

SFG1512



ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK

For

Georgian National Innovation Ecosystem Project

TBILISI 2015

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GLOSSARY

Community Innovation Centers (CIC)
Competitive Industries and Innovation Program (CIIP)
Environmental and Social Management Framework (ESMF)
Environmental and Social Management Plan (ESMP)
Environmental Impact Permit (EIA)
Environmental Management Plans (EMPs)
Foreign Direct investment (FDI)
Georgia Innovation and Technology Agency (GITA)
Georgia National Innovation Ecosystem (GENIE)
Information and communication technology (ICT)
Ministry of Economy and Sustainable Development (MoESD)
Ministry of Environment and Natural Resources Protection (MoENRP)
National Agency for Cultural Heritage Preservation (NACHP)
Project Management Group (PMG)
Regional Innovation Hub (RIH)
Research and development (R&D)
Small and Medium Enterprises (SMEs)
Socioeconomic Development Strategy (SDS)
Technical assistance (TA)
World Bank Group (WBG)
World Bank Grievance Redress Service (GRS).

CHAPTER 1. INTRODUCTION

Georgia is a country in the Caucasus region of Eurasia. Located at the crossroads of Western Asia and Eastern Europe, it is bound to the west by the Black Sea, to the north by Russia, to the south by Turkey and Armenia, and to the southeast by Azerbaijan. The capital and largest city is Tbilisi. Georgia covers a territory of 69,700 square kilometers, and its population is 3.7 million, based on the recent census. Georgia is a unitary, semi-presidential republic, with the government elected through a representative democracy. Georgia is known as one of the main gates in the “silk road” the strategic geo-location between Asia and Europe provides a unique element for the creation of new business and attract investment to the region.

The Government seeks to promote inclusive growth and develop an innovation-driven and knowledge-based economy. The Government’s inclusive growth agenda—defined in the Government’s Socioeconomic Development Strategy 2020 (SDS)—foresees the need to strengthen human capital, improve private sector competitiveness and productivity through a focus on SMEs, increase access to finance, and strengthen the investment climate. These improvements would help reduce the economy’s recent reliance on public investment as the main source of growth. The Government is keen to develop the capacity, services, and infrastructure for Georgia to develop itself as an innovative, knowledge-based economy. For this, it is necessary to unlock key legal, regulatory, and institutional constraints for private sector growth and innovation, provide infrastructure and services to facilitate growth of innovative enterprises, and strengthen skills to ensure that workers are globally competitive.

Significant reforms have taken place in Innovation in recent years, with the creation of a specialized agency (GITA) and the conformation of a council of Research and Innovation, constitutes the base for Georgia’s innovation ecosystem.

Under the support of the World Bank Private Sector Competitiveness Development Policy Operation (DPO), a National Research and Innovation Council (NRIC) was established in February 2015 as a strategic coordinator of the country’s innovation policies. The Council is tasked with developing strategic policies and programs to promote business innovation and development, research, advanced human capital, technology transfer, technological infrastructure, attraction of innovative FDI, and development of an export basket more aligned with world demand for high-tech products and services. The Council’s long-term focus will be to reduce inconsistencies in policymaking generated by the political cycle and the subsequent short-term horizon of many policy decisions. This “second generation” of reforms is aimed at fostering innovation and entrepreneurship and addressing remaining business environment constraints by facilitating public-private dialogue, enforcing property and intellectual property rights, establishing a competition framework aligned with international standards, and connecting SMEs to markets, finance, and information. These measures should help Georgia move beyond de jure first-generation business environment reforms and towards stronger export competitiveness and a more sustainable growth model based on a larger share of high value-added goods and services.

As a long-term strategic partner in Georgia’s national innovation ecosystem development, the World Bank is well positioned to complement and advance these initial

efforts by the Government. The Georgia National Innovation Ecosystem (GENIE) Project will complement ongoing World Bank Group (WBG) activities in Georgia in the area of competitiveness and innovation. GENIE Project supplements Competitive Industries and Innovation Program (CIIP) technical assistance (2014-2017) under which the WBG supports Georgia's efforts to develop and implement a competitiveness strategy and advance innovation-led growth. The Project also builds on WBG analytical work on Information and Communication Technology (ICT) and employment (2014-2015) and on ICT to support innovation and employment (2013-2014).

This Project will have an immediate impact, the creation of new infrastructure will bring education, knowledge and will foster the creation of new tech base companies, being these essential points for development and a sustainable innovation ecosystem.

The present Environmental and Social Management Framework (ESMF) is developed to facilitate implementation of GENIE Project in agreement with the national environmental and social legislation and with the World Bank's safeguard policies. ESMF is intended to guide GENIE Project implementation entity in site-specific environmental and social work including screening of individual investment and grant proposals, classifying them by risk, identifying their expected environmental and social impacts, defining measures for mitigating negative impacts, and setting forth plans for monitoring implementation of these mitigation measures. It also establishes grounds for a meaningful public participation in the Project planning and management. With this, the ESMF is to help avoid or mitigate negative unintended site effects of Project implementation and maximize its positive social outcomes.

CHAPTER 2. PROJECT DESCRIPTION

Objectives

The Project Development Objective is developing specific elements of the national innovation ecosystem towards increasing the level of innovation activities in the economy, focusing on the themes of inclusive innovation connecting more people and businesses in secondary towns and rural areas of Georgia to new economic opportunities and promoting innovative start-ups and SMEs. The Project will enhance Georgia's national innovation ecosystem through an integrated approach across three components, plus Project implementation support. Addressing different gaps in the innovation ecosystem, each component will leverage the inputs and outputs of other Project components, as well as those of complementary projects, to ensure that the development objective of the Project is realized in an integrated fashion. The components focus on the most critical areas of the innovation ecosystem.

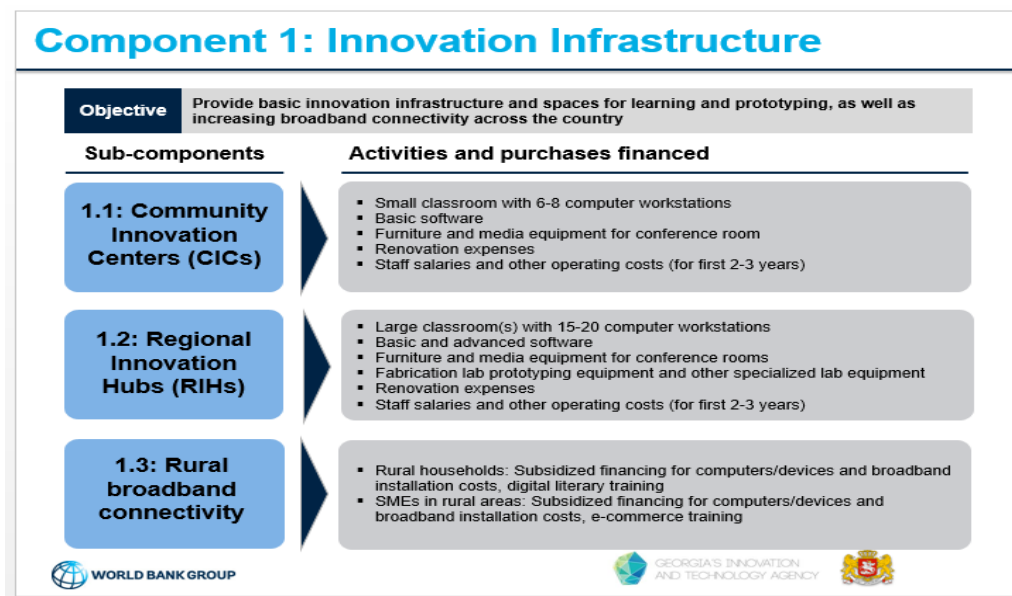
Components

Component 1: Innovation Infrastructure

This component will support the development of GITA's envisioned hub-and-spoke network of innovation centers across Georgia, as well as increase the use of broadband Internet services among poor rural households and SMEs. Collectively, this innovation and broadband infrastructure will provide the physical space and equipment for beneficiaries to access the services provided by the Project and to connect to the innovation ecosystem. This is expected to stimulate entrepreneurship and new product development and reduce the digital divide (Component 1.).

The Project will finance rehabilitation sections of the existing public buildings (schools, libraries, etc.) selected to house community Innovation Centers (CICs) and Regional Innovation Hubs (RIHs) to be established with the Project support. New construction will not be eligible for the inclusion into the Project's implementation plan.

Increase of broadband Internet use will not imply any physical works. It will rather enhance the demand of internet use and stimulate computerization process. The activities will include cash-back financial instrument for devices as well as vouchers for internet services and digital literacy and e-commerce trainings.



Component 2: Innovation Services

This component will deliver services, many in coordination with the Community Innovation Centers and Regional Innovation Hubs, tailored to Project beneficiaries at various stages/levels of the innovation ecosystem. At the most fundamental level, Project activities will raise awareness about innovation and provide basic services (supported by the Project and GITA) to potential beneficiaries and users of the CICs and RIHs. This would include raising awareness about innovation and identifying latent entrepreneurs, conducting needs assessments, and hosting competitions, events and trainings.

Component 3: Innovation Financing

This component will finance matching grants to private enterprises to develop innovative products, process, and services. The Project is designed to provide two types of matching grants: “Start-up” and “Innovation”. The “Start-up” matching grant size is USD 30,000 for projects that will be completed within 1 year, with minimum of 10% of eligible project costs in pilot call for proposals. The size of an “Innovation” matching grant is USD 250,000 for projects what will be completed within 2 years with minimum of 30% of co-investment in eligible costs.

Component 4: Project Implementation Support

This component aims to ensure efficient and effective implementation of all Project components. This will include financing consultants to support project management, component technical implementation, procurement, safeguards, financial management, and monitoring and evaluation (M&E). The Project will also finance the design and implementation of: (i) tools to monitor the results framework; (ii) M&E studies/surveys to establish baselines for Project results indicators and measure their evolution during Project implementation; and (iii) impact evaluation for selected Project activities.

CHAPTER 3. LEGAL AND POLICY FRAMEWORK

National Legislation

The environmental permitting procedure in Georgia is set out in three laws: (i) The Law on Licenses and Permits (2005); (ii) The Law on Environmental Impact Permits (2007), and (iii) The Law on Ecological Examination (2007). According to the law, there are two types of licenses: for the activities carrying risks to human life and health, and for the use of State-owned resources. The law defines procedures for issuing, revising and canceling of licenses and permits (Article 1, Paragraph 1).

The Laws on Environmental Impact Permit and on Ecological Examination were adopted in 2007 and entered in force in 2008. These new laws integrate all the amendments introduced in legislation of Georgia during recent years. The Law of Georgia on Environmental Impact Permit provides a complete list of activities and projects subject to the ecological examination (clause 4, p.1) and the legal basis for public participation in the process of environmental assessment, ecological examination and decision making on issuance of an environmental permit.

According to the law, activities subject to the ecological examination include construction of new or upgrading of the existing facilities imposing change of technology and operational conditions for the projects and activities included in the list. The routine maintenance works in relation with the same facilities do not require ecological examination and permitting. **Physical works to be supported by GENIE Project do not fall in the list of activities subject to the environmental permitting and will not require Environmental Impact Assessment.**

World Bank's Safeguard Policies Triggered

The Project will finance physical works for the reconstruction of buildings, which may have certain negative environmental and social impacts. Therefore the Project triggers World Bank's OP/BP 4.01 *Environmental Assessment*. Because the environmental and social risks associated with the physical investments to be undertaken under the Project are low, confined to the Project sites, and limited to the construction period, the Project is classified as environmental Category "B". Although no environmental impact assessment and permitting is required for the Project-financed activities by the national legislation, OP/BP 4.01 calls for application of the environmental and social due diligence, including environmental and social management planning and monitoring. Present ESMF provides detailed instruction for carrying out environmental and social screening, classification, development of environmental and social mitigation and monitoring plans, and provision of environmental and social oversight of works to be undertaken under the Project.

The Project funds will be available for refurbishing the existing public buildings to house a few RIHs and numerous CICs. These may be buildings of libraries, schools, and other similar institutions. It is not excluded that some of these buildings may carry cultural/historic value, in which case World Bank's OP/BP 4.11 *Physical Cultural Resources*, triggered for GENIE Project will be applicable and specific procedures specified in present ESMF will be followed through.

CHAPTER 4. ENVIRONMENTAL AND SOCIAL DUE DILIGENCE UNDER COMPONENT 1 OF THE PROJECT

Environmental and Social Screening of Rehabilitation Works:

The Project will finance rehabilitation of the existing buildings where the CICs and RIHs will be located. All individual investments to be financed under the Project must fall under environmental Category “B”¹, and no Category “A”² activities will be eligible for the Project support. GENIE Project does not trigger OP/BP 4.12 *Involuntary Resettlement*, which means that no permanent or temporary land take may occur during its implementation and that implementation will not result in the displacement of livelihoods. The screening procedure shall also define whether Project interventions would disrupt any formal or informal use of land, buildings and other property, and filter out such investments. Investment ideas classified as environmental Category “B” and not implying any type of involuntary resettlement will be cleared for further processing.

Environmental and Social Management Planning for Rehabilitation Works:

Once the strategic location is identified and selected, GITA together with a local municipality and an independent expert, hired based on need will draft an Environmental and Social Management Plan (ESMP) for the intended works using the template suggested by the World Bank for Small Construction and Rehabilitation Activities attached to this ESMF (*Attachment III*). The ESMP comprises an environmental mitigation plan and an environmental monitoring plan.

GITA shares the draft ESMP with the World Bank for review and clearance, after which it gets disclosed and opened for public feedback. The ESMP is then finalized based on the stakeholders’ feedback, shared with the World Bank for the final clearance, and re-disclosed. GITA will include ESMPs into bidding documents once each tender is announced for the provision of construction works and will attach them to works contracts making adherence to ESMPs mandatory for works contractors.

¹ A proposed activity is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas--including wetlands, forests, grasslands, and other natural habitats--are less adverse than those of Category A projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigatory measures can be designed more readily than for Category A projects.

² A proposed activity is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works.

CHAPTER 5. ENVIRONMENTAL AND SOCIAL DUE DILIGENCE UNDER COMPONENT 3 OF THE PROJECT

ENVIRONMENTAL AND SOCIAL SCREENING PROCEDURE FOR THE MATCHING GRANTS PROGRAM:

The procedure is made up of the following steps listed below:

- Screening
- Review and Approval
- Conditionality
- Monitoring and Reporting

Screening:

Each Grant Application will include a filled out *Environmental and Social Checklist Questionnaire* provided in *Attachment I* to this ESMF. Applicants are responsible for honest and correct description of the current environmental performance of their enterprises and of the possible positive and negative environmental and social impacts of the proposed activities. The Environmental and Social specialist of GITA will review filled out questionnaires and copies of licenses/permits attached in support to the information provided in the questionnaires. Optional visit to the enterprises of some applicants may be undertaken to verify provided information. GITA categorizes Grant Applications according to the World Bank OP/BP 4.01 *Environmental Assessment*, into the following three environmental categories:

- **Category I (Low Risk):** activities with the negligible expected environmental and social impacts for which no further environmental and social safeguarding work is required, corresponding to the World Bank environmental Category C. ***Category I activities have no further safeguard requirements.***
- **Category II (Intermediate Risk):** activities with easily identifiable environmental and social impacts for which standard preventative and/or remedial measures can be prescribed, corresponding to the World Bank environmental Category B. ***Category II activities are subject to environmental and social management planning, implementing of prescribed mitigation measures, and monitoring their implementation.***
- **Category III (Not Eligible for Financing):** activities which may have complex, significant or irreversible environmental and social impacts, the magnitude of which is difficult to determine without in-depth studies, corresponding to World Bank environmental Category A. In addition, activities which involve land acquisition and/or physical displacement, new construction, purchase and/or use of pesticides, as well as those that appear on the IFC exclusion list (*Attachment II*). ***Category III activities are not eligible for financing.***

For grant applications classified as Category II (WB environmental Category B), preparation of an Environmental and Social Management Plan (ESMP) will be required. Pre-selected Applicants will be notified about the results of the environmental and social

screening and classification and will be advised to develop ESMP as required.

Review and approval of ESMPs

At the next stage of the grant program cycle, full grant proposals are submitted to GITA. For activities classified as Category II, they include, inter alia, ESMP prepared by applicants with support of GITA. If a Grant Applicant refuses to prepare an ESMP, the Grant Application will be ineligible for further review. Quality control of ESMPs is part of the GITA's review and approval of full grant proposals. ESMPs are also shared for clearance with the World Bank.

Grant Award

For environmental Category B activities, Grant Agreement between GITA and a Grant Recipient will include a legally binding obligation of grant recipient to fully adhere to the ESMPs and the ESMPs will be attached to such Grant Agreement. Failure of a Grant Recipient to comply with ESMP will trigger penalty action on behalf of GITA and may result in the termination of a Grant Agreement if grant recipient does not apply agreed upon remedial action to rectify any damage done through incompliance with ESMP.

Supervision and Monitoring

GITA will perform desk top oversight of activities financed through grant program by reviewing and endorsing Progress Reports submitted by Grant Recipients and will undertake field monitoring of progress through site visits. Oversight and monitoring will imply tracking of environmental and social performance under grant-financed projects. For environmental Category B activities, implementation of ESMPs by Grant Recipients according to the project-specific monitoring plans included in ESMPs will be undertaken on monthly basis. In case safeguard issues are revealed, GITA will give formal notice to a Grant Recipient obligating him/her to undertake remedial actions as prescribed through a monthly monitoring report and will follow up on implementation of these actions. Failure of a Grant Recipient to comply with remedial action plan may lead to penalty actions specified in the terms of Grant Agreement between GITA and a Grant Recipient.

CHAPTER 6. EXPECTED ENVIRONMENTAL AND SOCIAL IMPACTS

Environmental Impacts

Deterioration of buildings' structural integrity

Unless a building selected for rehabilitation is carefully examined for structural integrity, conduct of rehabilitation works may trigger aggravation of its condition. Furthermore, if the selected building is prone to water damage due to high ground water table or other sources of moisture that go unnoticed at the buildings' selected stage, it may deteriorate back to the original condition quickly after rehabilitation is undertaken.

Use of substandard construction materials

Providers of civil works may use construction materials purchased from unreliable sources, or buy second-hand materials. Also, toxic construction materials, such as asbestos-containing roofing and piping, lead containing paints, etc., may be applied.

Safety risks and traffic disruption around construction site

Parking of construction machinery and vehicles as well as piling of construction material and waste outside the construction site may restrict free movement of people and traffic around this site and cause risk of accidents to by-passers and users of the buildings within which rehabilitation works are being undertaken.

Loss of historic/cultural value of heritage buildings

Because the Project will finance rehabilitation of the existing public buildings, it may not be excluded that a building suggested for rehabilitation carries certain historic/cultural value and is under special protection by the State for these merits. In such cases, designs for any type of works to be undertaken will 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.

Noise, dust, and vibration

Construction works required for rehabilitation of the selected buildings are likely to cause a set of negative impacts typical for small scale construction works held within settlements. This would include generation of noise, dust and vibration due to operation of construction machinery.

Pollution of construction site and nearby area with construction waste

Rehabilitation of buildings will result in the generation of some construction waste. This may include excess material in case of earth works, scrap metals, debris, small volumes of toxic waste (asbestos-containing roofing, used oils and filters from vehicles and machinery, etc.), glass, wood, and polymeric materials. Unless temporary and permanent disposal of various types of waste is managed well, it may cause pollution of the construction site as well as an area in its proximity.

Occupational health hazards

Physical hazards to indoor workers may include extreme heat, extreme cold, dust, mold and noise. Extreme heat may cause heat stroke, heat cramps, heat exhaustion, heat rash, and other problems. Extreme cold can cause hypothermia, respiratory illness, etc. Repeated exposure to loud noise may lead to permanent, incurable hearing loss or tinnitus. Inhaling asbestos-

containing dust and working indoors in highly humid compartments affected with mold may lead to severe damage of respiratory system. Unsafely organized work site, failure to wear uniforms and personal protective gear, as well as violation of rules set for operating construction machinery may lead to trauma and lethal accidents at work site.

Deterioration of aesthetic appearance of site after completion of works

In case rehabilitation works are improperly designed and/or implemented, work site is not cleared of residual waste and reinstated, or if undertaking of works necessitated removal of vegetation which did not get restored as part of the rehabilitation works, then Project interventions may lead to deterioration of the aesthetic appearance of public buildings in which rehabilitation works were undertaken and of extended areas around them.

Operation and maintenance of rehabilitated buildings

In case household waste disposal, heating and sanitary systems are poorly organized in the buildings housing CICs and RIHs, indoor environment may deteriorate and the area around these buildings may get polluted.

Environmental and health damage from the operation of grant-financed production units

Grant programs may support operation of laboratories of various profile as well as production of prototypes or pilot volumes of high-tech devices. These operations may be polluting and/or carry health hazards for the staff.

Social Impacts

Restriction of access to private property

During conduct of the rehabilitation works, construction contractor may block or limit access of private owners to their property located in the vicinity of works sites, or dump/pile construction materials and/or waste on parts of privately owned land. Some accidental damage to agricultural plantations, irrigation or drainage ditches may also occur.

CHAPTER 7. MITIGATION OF ENVIRONMENTAL AND SOCIAL IMPACTS

Environmental Impact Mitigation

Ensuring structural integrity and durability of rehabilitated buildings

Prior to approving decision to rehabilitate any proposed building, its structural integrity will be examined and investment will be endorsed based on the outcome of examination. Furthermore, suggested buildings will be checked for possible water damage that may be due to high water table, leaking pipes, damaged roof or other reasons. If such damage is revealed, then eradication of the cause of damage will be included into the design of rehabilitated works or if this not feasible for any reason, then the building will be dropped from the list of those to be rehabilitated under the GENIE Project.

Using adequate construction materials

Works contractors will be obligated to purchase all construction materials from licensed providers, and technical specifications and quality of these materials must meet requirements set forth in the bill of quantities. Purchase and use of second-hand construction materials will be strictly forbidden.

Safeguarding construction site

Construction sites will be fenced (unless land plots around buildings selected for rehabilitation are already fenced) and proper signage will be provided. In most cases rehabilitation of parts of a building is being implemented while other parts of the building continue to be used. In such cases isolating work area from operation area and blocking access to work area will be important to ensure that children and adults entering operational parts of buildings remain safe. Construction works shall not block free movement of traffic and pedestrians around buildings under rehabilitation, therefore no parking of construction vehicles and machinery and no dumping/piling of construction materials and/or waste will be allowed outside the demarcated work sites.

Preserving historic/cultural value of heritage buildings

In case a building selected for rehabilitation is on the list of cultural/historic heritage, then the design of rehabilitation works will be cleared with the National Agency for Cultural Heritage Preservation (NACHP) under the Ministry of Culture and Monument Protection and permission for entering the site will be obtained.

Works within settlements

To avoid excessive nuisance to people residing around the construction sites, working hours will be observed. Machinery will be kept in good working condition and idling of engines will be prohibited to reduce noise. Watering of construction sites in dry weather and during operations that generate excessive dust will be required. No piling of waste or construction materials and no parking of construction machinery and vehicles will be allowed outside the construction site to avoid blocking of access for pedestrians and traffic.

Works in operational buildings

Rehabilitation works within operation buildings will be planned and organized the way to minimize disruption of activities of institutions using these buildings and to exclude health and life risks to people entering these buildings. Activities generating most noise, dust or otherwise being significantly disruptive will be undertaken during periods of time when the buildings are closed for vacations, holidays, etc.

Pollution of construction site and nearby area with construction waste

Construction machinery and equipment will be serviced and fueled outside construction sites. No hazardous waste from machinery, such as used tires, oils and filters should be scattered on site. Construction materials and waste should be piled in especially allocated spots of the construction site and be periodically out-transported to avoid excessive accumulation. Construction materials and waste will be transported under covered hoods of trucks. Construction waste shall be disposed in an official sanitary landfill if such is present in the vicinity of construction site, or in a waste disposal site commonly used by the settlement within which the construction is ongoing, subject to consent from the local authority.

Managing health hazards for workers

Construction workers and personnel will be supplied with uniforms and personal protective gear, and use of these safety means will be enforced. Personnel operating complex construction equipment will be licensed for performing this task. First medical aid and fire extinguishing kits will be provided at all work sites. Workers and personnel will have access to safe drinking water and sanitation.

Deterioration of aesthetic appearance of site after completion of works

No hand-over of a rehabilitated building will occur unless the area around it is cleared of residual construction and household waste, and any damage to decorative vegetation around the building is restored to the original condition through compensatory grassing/planting.

Operation of rehabilitated building

GITA will hire Renovation Managers to support institutional changes in CICs and RIHs. Renovation Managers and the businesses housed in the rehabilitated premises will be responsible for proper maintenance of these premises. It will include servicing of internal communications, removal of household waste, and timely repair of possible minor damages.

Social Impact Mitigation

Restriction of access to private property

To mitigate the impact of access to private property special work zones will be designated, this will provide peripheral zones for the dump of waste, parking work vehicles. Special cordons will be utilized to create the work zones, signs and informative cartels will be put in visible location to provide information.

CHAPTER 8. PUBLIC CONSULTATION

Public consultation will be part of the process of picking settlements where CICs and RIHs will be established and of selecting buildings that will house CICs and RIHs. All aspects of public consultation on the GENIE Project design and implementation will be covered in the Operations Manual of GENIE Project. This chapter describes stakeholder consultation specifically on the environmental and social implications of this Project.

The present draft ESMF, after having been cleared by the World Bank, will be disclosed through the web page of GITA in Georgian and English languages. An advertisement on the public consultation meeting, including date, time and venue will also be posted. After about two weeks from disclosure, GITA will hold a stakeholder consultation meeting on the draft ESMF intended for the representatives of governmental and non-government institutions and business sector, as well as any citizen that will express willingness to participate in the process. Received feedback will be incorporated into the ESMF and the document will then be finalized. Minutes of the public consultation meeting will be attached to ESMF. The finalized document will be shared with the World Bank and re-disclosed through GITA's web page in Georgian and English languages. ESMF will also be published through the World Bank's electronic database.

Draft ESMPs for rehabilitation of buildings and ESMPs for the implementation of grant-financed projects, after having been cleared by the World Bank, will be disclosed through the GITA's web page in Georgian and English languages. Several hard copies in Georgian will be delivered to the school, a library, or other institution which is operating in the building selected for housing the CICs or RIHs. An announcement about the purpose and expected duration of upcoming works will be placed in front of the selected building along with a note about availability of the draft ESMP for public review until a set date. GITA, in consultation with local authorities and administrations of institutions operating in the selected buildings, will decide on the most optimal methodology of generating stakeholder feedback on the draft ESMP. Questions and comments may be received in writing – electronically or by hand-delivered mail – by the administration of the institution operating in the selected building, by e-mail to GITA, or by posting on the GITA's web page to an especially designed interface. Alternatively, or in addition to the above, GITA will hold a public consultation meeting. In the latter case, advertisement on the availability of ESMP shall also carry the date and time of the consultation meeting.

GITA will document the public consultation process providing details of the document disclosure and receipt of stakeholder feedback, list of participants/feedback providers, photo documentation, and summary of comments/question received and responses provided. Documents on the public consultation process will be attached to the ESMF (*Attachment V*). GITA may introduce changes in the draft ESMF based on the received comments. The finalized ESMF and ESMP will be shared with the World Bank and re-disclosed through GITA's web page in Georgian and English languages.

If a grant-financed activity under Component 3 of the Project requires development of an ESMP, its draft, after having been cleared by GITA and the World Bank, will be posted on GITA's web page and a public consultation process will be undertaken as described above for activities under Component 1 of the Project.

CHAPTER 9. ENVIRONMENTAL AND SOCIAL MONITORING AND REPORTING

GITA will be responsible for environmental and social monitoring of all physical works financed from the GENIE Project proceeds. GITA will undertake this function using its in-house capacity supplemented with individual environmental and/or social consultants to be hired upon demand, and using services of an external technical supervision consultant. TOR of technical supervisor will include oversight on the application of safeguard policies. This will imply monthly field visits to all active work sites and development of monthly field environmental monitoring reports. A template of a monitoring checklist is attached to the present ESMF (*Attachment IV*). Completed checklists shall be supplemented with photo material. If a significant incompliance with an ESMP is recorded or tangible damage to the natural or social environment is noted by the technical supervisor, recommendation on the corrective action should be immediately delivered by the supervisor to the management of GITA. The World Bank should also be promptly informed. Safeguards staff of GITA and technical supervisor will follow-up on the implementation of the corrective actions and document their outcome.

Each Project Progress Report produced by GITA for the submission to the MoESD and the World Bank shall carry a chapter on safeguards compliance. This chapter should provide an analytical summary of environmental and social monitoring results over the report period, including information of the issues encountered, recommendations and guidance provided to works contractors, status of corrective actions initiated in the previous report period, and quality assessment of the safeguards monitoring performed by the technical supervisor.

CHAPTER 10. GRIEVANCE REDRESS MECHANISM

Communities and individuals who believe that they are adversely affected by a World Bank supported Project may submit complaints to existing Project-level grievance redress mechanisms to GITA or the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address Project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. Information on how to submit complaints to the World Bank's corporate GRS is available at <http://www.worldbank.org/GRS>. Information on how to submit complaints to the World Bank Inspection Panel is available at <http://www.inspectionpanel.org>.

GITA will ensure that complaints submitted directly to GITA are promptly reviewed, investigated and responded accordingly to Georgian legislation standards, which is up to one month.

To ensure and facilitate the channels to file complaints to GITA, the e-mail esmf@gita.gov.ge will be created. This instrument will provide a quick and formal communication channel. The emails will be tracked and each case followed up on, including directing the issue to the appropriate person within GITA.

Another important aspect of this tool is that can be communicated and shared with the WBG, Municipalities, Ministries and third parties.

This (e-mail) system will be in compliance with the Georgian regulation for the response time for complaints.

A second communication channel to receive complaints will be GITA's phone. This will provide a tool for all the persons that don't have an e-mail. The same person in charge of the e-mail will take note of all the comments and complaints, and a database will be created for tracking the feedback received.

Some complaints might be submitted directly to the Georgian Court. This procedure will be conducted according to the rules of the Court. GITA will provide any insights or documentation that the Court mandates.

ATTACHMENTS

- Attachment I: Environmental and Social Checklist Questionnaire for Matching Grants
- Attachment II: IFC Exclusions List
- Attachment III: Environmental Management Checklist for Small Construction and Rehabilitation Activities
- Attachment IV: Field Monitoring Checklist for Environmental Supervision of Works
- Attachment V: Minutes of Public Consultation Meeting

Attachment I

Environmental and Social Checklist Questionnaire for Matching Grants

ENVIRONMENTAL AND SOCIAL CHECKLIST QUESTIONNAIRE (to be filled out by Grant Applicants)			
Name of Project (Reference number):			
City/Municipality:			
Name of applicant:			
Contact:			
CRITERIA	YES	NO	Comments
Does the existing enterprise have valid operating permit, licenses, and approvals (e.g. building/land registration documents, operation/use license, water abstraction permit, etc.)? <i>If not, will the grant financing be used to correct this condition?</i>			
Does the existing enterprise require environmental permit? Does the existing enterprise hold such permit (or is in the process of obtaining it as per the Georgian legislation)? Does the proposed activity fall under those for which this permit was issued?			
Does the existing enterprise need to follow Georgian environmental regulations regarding air emissions, and/or wastewater discharge? Are the required agreements on the concentration of pollutant held by the enterprise?			
Are there any significant outstanding environmental fees, fines or penalties or any other environmental liabilities (e.g. pending legal proceedings involving environmental issues etc.)? <i>If so, will the grant financing be used to correct this condition? How?</i>			
Have there been any complaints raised by local affected people or NGOs regarding conditions at the facility? <i>If so, will the grant financing be used to remedy these complaints?</i>			
Proposed Activity			
Will the proposed activity require: <ul style="list-style-type: none"> • Acquisition of private land • Encroachment on private property • Physical relocation of people • Impacts on livelihood incomes 			
Will the activity generate water effluents (wastewater) that may require formal agreement on the permitted concentration of pollutants?			
Will the activity generate air emissions that may require			

formal agreement on the permitted concentration of pollutants?			
Will the activity generate noise levels that would require control measures to ensure compliance with the Georgian standards?			
Will the noise levels impact particularly sensitive receptors (natural habitats, hospitals, schools, local population centers)?			
Will the activity consume, use, store, or produce hazardous materials that: <ul style="list-style-type: none"> • require special licenses • require trained personnel 			
Will the activity generate solid waste other than regular household waste? <i>(This may include, but not be limited to organic waste of animal origin, medical waste, flammables, etc.)</i>			
Will the activity be undertaken in proximity to natural protected areas, recreational areas/resorts?			
Will the activity undertaken in proximity to historic/cultural monuments?			
Will the activity involve import of living organisms (e.g. saplings, insects, animals) or GMO?			
Is there any other aspect of the activity that would – through normal operations or under special conditions – cause a risk to the population or could be considered as a nuisance?			

Attachment II

IFC Exclusions List

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, polychlorinated biphenyls (PCBs), wildlife or products regulated under CITES
- Production or trade in weapons or munitions
- Production or trade in alcoholic beverages (excluding beer and wine)
- Production or trade in tobacco
- Gambling, casinos, and equivalent enterprises
- Production or trade in radioactive materials (this does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the IFC considers the radioactive source to be trivial and/or adequately shielded).
- Production or trade in unbounded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length
- Production or activities involving harmful or exploitive forms of forced labor/harmful child labor
- Commercial logging operations for use in primary tropical moist forest
- Production or trade in wood or other forestry products other than from sustainably managed forests
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals (includes gasoline, kerosene, and other petroleum products)

Attachment III

Environmental and Social Management Plan Checklist for Small Rehabilitation Activities

General Guidelines for use of ESMP checklist:

For low-risk topologies, such as rehabilitation activities. The checklist-type format has been developed to provide “example good practices” and designed to be user friendly and compatible with safeguard requirements.

The ESMP checklist-type format attempts to cover typical core mitigation approaches to civil works contracts with small, localized impacts. It is accepted that this format provides the key elements of an ESMP to meet the World Bank requirements of environmental assessment under OP/BP 4.01. The intention of this checklist is that it would be applicable as guidelines for works contractors and constitute an integral part of bidding documents for contractors carrying out small civil works under Bank-financed projects.

The checklist has three sections:

Part 1 includes a descriptive part that characterizes the project and specifies in terms the institutional and legislative aspects, the technical project content, the potential need for capacity building program and description of the public consultation process. This section could be up to two pages long. Attachments for additional information can be supplemented when needed.

Part 2 includes an environmental and social screening checklist, where activities and potential environmental issues can be checked in a simple Yes/No format. If any given activity/issue is triggered by checking “yes”, a reference is made to the appropriate section in the following table, which contains clearly formulated management and mitigation measures.

Part 3 represents the monitoring plan for activities during project construction and implementation. It retains the same format required for EMPs proposed under normal Bank requirements for Category B projects. It is the intent of this checklist that Part 2 and Part 3 be included into the bidding documents for contractors, priced during the bidding process and diligent implementation supervised during works execution.

CONTENTS

- A) General Project and Site Information**
- B) Safeguards Information**
- C) Mitigation Measures**
- D) Monitoring Plan**

PART A: GENERAL PROJECT AND SITE INFORMATION

INSTITUTIONAL & ADMINISTRATIVE			
Country			
Project title			
Scope of site-specific activity			
Institutional arrangements (WB)	Task Team Leader: Thomas Heven; Siddhartha Raja		Safeguards Specialists: Darejan Kapanadze; Michelle Rebosio
Implementation arrangements (Georgia)	Implementing entity: GITA, Ministry of Economy and Sustainable Development	Works supervisor: (tbd)	Works contractor: (tbd)
SITE DESCRIPTION			
Name of institution whose premises are to be rehabilitated			
Address and site location of institution whose premises are to be rehabilitated			
Who owns the land? Who uses the land (formal/informal)?			
Description of physical and natural environment around the site			
Locations and distance for material sourcing, especially aggregates, water, stones?			
LEGISLATION			
National & local legislation & permits that apply to project activity			
PUBLIC CONSULTATION			
When / where the public consultation process will take /took place			
ATTACHMENTS			
Attachment 1: Site map/photo Attachment 2: Construction permit (as required) Attachment 3: Agreement for construction waste disposal Others – as required			

Information on works supervisor, works provider (contractor), and the attachments will be provided later, prior to mobilization of a selected works provider to a work site

PART B: SAFEGUARDS INFORMATION

ENVIRONMENTAL /SOCIAL SCREENING			
	Activity/Issue	Status	Triggered Actions
Will the site activity include/involve any of the following?	A. Building rehabilitation	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section A below
	B. New construction	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section A below
	C. Individual wastewater treatment system	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section B below
	D. Historic building(s) and districts	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section C below
	E. Acquisition of land ³	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section D below
	F. Hazardous or toxic materials ⁴	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section E below
	G. Impacts on forests and/or protected areas	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section F below
	H. Handling / management of medical waste	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section G below
	I. Traffic and Pedestrian Safety	<input type="checkbox"/> Yes <input type="checkbox"/> No	See Section H below

³ Land acquisitions includes displacement of people, change of livelihood encroachment on private property this is to land that is purchased/transferred and affects people who are living and/or squatters and/or operate a business (kiosks) on land that is being acquired.

⁴ Toxic / hazardous material includes but is not limited to asbestos, toxic paints, noxious solvents, removal of lead paint, etc.

PART C: MITIGATION MEASURES

ACTIVITY	PARAMETER	MITIGATION MEASURES CHECKLIST
0. General Conditions	Notification and Worker Safety	<ul style="list-style-type: none"> (a) The local construction and environment inspectorates and communities have been notified of upcoming activities (b) The public has been notified of the works through appropriate notification in the media and/or at publicly accessible sites (including the site of the works) (c) All legally required permits have been acquired for construction and/or rehabilitation (d) The Contractor formally agrees that all work will be carried out in a safe and disciplined manner designed to minimize impacts on neighboring residents and environment. (e) Workers' PPE will comply with international good practice (always hardhats, as needed masks and safety glasses, harnesses and safety boots) (f) Appropriate signposting of the sites will inform workers of key rules and regulations to follow.
A. General Rehabilitation and /or Construction Activities	Air Quality	<ul style="list-style-type: none"> (a) During interior demolition debris-chutes shall be used above the first floor (b) Demolition debris shall be kept in controlled area and sprayed with water mist to reduce debris dust (c) During pneumatic drilling/wall destruction dust shall be suppressed by ongoing water spraying and/or installing dust screen enclosures at site (d) The surrounding environment (sidewalks, roads) shall be kept free of debris to minimize dust (e) There will be no open burning of construction / waste material at the site (f) There will be no excessive idling of construction vehicles at sites
	Noise	<ul style="list-style-type: none"> (a) Construction noise will be limited to restricted times agreed to in the permit (b) During operations the engine covers of generators, air compressors and other powered mechanical equipment shall be closed, and equipment placed as far away from residential areas as possible
	Water Quality	<ul style="list-style-type: none"> (a) The site will establish appropriate erosion and sediment control measures such as e.g. hay bales and / or silt fences to prevent sediment from moving off site and causing excessive turbidity in nearby streams and rivers.
	Waste management	<ul style="list-style-type: none"> (a) Waste collection and disposal pathways and sites will be identified for all major waste types expected from demolition and construction activities. (b) Mineral construction and demolition wastes will be separated from general refuse, organic, liquid and chemical wastes by on-site sorting and stored in appropriate containers. (c) Construction waste will be collected and disposed properly by licensed collectors (d) The records of waste disposal will be maintained as proof for proper management as designed. (e) Whenever feasible the contractor will reuse and recycle appropriate and viable materials (except asbestos)

B. Individual wastewater treatment system	Water Quality	<ul style="list-style-type: none"> (a) The approach to handling sanitary wastes and wastewater from building sites (installation or reconstruction) must be approved by the local authorities (b) Before being discharged into receiving waters, effluents from individual wastewater systems must be treated in order to meet the minimal quality criteria set out by national guidelines on effluent quality and wastewater treatment (c) Monitoring of new wastewater systems (before/after) will be carried out (d) Construction vehicles and machinery will be washed only in designated areas where runoff will not pollute natural surface water bodies.
C. Historic building(s)	Cultural Heritage	<ul style="list-style-type: none"> (a) If the building is a designated historic structure, very close to such a structure, or located in a designated historic district, notification shall be made and approvals/permits be obtained from local authorities and all construction activities planned and carried out in line with local and national legislation. (b) It shall be ensured that provisions are put in place so that artifacts or other possible “chance finds” encountered in excavation or construction are noted and registered, responsible officials contacted, and works activities delayed or modified to account for such finds.
D. Acquisition of land	Land Acquisition Plan/Framework	<ul style="list-style-type: none"> (a) If expropriation of land was not expected but is required, or if loss of access to income of legal or illegal users of land was not expected but may occur, that the Bank’s Task Team Leader shall be immediately consulted. (b) The approved Land Acquisition Plan/Framework (if required by the project) will be implemented
E. Toxic Materials	Asbestos management	<ul style="list-style-type: none"> (a) If asbestos is located on the project site, it shall be marked clearly as hazardous material (b) When possible the asbestos will be appropriately contained and sealed to minimize exposure (c) The asbestos prior to removal (if removal is necessary) will be treated with a wetting agent to minimize asbestos dust (d) Asbestos will be handled and disposed by skilled & experienced professionals (e) If asbestos material is stored temporarily, the wastes should be securely enclosed inside closed containments and marked appropriately. Security measures will be taken against unauthorized removal from the site. (f) The removed asbestos will not be reused
	Toxic / hazardous waste management	<ul style="list-style-type: none"> (a) Temporarily storage on site of all hazardous or toxic substances will be in safe containers labeled with details of composition, properties and handling information (b) The containers of hazardous substances shall be placed in an leak-proof container to prevent spillage and leaching (c) The wastes shall be transported by specially licensed carriers and disposed in a licensed facility. (d) Paints with toxic ingredients or solvents or lead-based paints will not be used
F. Affected forests, wetlands and/or protected areas	Protection	<ul style="list-style-type: none"> (a) All recognized natural habitats, wetlands and protected areas in the immediate vicinity of the activity will not be damaged or exploited, all staff will be strictly prohibited from hunting, foraging, logging or other damaging activities. (b) A survey and an inventory shall be made of large trees in the vicinity of the construction activity, large trees shall be marked and cordoned off with fencing, their root system protected, and any damage to the trees avoided (c) Adjacent wetlands and streams shall be protected from construction site run-off with appropriate erosion and sediment control feature to include by not limited to hay bales and silt fences (d) There will be no unlicensed borrow pits, quarries or waste dumps in adjacent areas, especially not in protected areas.

<p>G. Disposal of medical waste</p>	<p>Infrastructure for medical waste management</p>	<p>(a) In compliance with national regulations the contractor will insure that newly constructed and/or rehabilitated health care facilities include sufficient infrastructure for medical waste handling and disposal; this includes and not limited to:</p> <ul style="list-style-type: none"> ▪ Special facilities for segregated healthcare waste (including soiled instruments “sharps”, and human tissue or fluids) from other waste disposal; and ▪ Appropriate storage facilities for medical waste are in place; and ▪ If the activity includes facility-based treatment, appropriate disposal options are in place and operational
<p>H Traffic and Pedestrian Safety</p>	<p>Direct or indirect hazards to public traffic and pedestrians by construction activities</p>	<p>(a) In compliance with national regulations the contractor will insure that the construction site is properly secured and construction related traffic regulated. This includes but is not limited to</p> <ul style="list-style-type: none"> ▪ Signposting, warning signs, barriers and traffic diversions: site will be clearly visible and the public warned of all potential hazards ▪ Traffic management system and staff training, especially for site access and near-site heavy traffic. Provision of safe passages and crossings for pedestrians where construction traffic interferes. ▪ Adjustment of working hours to local traffic patterns, e.g. avoiding major transport activities during rush hours or times of livestock movement ▪ Active traffic management by trained and visible staff at the site, if required for safe and convenient passage for the public. ▪ Ensuring safe and continuous access to office facilities, shops and residences during renovation activities, if the buildings stay open for the public.

PART D: MONITORING PLAN

Activity	What (Is the parameter to be monitored?)	Where (Is the parameter to be monitored?)	How (Is the parameter to be monitored?)	When (Define the frequency / or continuous?)	Why (Is the parameter being monitored?)	Who (Is responsible for monitoring?)
CONSTRUCTION PHASE						
1.						
2.						
...						
n.						
OPERATION PHASE						
1.						
2.						
...						
n.						

Attachment IV

Monthly Field Environmental Monitoring Checklist

Site location					
Name of contractor					
Name of supervisor					
Date of site visit					
Status of civil works					
Documents and activities to be examined	Status				Comments
	Yes	Partially	No	N/A	
Contractor holds license for extraction of natural resources					
Contractor holds permit for operating concrete/asphalt plant					
Contractor holds agreement for final disposal of waste					
Contractor holds agreement with service provider for removal of household waste from site					
Work site is fenced and warning signs installed					
Works do not impede pedestrian access and motor traffic, or temporary alternative access is provided					
Working hours are observed					
Construction machinery and equipment is in standard technical condition (no excessive exhaust and noise, no leakage of fuels and lubricants)					
Construction materials and waste are transported under the covered hood					
Construction site is watered in case of excessively dusty works					

Contractor's camp or work base is fenced; sites for temporary storage of waste and for vehicle/equipment servicing are designated					
Contractor's camp is supplied with water and sanitation is provided					
Contractor's camp or work base is equipped with first medical aid and fire-fighting kits					
Workers wear uniforms and protective gear adequate for technological processes (gloves, helmets, respirators, eye-glasses, etc.)					
Servicing and fuelling of vehicles and machinery is undertaken on an impermeable surface in a confined space which can contain operational and emergency spills					
Vehicles and machinery are washed away from natural water bodies in the way preventing direct discharge of runoff into the water bodies					
Construction waste is being disposed exclusively in the designated locations					
Extraction of natural construction material takes place strictly under conditions specified in the license					
Excess material and topsoil generated from soil excavation are stored separately and used for backfilling / site reinstatement as required					
Works taken on hold if chance find encountered and communication made to the State agencies responsible for cultural heritage preservation					
Upon completion of physical activity on site, the site and contractor's camp/base cleared of any remaining left-over from works and harmonized with surrounding landscape					

Attachment V
Minutes of Public Consultation Meeting