INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE

Report No.: AC5818

Date ISDS Prepared/Updated: 04/07/2011

I. BASIC INFORMATION

A. Basic Project Data

Country: Montenegro	Project ID: P122139
Project Name: Montenegro Industrial Waste Management and Cleanup Project	
Task Team Leader: Frank Van Woerden	
Estimated Appraisal Date: April 5, 2012	Estimated Board Date: July 3, 2012
Managing Unit: ECSSD	Lending Instrument: Specific Investment Loan
Sector: Solid waste management (60%);General industry and trade sector (20%);Power (10%);Mining and other extractive (10%)	
Theme: Pollution management and environmental health (70%);Environmental policies and institutions (30%)	
IBRD Amount (US$m.): 60.00 IDA Amount (US$m.): 0.00 GEF Amount (US$m.): 0.00 PCF Amount (US$m.): 0.00 Other financing amounts by source: Borrower 0.00 0.00	

B. Project Objectives [from section 2 of PCN]

The development objective of the proposed project is to reduce the risks to Montenegro's natural resources and public health from selected industrial waste disposal sites.

C. Project Description [from section 3 of PCN]

The proposed project would have four components: (1) remediation of legacy industrial waste disposal sites; (2) development of a national hazardous waste disposal facility; (3) development of regulatory framework for industrial waste management and institutional capacity building; and (4) project management.

Component 1 # Remediation of legacy industrial waste disposal sites

This component will support investments to remediate selected waste disposal sites. Implementation will start with detailed design for the remediation works following by procurement and execution of the remediation works. For each of the investments, Environmental Impact Assessments, Environmental Management Plans (EMPs) and additional

safeguard instruments will be implemented. A mix of remediation measures is foreseen: closure and capping of disposal sites; stabilization, water management and dam safety measures; and possibly also full removal of waste from certain sites.

Component 2 # Development of a National Hazardous Waste Disposal Facility

The objective is to develop a facility for the receipt and disposal of hazardous waste materials from legacy industrial waste disposal sites in Montenegro that cannot stay at the site of origin and for which also exporting solutions are too costly. The siting process will be concluded during project preparation. It is expected that the site will be located in one of Montenegro#s industrial zones. In view of the relatively limited amounts of hazardous waste that are generated annually in Montenegro, this national hazardous waste disposal facility should also be available to receive appropriate categories of ongoing hazardous waste production and therefore needs active operational management and sustainable operational and financial arrangements (see Component 3).

Component 3 # Regulatory Framework for Industrial Waste Management and Institutional Capacity Building

This component will strengthen institutional regulatory capacities in the field of industrial (hazardous and non-hazardous) waste management and support improvements to the regulatory framework to enable project implementation and establish adequate and sustainable management of these waste categories in Montenegro.

Concrete fields of attention in this respect are the need for clear regulations and enforcement thereof regarding the separation of hazardous waste and other waste categories and the segregated disposal of these waste streams in line with EU Directives. This is particularly relevant for the priority waste disposal sites under the project that are currently in active use.

This component will also shape the necessary arrangements for transfer to and disposal of hazardous waste in the facility that will be developed under Component 2. These arrangements include ownership, public or private operational management, tariff setting, financial sustainability and regulations to enforce appropriate disposal of ongoing hazardous waste production in order to stop the current practice of hazardous waste storage on individual industrial sites as well as other aspect that are important for the sustainable functioning of the hazardous waste disposal facility.

Component 4 # Project Management

The objective of this component is to manage project resources in accordance with the project#s objectives and procedures as outlined in the Project Implementation Manual (PIM) which will be developed during project preparation.

The project will finance the following sub-components: (i) Project Management; and (ii) Establishment of a Monitoring and Evaluation system.

D. Project location (if known)

The priority sites are: (i) the solid waste disposal site and the Red Mud Basins of the Aluminum Plant in Podgorica (KAP); (ii) the Bjela Adriatic Shipyard, located in the Kotor Bay; (iii) the Ash Dump Facility of Pljevlja Thermo-Electric Power Plant; (iv) the Lead and Zink Tailing Pond in Gradac nr. Pljevlja, and (v) the solid waste disposal site at Niksic Steel Mill. The location of national hazardous waste disposal facility is presently unknown.

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

The existing legal framework in Montenegro is of a great significance as it provides for the establishment of an integral management system for natural resources, prevention and pollution control, informing the public and public participation in decision making. Implementation of this legal framework still possess some challenges due to conflicts between environmental legislation and other laws that do not necessarily mention the need for EIA as a part of the permitting process. However, the EU-type Environmental Protection Agency (EPA) has been established in November 2008, which is responsible for environmental licensing, monitoring, and inspection. Montenegro has well developed environmental protection instruments that include environmental standards; strategic environmental impact assessment (SEIA), several sector-wide EIAs; system for IPPC; spatial and physical development plans; EMAS and other instruments for environmental protection established by special regulation. The environmental inspection and enforcement capacities have been strengthened during past two years, although their further improvement is required in order to reach EU-compatible levels.

Montenegro has declared itself an ecological state and its prospects hinge strongly on development of tourism sector, which puts additional pressure on the government to deal with the existing (historic) industrial pollution hot-spots.

F. Environmental and Social Safeguards Specialists

Mr Bekim Imeri (ECSS4)
Mr Nikola Ille (ECSS3)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies Triggered	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)	X		
The project includes remediation of industrial waste disposal sites that partly include hazardous waste. In addition, the project includes development of a national hazardous waste disposal facility with investments at a brownfield site.			
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
Is not expected but will be further investigated.			
Safety of Dams (OP/BP 4.37)	X		
Some of the industrial waste disposal sites have materials contained within embankments that require stabilization works and which trigger this policy.			

Safeguard Policies Triggered	Yes	No	TBD
Projects on International Waterways (OP/BP 7.50)			**X**
Though not expected, there is the possibility that the remediation design of one waste disposal facility may trigger this policy. This will be determined upon completion of the conceptual design of the remediation works.			
Projects in Disputed Areas (OP/BP 7.60)		**X**	

Environmental Category: A - Full Assessment

III. SAFEGUARD PREPARATION PLAN

A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: 12/13/2011

B. For projects that will not require a QER, the target date for preparing the PAD-stage ISDS: N/A

C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing[1] should be specified in the PAD-stage ISDS.

Preparation of relevant safeguard instruments will need to be completed before project appraisal by April, 2012.

IV. APPROVALS

Signed and submitted by:		
Task Team Leader:	**Mr Frank Van Woerden**	**04/05/2011**
Approved by:		
Regional Safeguards Coordinator:	**Ms Agnes I. Kiss**	**04/06/2011**
Comments:		
Sector Manager:	**Mr John V. Kellenberg**	**04/06/2011**
Comments:		

[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.