

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

Report No.: 94835

Date prepared/updated: 3/6/15

I. Basic Information

1. Basic Project Data

| | | | |
|--|------------|---------------------------------|--|
| Country: The Caribbean | | Project ID: P131734 | |
| | | Additional Project ID (if any): | |
| Project Name: Caribbean Climate Innovation Center (CCIC) | | | |
| Task Team Leader: Diletta Doretti | | | |
| Estimated Appraisal Date: | | Estimated Board Date: N/A | |
| Managing Unit: GTCID | | Lending Instrument: Grant | |
| Sectors: Private Sector Development, Climate Change | | | |
| Themes: | | | |
| IBRD Amount (US\$m.): 1.5 | | | |
| IDA Amount (US\$m.): 0 | | | |
| GEF Amount (US\$m.): 0 | | | |
| PCF Amount (US\$m.): 0 | | | |
| Other financing amounts by source: | | | |
| Environmental Category: B | | | |
| Is this a transferred project | Yes [] | No [X] | |
| Simplified Processing N/A | Simple [] | Repeater [] | |
| Is this project processed under OP 8.00 (Rapid Response to Crises and Emergencies) | Yes [] | No [X] | |

2. Project Objectives:

The objective of this grant is to strengthen the capacity of the Caribbean Climate Innovation Center (CCIC), which was established by infoDev in 2013 with a \$1.5 million grant from a World Bank's Development Grant facility (DGF). The CCIC's goal is to support growth oriented entrepreneurs in developing locally-appropriate solutions to climate change mitigation and adaptation and strengthening their capacity as they grow. Ultimately this will contribute at strengthening the local ecosystem.

3. Project Description:

This project represents a follow on grant of \$1.5 million to be given to a consortium consisting of Jamaica's Scientific Research Council (SRC) and Trinidad and Tobago's Caribbean Industrial Research Institute (CARIRI) to continue implementing the Caribbean Climate Innovation Center (CCIC). This consortium was selected on a competitive basis in 2013 to establish the Caribbean Climate Innovation Center and was awarded a grant of \$1.5 million by the World Bank's Development Grant Facility (DGF). Under this initial grant, a number of milestones were

achieved including establishment of a management committee to oversee activities, approve budget and workplan; recruitment of CCIC CEO and other key staffing positions; setting up the appropriate IT infrastructure, office space, and conferencing facilities; and establishment of the CCIC website and web-presence. The official launch of the CCIC at the CARIRI CED's facility in Freeport (Trinidad) took place on January 27, 2014, and served as an opportunity to launch the PoC (Proof of Concept) Grant competition. The CCIC aims to provide PoC Grants of up to USD\$50,000 for proposals that demonstrate exceptional potential impact in the 5 areas supported by the CCIC. By July 2014, CCIC awarded \$427,000 to 11 entrepreneurs from across the region, including 4 women entrepreneurs. Particular emphasis has been made to outreach to women entrepreneurs and to solicit applications from OECS countries. The PoC competition, received applications from all target countries – including countries within the Caribbean Community (CARICOM) and the Organization of Eastern Caribbean States (OECS). By July 2014, CCIC identified and selected local partners (organizations and individuals) in various CARICOM countries that will form part of the CCIC's network and serve as hubs across the region; and in August 2014, the CCIC offered the first mentoring session to PoC winners.

Based on the progress made so far by the CCIC towards meeting the DGF's grant objectives, a follow on grant is needed to continue implementing and scaling up its core services and programs. The following activities are planned to be carried out under the proposed grant:

- Build a pipeline of growth-oriented entrepreneurs through PoC grant competitions. Each competition is expected to award grants up to \$50,000 to approximately 10 regional projects per year. The winners will be selected on a competitive basis around pre-set criteria designed for PoC competitions.
- Strengthen the capacity of the entrepreneurs through business incubation services, including mentoring and training, incubation services, market development services, funding facilitation through access to finance, technical advisory services, and product testing and prototyping support. Existing facilities at CARIRI and SRC will continue to be used for product testing and prototyping.
- Facilitate access to early growth-stage capital through the provision of targeted pre-investment advisory services and investment facilitation, including engagement with angel investors, donors, etc. This will be carried out in conjunction with Access to Finance (A2F) component of the EPIC program. The team will also coordinate with the Jamaica Access to Finance Project to enhance linkages with A2F.
- Capture and disseminate the knowledge emerged through a series of market analysis and case studies in the area of climate technology entrepreneurship development in the Caribbean. These will also be shared across with other Climate Innovation Centers being set up by infoDev's Climate Technology Program, of which the CCIC is part.

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

The specific location of all Project related activities (technical assistance, SME sub-projects, etc.) is not known at this time but they could be located in any CARICOM country where the program is being implemented. The existing office in Trinidad will be used, and there will be no new office building constructed in Jamaica nor in any of the other islands for the CCIC activities.

The CCIC is designed to assist small high growth entrepreneurs and SMEs with innovative climate technologies and so will involve grants to SMEs for implementation of PoC activities. Projects may center on any of the CCIC's focus areas: resource use efficiency, water treatment, sustainable agribusiness, solar energy, or energy efficiency. Even at the small, pilot scale, these activities may generate negative environmental impacts if poor practices are used such as the improper disposal of wastes, the unsafe handling or storage of toxic or hazardous materials, or the inappropriate use of residential dwellings for industrial purposes. The scale of the activities is expected to be small at this early stage of development of the recipients' enterprises; however, by this early incorporation of the elements of sound environmental planning and management, it is expected that once the businesses are successful and grow, they will continue with the practice of good environmental management.

Given the CCIC operates in the countries of Belize, Dominica, Guyana, and Suriname, where Indigenous Populations (IP) are present, a Culturally Appropriate Participatory Protocol has been developed. This Protocol will be implemented during the project implementation to ensure that Indigenous Peoples will have an opportunity to provide their views and feedback in a culturally appropriate manner during project implementation as well as to ensure access to appropriate project benefits. At time of appraisal, the Protocol has been finalized and disclosed on relevant sites and with Infoshop.

5. Environmental and Social Safeguards Specialists on the Team:

Michael J. Darr, Sr. Environmental Safeguards Specialist (GENDR)

M. Yaa Pokua Afriyie Oppong, Sr. Social Development Specialist (GSURR)

Ramon Anria, Social Development Specialist (GSURR)

| 6. Safeguard Policies Triggered <i>(please explain why)</i> | Yes | No |
|--|------------|-----------|
| Environmental Assessment (OP/BP 4.01) The project team proposes an environmental category of B per OP/BP 4.01 since the anticipated environmental or social negative impacts are minor and can be mitigated the by application of a management framework. | X | |
| Natural Habitats (OP/BP 4.04) The project will not result in any significant conversion or degradation of critical natural habitats or natural habitats. | | X |
| Forests (OP/BP 4.36) The project will not affect forest areas. | | X |
| Pest Management (OP 4.09) The project will not involve procurement or use of pesticides. | | X |
| Physical Cultural Resources (OP/BP 4.11) The project will not result in any impacts on physical cultural resources. | | X |
| Indigenous Peoples (OP/BP 4.10) Given the CCIC operates in Belize, Dominica, Guyana, and Suriname countries, where Indigenous Populations (IP) are present, a Culturally Appropriate Participatory Protocol has been developed. This Protocol will be implemented during the project implementation to ensure that Indigenous Peoples will have an opportunity to provide their views and feedback in a culturally appropriate manner during project implementation as well as to ensure access to appropriate project benefits. | X | |
| Involuntary Resettlement (OP/BP 4.12) The project does not trigger the Involuntary Resettlement Policy (OP/BP 4.12). No land will be acquired under the project and no infrastructure will be constructed. | | X |
| Safety of Dams (OP/BP 4.37) The Project will not support the construction or rehabilitation of dams. | | X |
| Projects on International Waterways (OP/BP 7.50) Project activities will not affect international waterways. | | X |
| Projects in Disputed Areas (OP/BP 7.60) The Project will not involve activities in areas known to involve disputed areas. | | X |

Environment

The Project is classified as Category B (per OP/BP4.01) given potential impacts associated with financing of small scale activities by SMEs or individual entrepreneurs. No Category A sub-projects will be financed by the Project. The activities funded could have limited short term environmental adverse impacts, which are not significant and can be adequately mitigated with standard measures. Projects and activities have yet to be fully defined. In accordance with OP/BP4.01, an Environmental Management Framework (EMF) has been developed to manage the potential associated environmental impacts and risks. Screening and exclusion criteria,

consistent with OP/BP 4.01, have been developed to ensure that any other World Bank Safeguard Policies would not be triggered in lending to the SMEs or individual entrepreneurs.

Social

In accordance with World Bank's Policy (OP 4.10 - Indigenous Peoples) and given the CCIC operates in Belize, Dominica, Guyana, and Suriname countries, where Indigenous Populations (IP) are present, a Culturally Appropriate Participatory Protocol has also been developed. This Protocol will be implemented during the project implementation to ensure that Indigenous Peoples will have an opportunity to provide their views and feedback in a culturally appropriate manner during project implementation as well as to ensure access to appropriate project benefits.

Gender

Gender issues will be managed by the project team. In collaboration with the Women Innovators Network Caribbean (WINC) component, CCIC will carry out workshops addressing challenges specifically faced by women entrepreneurs. Particular emphasis will be made in reaching out and engaging women entrepreneurs as clients and beneficiaries of the Caribbean Climate Innovation Center. The work of the CCIC will be done in close coordination with the Women Innovators Network Caribbean (WINC) component of the broader EPIC program.

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:

There are no potentially significant, large scale, and/or irreversible negative impacts anticipated. Localized environmental negative impacts may occur from the types of private enterprises and technology ventures being considered in various pilot programs. These impacts may include air pollution due to dusts and fumes, soil and water pollution and waste from electrical, electronic, and metallic equipment, or other byproducts produced as a result of creation, installation, manufacture and testing by SMEs or individual entrepreneurs. The scale of the programs and ventures is expected to be small at this initial PoC stage; however, to prevent against possible negative impacts to the environment or to the health and safety of workers or neighbors, there should be proper arrangement for a healthy, safe and secure environment for workers, safeguards against fire or noxious vapors, and proper management and disposal of wastes.

On the social side, given the presence of Indigenous Populations in some of the countries in which the CCIC operates, it was agreed with the World Bank Social Safeguard team that in the event that grants are awarded in the contexts where indigenous peoples are present, a social assessment will be conducted in order to ascertain the nature and extent of likely positive or negative impacts. A social impact assessment can help to ensure that the needs and voices of diverse groups and people in a community are taken into account.

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

The scale of the activities is expected to be small at this early stage of development of the recipients' enterprises; however, through the early incorporation of the elements of sound environmental planning and management, it is expected that once the businesses are successful and grow, they will continue with the practice of good environmental management with resulting long-term benefits.

Given it is now yet clear in which contexts the grants will be awarded, it was not possible to determine the actual potential negative impacts on indigenous populations. However, provisions will be taken to ensure that Indigenous Peoples will have an opportunity to provide their views and feedback in a culturally appropriate manner during project implementation as well as to ensure access to appropriate project benefits.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts:

Not applicable; small-scale projects will take place over many different areas.

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 CCIC is a small organization but its Board members are directly involved with evaluating and selecting Grant recipients. The CCIC has prepared a draft Environmental Management Framework (EMF) which includes a screening process with an exclusion list, a checklist for Grant Application evaluation, model Grant conditions for environmental matters, and a site environmental checklist for periodic training, supervision and inspection visits by the CCIC staff to Grant recipients. It is expected that each Grant recipient will be interviewed and any facilities inspected annually, using the tools and checklists in the EMF, to guide and standardize environmental management.

From a social safeguards standpoint, in context where IP are present, it was agreed that a Social Assessment will be carried out, which will include the following elements:

- (a) A review, on a scale appropriate to the sub-project, of the legal and institutional framework applicable to Indigenous Peoples;
- (b) Gathering of baseline information on the demographic, social, cultural, and political characteristics of the affected communities, the land and territories that they have traditionally owned or customarily used or occupied, and the natural resources on which they depend;
- (c) Taking the review and baseline information into account, the identification of key project stakeholders and the elaboration of a culturally appropriate process for consulting with communities;
- (d) An assessment, based on free, prior, and informed consultation, with the affected communities, of the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is an analysis of the relative

vulnerability of, and risks to, the affected communities given their distinct circumstances and close ties to land and natural resources, as well as their lack of access to opportunities relative to other social groups in the communities, regions, or national societies in which they live; and

- (e) The identification and evaluation, based on free, prior, and informed consultation with the affected communities, of measures necessary to avoid adverse effects, or if such measures are not feasible, the identification of measures to minimize, mitigate, or compensate for such effects, and to ensure that the Indigenous Peoples receive culturally appropriate benefits under the project.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people:

At time of appraisal, the recipient has publicly disclosed the EMF and the Culturally Appropriate Participation Protocol. The latter has also been disclosed with infoshop.

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|---|----------------|
| <i>B. Disclosure Requirements Date</i> | |
| Environmental Assessment/Audit/Management Plan/Other: | |
| Was the document disclosed <i>prior to appraisal</i> ? | Yes |
| Date of receipt by the Bank | 07/09/14 |
| Date of "in-country" disclosure | 10/09/14 |
| Date of submission to InfoShop | N/A |
| For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors | N/A |
| Resettlement Action Plan/Framework/Policy Process: | |
| 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 |
| Indigenous Peoples Plan/Planning Framework: | |
| Was the document disclosed <i>prior to appraisal</i> ? | Yes |
| Date of receipt by the Bank | Yes on 2/12/15 |
| Date of "in-country" disclosure | 2/26/15 |
| Date of submission to InfoShop | 2/26/15 |
| 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)

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|---|-----------|--------|-----------|
| 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 | | |
| Are the cost and the accountabilities for the EMP incorporated in the credit/loan? | | | |
| OP/BP 4.04 - Natural Habitats | | | |
| Would the project result in any significant conversion or degradation of critical natural habitats? | Yes [] | No [] | N/A [X] |
| 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? | | | |
| 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 [] | N/A [X] |
| 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? | | | |
| OP/BP 4.11 – Physical Cultural Resources | | | |
| Does the EA include adequate measures related to cultural property? | Yes [] | No [] | N/A [X] |
| Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on physical cultural resources? | | | |
| 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 [X] | No [] | N/A [] |
| If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan? | Yes [X] | No [] | N/A [] |
| 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 [] | No [] | N/A [X] |

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|--|---------|--------|-----------|
| If yes, then did the Regional unit responsible for safeguards or Sector Manager review and approve the plan/policy framework/process framework? | | | |
| 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? | | | |
| Does the project finance commercial harvesting, and if so, does it include provisions for certification system? | | | |
| 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? | | | |
| Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training? | | | |
| 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? | | | |
| What are the reasons for the exception? Please explain: | | | |
| Has the RVP approved such an exception? | | | |
| 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? | | | |
| The World Bank Policy on Disclosure of Information | | | |
| Have relevant safeguard policies documents been sent to the World Bank's Infoshop? | Yes [] | No [] | N/A [X] |
| 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? | | | |
| 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 |
| 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: | Diletta Doretta | Feb 11, 2015 |
| Environmental Specialist: | Michael J. Darr | Sept 7, 2014 |
| Social Development Specialist | M. Yaa Pokua Afriyie Oppong | Feb 25, 2015 |
| | | |
| <i>Approved by:</i> | | |
| Regional Safeguards Coordinator: | Glenn Morgan | October 27, 2014 |
| Comments: | | |
| Practice Manager: | Valerie D'Costa | Feb 11, 2015 |
| Comments: RSA has delegated to the PM final approval of the ISDS | | |