

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC12602

Date ISDS Prepared/Updated: 20-May-2015

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Georgia	Project ID:	P152441
Project Name:	Georgia National Innovation Ecosystem (GENIE) Project (P152441)		
Task Team Leader(s):	Thomas Edward Haven,Siddhartha Raja		
Estimated Appraisal Date:	31-Aug-2015	Estimated Board Date:	12-Nov-2015
Managing Unit:	GTCDR	Lending Instrument:	Investment Project Financing
Sector(s):	General information and communications sector (30%), Other industry (50%), General industry and trade sector (20%)		
Theme(s):	Infrastructure services for private sector development (20%), Micro, Small and Medium Enterprise support (20%), Export development and competitiveness (20%), Technology diffusion (20%), Education for the knowledge economy (20%)		
Financing (In USD Million)			
Total Project Cost:	40.00	Total Bank Financing:	40.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
International Bank for Reconstruction and Development			40.00
Total			40.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The project development objective is to enhance the national innovation ecosystem in Georgia to stimulate the growth of innovative activities and expand rural Internet connectivity.

C. Project Description

The Georgia National Innovation Ecosystem (GENIE) Project responds to the Government's vision to transform Georgia into an innovation-driven economy. It comprises four components:

Component 1: Infrastructure for Inclusive Innovation

Leveraging a hub-and-spoke network of innovation centers, this component will help realize the Government's vision for developing infrastructure for inclusive innovation. This infrastructure will provide all intended beneficiaries with the state of the art spaces for learning, co-working, knowledge sharing, and global connectivity. The component is expected to finance retrofitting or upgrading of existing government buildings, such as libraries, to establish an estimated four Regional Innovation Hubs (RIHs), e.g. in Batumi, Rustavi, Kutaisi, and Poti, and around 100 to 150 Community Innovation Centers (CICs) in second-tier towns and villages (out of the 500 planned nationwide by the Georgia's Innovation and Technology Agency).

Component 2: Financing Innovation

The objective of this component is to facilitate access to early-stage finance for innovators, startup companies, and technology commercialization initiatives. In doing so, the component will help promote development of new businesses, increase startup survival rates, and foster bottom-up innovation. While direct innovation financing support under this component will be limited to matching grants for micro, small, and medium enterprises (MSMEs), the targeted training and mentoring provided during the execution of this grant program should help improve the capacity of participants (and their collaborators) to commercialize innovative ideas and secure more mainstream forms of financing (i.e. bank loans and venture financing). This component will also support the identification and implementation of reforms to strengthen the policy and regulatory environment for financing innovation as well as promoting the involvement of relevant members of the diaspora.

Component 3: National Broadband Connectivity

This component will support the expansion of broadband connectivity in Georgia with the specific aim of increasing access to internet services in rural and underserved areas. Of critical importance will be the maximization of broadband coverage to ensure inclusive participation in the innovation economy, and to connect areas that host the proposed innovation centers (supported by Component 1), enabling them to link local communities to global knowledge and information databases and to serve as an integrated national network for entrepreneurial collaboration and the exchange of creative ideas. The proposed activities under this component will address both supply-side (potentially from fiber optic cable infrastructure) and demand-side (financing incentives to link internet providers with customers) needs for increased broadband connectivity.

Component 4: Project implementation support

This component will aim to ensure efficient and effective implementation of all project components. Support will be provided to Georgia's Innovation and Technology Agency (GITA) to strengthen its capacity and increase human resources available to implement the project.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The Project will finance activities throughout the country with no geographic limitations.

E. Borrowers Institutional Capacity for Safeguard Policies

GITA will be the Project implementing entity. This is a young institution established in February 2014 in the capacity of a legal body of public law operating under the State control from the Ministry of Economy and Sustainable Development. GITA has no experience in applying safeguard policies of the World Bank and will require capacity-building through coaching and implementation support to be provided by the Bank. By the time of appraisal, the Bank team will explore the institutional set-up of GITA and agree with the management of this Agency on whether they will use in house capacity or an externally hired consultant for performing environmental and social work under the GENIE Project. Building in this type of expertise into GITA may be considered as part of technical assistance for the Agency's institutional strengthening to be delivered under Component 4.

F. Environmental and Social Safeguards Specialists on the Team

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The general focus of this project is the delivery of technical assistance for boosting technology adoption and innovation.</p> <p>However project proceeds are likely to be used for small to medium size physical works and for grant-financing of MSMEs. Therefore OP/BP 4.01 is triggered. Laying cables for the National fiber optic Backbone Network (NBN)—under component 3—is likely along the existing highways, roads or other public infrastructure and rights of way. The project will not support new construction and none of the expected activities will have significant, complex or irreversible impacts on the natural and social environment.</p> <p>Hence the GENIE Project is classified as environmental Category B. Individual activities to be supported by the Project will be screened and classified. Category B and C activities will be eligible for the Project funding, while Category A activities will not be eligible.</p> <p>Individual investments of the Project are not identified upfront: they will be selected and prepared on a rolling basis. Nonetheless, the typology of activities, their potential negative environmental and social impacts and the generic measures required for their mitigation are well known. Regarding the MSMEs that may receive funding from the Project, experience from other countries suggests that they</p>

		<p>may operate in hi-tech industries such as ICT, Energy Efficiency and Nanotechnologies, but also more traditional industries such as Food and Agriculture, Machine and Mechanical Engineering, and Electromechanical device production.</p> <p>An Environmental and Social Management Framework (ESMF) will be prepared to provide guidelines for environmental and social screening of sub-project activities; identifying the scope and nature of safeguard documents to be prepared for them; providing relevant measures for mitigating potential environmental and social risks associated with various types of possible activities; and planning environmental and social monitoring of works.</p> <p>The ESMF will be included into the Operations Manual of the GENIE Project. Instructions for applying environmental and social safeguards to the preparation of applications and to the implementation of grant-funded activities will be incorporated into the MSME guidelines for accessing grants from GENIE Project.</p>
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	Yes	<p>The Project funds will be available for refurbishing the existing public buildings to house an estimated number of four RIHs and over a hundred CICs. These may be buildings of libraries, schools, and other similar institutions. The nature of the refurbishing and if it will involve any substantial renovations, is to be determined during preparation. However, it is not excluded that some of these buildings may carry cultural/historic value, in which case designs for any type of works to be undertaken on these buildings should be agreed with the National Agency for Cultural Heritage Preservation (NACHP) under the Ministry of Culture and Monument Protection. Special permission for entering the site and/or supervision on behalf of the NACHP may also be required.</p>

		<p>Laying cables for the National fiber optic Backbone Network (NBN) is likely along the existing highways, roads or other public infrastructure and rights of way. However encountering chance finds cannot be excluded as long as earth works are to be undertaken.</p> <p>OP/BP 4.11 is triggered. The ESMF will include a blueprint of action in case a historic building is to be refurbished or chance finds are encountered in the course of the Project implementation.</p>
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	<p>Component 1 will finance retrofitting or upgrading of existing government buildings, such as libraries, to establish an estimated four Regional Innovation Hubs (RIHs), e.g. in Batumi, Rustavi, Kutaisi, and Poti, and around 100 to 150 Community Innovation Centers (CICs) in second-tier towns and villages (out of the 500 planned nationwide by the Georgia's Innovation and Technology Agency). Component 3 will support the expansion of broadband connectivity in Georgia with the specific aim of increasing access to internet services in rural and underserved areas. Component 1 is not expected to finance new infrastructure, and Component 3 is only expected to finance the expansion of broadband connectivity through fiber optic cable in areas not requiring resettlement. However, OP/BP 4.12 will be triggered and an RPF will be developed to ensure that, if need were to arise, cases where livelihoods are permanently or temporarily disrupted can be addressed by the project.</p>
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 03-Aug-2015

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

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.

The ESMF will be drafted, shared with the Bank, disclosed and discussed with stakeholders before appraisal. If designs for any proposed civil works are ready by appraisal and are classified as environmental Category B, then site-specific environmental safeguard documents will be prepared, agreed with the Bank and disclosed for feedback from the project affected people.

IV. APPROVALS

Task Team Leader(s):	Name: Thomas Edward Haven, Siddhartha Raja	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Agnes I. Kiss (SA)	Date: 22-May-2015
Practice Manager/ Manager:	Name: Paloma Anos Casero (PMGR)	Date: 27-May-2015