculture holdings promoting farms development and modernization; investments in the processing industry and (iv) enhancing food safety through investments in the national reference laboratories (Veterinary Lab and Institute of Marine Biology), as well as

¹ The MIDAS is scheduled to close on March 30, 2019



building and equipping the first Border Inspection Post (BIP) in Bar and strengthening the sector legal and regulatory framework.

Montenegro has opened negotiations with the EU on Chapter 11 – Agriculture and Rural Development in December 2016, while Chapter 12 – Food Safety, and Chapter 13 – Fishery negotiations were opened in June 2016, as opening benchmarks for these chapters have all been met and negotiations positions adopted by the Montenegrin Government. MIDAS activities have actively contributed in supporting the country in reaching the EU pre-accession negotiation opening benchmark for Chapter 11 and 12. In this context, MARD has requested the Bank to continue its support to the Ministry to meet the closing benchmarks of these three chapters.

Relationship to CPF

The proposed project is aimed at improving delivery of the government support for agriculture, fisheries and rural development in a manner consistent with the EU accession requirements. It is consistent with the Montenegro Country Partnership Framework (CPF) for the period of FY16-20. Specifically, the project contributes to Focus Area 2 *“Expand access to economic opportunities and jobs”* and its Objective 2c *“Enhanced private investments and job-creation in high-potential sectors,”* which includes an indicator of *“Increased investments in agriculture and rural development in line with IPARD measures.”* As noted in the CPF FY16-20 document, increased private sector investments and job creation in the areas of agriculture and sustainable tourism would substantially benefit rural communities and vulnerable groups, including women and youth. Agriculture is by far the largest source of income in rural areas where 41 percent of the poor live, and where the inactivity rate for women reaches 67 percent, 27 percentage points higher than for men. Private sector investments in sustainable tourism will offer new opportunities for youth and new entrants in the labor market, who find it particularly difficult to transition to work.

The project will stimulate economic opportunities following the improvements in food safety as it will improve competitiveness of Montenegrin producers to access new markets. In addition, the grant program is expected to increase economic activities and generate more jobs. Grants towards the fisheries sub-sector, that has had little support so far, will help mobilizing private capital and provide the signal to the sector that it remains a priority and thus likely attract downstream investment in processing and packaging adding value to the primary resource.

The project is consistent with the country’s EU accession objectives. Currently Montenegro is in the final stage to receive the EU’s *“Entrustment of budget implementation tasks for EU IPARD funds”* for measure 1 – Investments in physical assets of agricultural holdings and measure 3 – Investments in physical assets concerning processing and marketing of agricultural and fishery products of the IPARD II Program. To this end, Montenegro’s IPARD II Program for 2014-2020 (approved by the EU and adopted by the Government of Montenegro in September 2015) is conceived as a multi-annual development program for rural areas and proposes nine measures to be co-financed by EU and implemented by the Government, for which the Sectoral Agreement between Montenegro and the EU has been signed and ratified



C. Proposed Development Objective(s)

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The Project Development Objective is to improve the delivery of government support for agriculture, fisheries and rural development in a manner consistent with EU accession requirements.

Key Results (From PCN)

The project design is aligned with supporting 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), which are: (i) establishment of the Integrated Administration and Control System (IACS) to be fully operational by the date of accession; and (ii) setting up of a 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), specifically: (i) upgrading of establishments for products of animal origin, including establishments for animal by-products; (ii) setting up of an EU compliant system for official control of live animals and animal products, including its funding; and (iii) setting up and development, in accordance with the acquis, the relevant administrative structures, in particular as regards food safety controls, and to further increase its administrative capacities and infrastructures.
- Development of infrastructure required for a modern fisheries sector aiming at meeting the first benchmark for Chapter 13 on Fisheries, specifically its capacity to fully apply the Common Fishery Policy upon accession, as well as the second benchmark to substantially strengthen the administrative, inspection and control capacity required by the Common Fisheries Policy and ensure that EU requirements will be fully met at the date of accession.

The results will be measured through the achievement of the following:

- Official control system for food safety upgraded in EU- compliant manner;
- Number of agricultural holdings/enterprises including fisheries developing additional and/or diversified source of income;
- Functional integrated accounting control system established in accordance with the EU requirements;
- Increased share of catch within the Montenegro quotas.

D. Concept Description



The Proposed project will be an investment project financing (IPF); the amount of the loan will be about US\$34. The MIDAS 2 will consist of four components:

Component 1: Strengthen MARD agriculture, rural development and fisheries program (EUR20 million). The component will: (i) increase and diversify income generation opportunities of farmers, and contribute to the creation of jobs, and (ii) support Montenegro for meeting Chapter 11 closing benchmarks.

Sub-component 1.1: Grants for agriculture, rural development and fisheries (EUR 17 million). This sub-component will support the development of agriculture, rural development and fisheries through the provision of grants. The design of the grant program will follow the implementation experience gained through the MIDAS project, where “the learning by doing” approach has been successfully tested. The grant program will be targeted at: (i) providing the required national contribution for EU accredited and funded IPARD II program measures; (ii) supporting the implementation of IPARD-like measure, i.e. IPARD II program measures, including farm diversification, that have not been previously implemented in order to develop the capacity of both institutions and beneficiaries while stimulating economic growth in rural areas; (iii) implementing direct payments measures that support the ministerial policy objectives towards harmonization with the Common Agriculture Policy (CAP); and (iv) fisheries investments to enhance the capacity of the sector in preparation for the implementation of the European Maritime Fishery Fund. The grant program is expected to leverage private sector investment and beneficiaries’ contribution.

Sub-component 1.2: Strengthening the Directorate for Payment (DfP) toward fulfilling EU accession requirements (EUR 3 million). This sub-component will provide investments to (i) strengthen the DfP (future Paying Agency) management capacity through the development of the regional offices that will be part of the final structure of a fully functional Paying Agency, and (ii) develop the Integrated Administration and Control System (IACS) components required for the management and control of payments to farmers, as well as the implementation of the European Agriculture Guarantee Fund, functionality of which constitute one of the closing benchmark of Chapter 11. The project will support the development of several modules necessary for the operational system of integrated controls. To this end the project will finance refurbishing and equipping of the offices and the required hardware and software infrastructure. In addition, the project will finance TA to assist the counterparts in making design decisions to finalize the IACS and its various applications, as well as training and capacity building required for the functioning of the DfP and other bodies, including the Extension Services Unit at MARD, involved the implementation of the system.

Component 2: Support towards closing benchmarks for Chapter 12 on Food Safety, Veterinary and Phytosanitary Policy (EUR4 million). This component will support the country to meet the closing benchmarks in relation to Chapter 12, including: (i) safe disposal of animal by-products; (ii) strengthening the phytosanitary laboratory diagnostic capacity; and (iii) support to inspection services. The following set of activities will be financed under this component:

Sub-component 2.1: Safe disposal of animal by-products (ABPs). The project will support the implementation of a pilot project for safe disposal of Specified Risk Materials (SRMs) and Category 1 ABPs in the municipalities of Nikšić and Bijelo Polje where the local meat processing industry operates the two largest slaughterhouses in the country. The pilot project will be based on the feasibility study developed under the MIDAS project, and will contribute to safe disposal of SRM and Category 1 ABPs with approved methods in compliant facilities, as well as create conditions on the ground for the gradual introduction of an official control system for ABPs. The project will provide TA to update and expand this feasibility study, and to train the staff involved in official controls, and necessary investments for the construction of storage, incineration facilities and supply of various equipment (e.g. incinerators, leak-proof and corrosion-resistant containers, vehicles, fork-lifts, etc.).



Sub-component 2.2: Strengthening the diagnostic capacity of the phytosanitary laboratory. The project will assist the national reference phytosanitary laboratory (NRL) housed at the Bio-Technical Faculty of the University of Montenegro with procurement of laboratory equipment to support official controls. The project will also provide targeted TA aiming to ensure efficient inter-agency collaboration between the Food Safety, Veterinary and Phytosanitary Administration and NRL by means of a Memorandum of Understanding, and pave the way towards accreditation of priority tests and methods as per ISO standard 17025.

Sub-component 2.3: Support to inspection services. To enable the inspectors of the unified Food Safety, Veterinary and Phytosanitary Administration to implement effectively the enhanced official control regime arising from EU legislation and the risk-based annual official control and sampling plan, the project will provide new vehicles and equipment for collection, cold storage and transport of samples, protective clothing, official uniforms, and other items. The project will also finance a comprehensive set of measures to establish and operate an integrated IT inspection management system – including a business analysis and definition of IT users' requirements, training, design/development of software and procurement of hardware – and interface such system with other IT systems currently in operation, notably for animal identification and farm registration.

Component 3: Modernization of the Fisheries Sector (EUR5 million). This component will aim at achieving two objectives: (i) to enhance the productive capacity of the sector with investments in basic infrastructure that will provide fishermen a regulated safe and sanitary port and landing facilities, and (ii) to strengthen the institutional capacity in the sector to apply the Common Fishery Policy upon EU accession, as well as to substantially strengthen the administrative, inspection and control capacity. This component will finance the following interventions:

Sub-component 3.1: Development of the landing places (piers) and their auxiliary services. The preliminary priority sites to be supported by the project have been identified as the ports of Bar in the south and Herceg Novi in the north. The project will finance TA for an inter-agency coordination and creation of relevant legal basis, and preparation of designs and technical specifications required for equipment and infrastructure. Further the project will finance civil works, including construction of facilities for unloading, sorting-out, weighting, packaging, marketing of fish and will provide permanent locations for fueling and watering, bilge pumping, cleaning and disinfection of boats and equipment for waste management.

Sub-Component 3.2: Capacity Building to the Fishery Administration and support to the Fishery Associations. The MARD Fishery Directorate is already the beneficiary of assistance through the various regional programs supporting the sustainable management of marine resources. The scientific participation is mainly taking place through the Marine Biology Institute in Kotor, while the Directorate itself is receiving support in the development of rules and regulations pertaining to the sector converging towards the full application of the Common Fishery Policy (CFP) once Montenegro becomes a member state. The project will therefore support training and materials for the fishery inspectors to enable them to function in line with EU requirements. Considerable TA support will be also provided to the Fishery Associations as they will be the direct beneficiaries of resources from the European Maritime Fishery Fund (EMFF) which will mainly cover the added expenses incurred by fishermen to apply the CFP rules and regulations.

Component 4: Project Management (EUR1 million). This component will cover the costs for project management related to staffing, consultancies, and equipment costs, as well as implementation of 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.



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SAFEGUARDS

A. 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 preliminary priority sites to be supported by the project have been identified as the ports of Bar in the south and Herceg Novi in the north. Further, the project will support the implementation of a pilot project for safe disposal of Specific Risk Materials and Category 1 ABPs in the municipalities of Niksic and Bijelo Polje where the local meat processing industry operates the two largest slaughterhouses in the country. Under sub-component 2.2 the project will assist the National Reference Laboratory housed at the Bio-Technical Faculty of the University of Montenegro in Podgorica. Support to inspection services under sub-component 2.2 will be provided across the country. 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 grant program for agriculture, rural development and fisheries will be implemented throughout the country.

B. Borrower's Institutional Capacity for Safeguard Policies

The Borrower has a long-term experience and strong comprehension and performance in implementing the environmental and social safeguards policies, under the original MIDAS project and the associated Trust Fund activities, as well as the Additional Financing. As such, the environmental and social screening procedures are thoroughly and completely integrated into the overall project design and implementation. As an example, under the 6-th grant call, 521 applications were received, and approx 300 of them dealt with construction, reconstruction and adaptation of farm facilities and/or barns, including improved environmental performance. For the most part, these are a low Category B activities and the main risks associated with the activities financed under the original project include design of the katuni huts and interventions in protected areas on katuni, and increases in farm capacities that would bring the capacity over the Profound EIA threshold (i.e. Category A).

The team has a seasoned environmental specialist in house, and has strong ownership over the screening process and procedures which is evident from the fact that the procedures were clearly laid out, practically implemented, the client was trained in preparing, developing and monitoring safeguard documents such as EMPs for grant applications with regular supervision conducted on EMP compliance. The entire MIDAS team is following closely the safeguards procedures and have attended all regional trainings that have been offered by the World Bank on this topic.

The grievance redress mechanism (GRM) has been fully institutionalized; it is operational and well-functioning. Effective and transparent handling of complaints has been in place since 2011 with timely registration and acknowledgment of complaints received; due diligence paid for their thorough review/re-evaluation in accordance with the approved checklist (modified in 2014); and issuance of decision reached (a formal response to the complainant) followed by the disclosure. All procedures related to complaints handling and relevant information are posted on the MIDAS website: www.midas.co.me to ensure a full transparency. Social safeguards compliance under the MIDAS 1 and MIDAS Additional Financing has been rated as satisfactory. All grant investments are fully in line with provisions of social screening checklist. Land titles were clear and no irregularities in terms of land ownership or the usage right have ever been reported.

C. Environmental and Social Safeguards Specialists on the Team



Vera Dugandzic, Social Safeguards Specialist
Esma Kreso, Environmental Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>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, agro-processing, traditional katuni huts, etc. The environmental screening procedure has been implemented for the original project will continue to be applicable to these activities and will be slightly revised to reflect the envisaged project activities, in the form of an ESMF. A template ESMP shall be developed for this Component along with a screening procedure and the Marine Stewardship Council certification system that will be integrated into the project design.</p> <p>Furthermore, the ESMF shall address the construction and reconstruction activities under Component 3, aimed at improving the pier facilities for the fisheries. There are no major environmental impacts anticipated at this stage except for the dust and noise, material sourcing, and waste management with regards to Components 1 and 3. For Component 2, the issue of safe disposal of animal wastes may also include issues on safety and access to the site, air quality and management of remaining waste materials that will need to be carefully reviewed and supported through an ESIA that will be prepared separately from the ESMF, but may be included as part of the overall environmental and social due diligence package. The ESIA will more than likely be updated prior to implementation of the component, with site specific details and also supplemented with the information needed for the environmental permits, as required by Montenegro laws. These milestones will form part of a time-bound action plan linked to disbursement to ensure that the Bank provides No objection of the</p>



		safeguards instruments. The revised ESIA will be done in parallel with the Montenegrin environmental permitting procedure (and subsequent ESIA as per the governing laws of MNE) and will be integrated into the bidding documents for works and procurement of the equipment. In this manner, the Bank will review and clear the revised ESIA prior to any works on the ground.
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. This will be confirmed by Appraisal.
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 will include a section on PMP.
Physical Cultural Resources OP/BP 4.11	No	There are no activities involving cultural resources foreseen under the project.
Indigenous Peoples OP/BP 4.10	No	There are no activities involving indigenous peoples foreseen under the project.
Involuntary Resettlement OP/BP 4.12	TBD	The original project triggered the Bank's Policy OP 4.12 on Involuntary Resettlement as it was expected that the project would finance the construction of the Paying Agency building and that land may be required to be expropriated for that purpose. The Resettlement Policy Framework (RPF) document was developed, approved and disclosed in November 2008. However, the implementing Ministry of Agriculture and Rural Development decided not to construct a new building but rather opted to use the existing state-owned building. To date, no land acquisition took place under the MIDAS and associated IPARD-like grants. As stated in the Grant Operational Manual (GOM), only activities that do not trigger the application of Bank's OP 4.12 policy on Involuntary Resettlement are eligible for grant funding. The Grant scheme support program under the proposed project will follow the same eligibility criteria which clearly state that the activities which may result in displacement of any third party formally or informally occupying or using the land on which the activity is to be implemented will be excluded from financing. Only activities that are



		<p>located on the farmer's own land or on land for which the grant applicant has written consent from the owner to use the land will be eligible for funding. Land acquisition is not expected also under the sub-component on safe disposal of animal by-products (ABPs) as necessary investments for the construction of storage and incinerator will take place within the facilities (existing footprint) of the two largest privately owned! slaughterhouses in the country on the basis of a public-private partnership. Additionally, no land acquisition will take place under the sub-component on development of the landing places (piers) and their auxiliary services in the ports of Bar and Herceg Novi as the civil works will be carried out in public maritime domain. The rationale for leaving this category as TBD is to confirm that the construction of the incinerators will not involve involuntary taking of land and that there will be no physical or economic displacement of squatters, scavengers, etc.</p>
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. The team will seek an RVP waiver upon consultation with the LEGEN.
Projects in Disputed Areas OP/BP 7.60	No	

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Sep 18, 2017

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

ESMF and the ESIA for sub-component 2.1 as part of the ESMF preparation/revision started in August 2017 and completed with disclosure and consultations in September 2017.



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