



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 10-Jan-2020 | Report No: PIDISDSA27977



BASIC INFORMATION

A. Basic Project Data

Country Albania	Project ID P172543	Project Name Albania Environmental Services Project	Parent Project ID (if any) P130492
Parent Project Name ENVIRONMENTAL SERVICES PROJECT	Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 13-Dec-2019	Estimated Board Date 31-Oct-2019
Practice Area (Lead) Environment, Natural Resources & the Blue Economy	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance, Ministry of Tourism and Environment	Implementing Agency Ministry of Environment

Proposed Development Objective(s) Parent

The Project Development Objective (PDO) is to support sustainable land management practices and increase communities' monetary and non-monetary benefits in targeted Project areas which are mainly in erosion prone rural upland areas.

This PDO is to be achieved through the support of alternative livelihoods and provision of environmental services and through sustainable utilization of wood and pasture products in the long term. The Project will particularly focus on enhancing the financial, economic, and institutional sustainability of land use and natural resources management, and will help build capacities of Albania farmers, community organizations and government institutions to efficiently use EU funding.

Components

- Component 1. Strengthening Institutional Capacity to improve environmental services from integrated landscape management
- Component 2. Planning and Provision of IPARD like Grants to improve land management
- Component 3. Introducing Payment for Environmental Services
- Component 4. Supporting Project Implementation

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	2.00
Total Financing	2.00
of which IBRD/IDA	0.00



Financing Gap	0.00
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DETAILS

Non-World Bank Group Financing

Trust Funds	2.00
Free-standing TFs for ECA SD Sector Unit	2.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

The Government of Albania has identified agriculture, rural development and tourism among its main priorities. Current rural development policies aim at increasing agricultural sector productivity and competitiveness in ways that reduce rural poverty and sustain the natural resource base, especially forest resources. Agriculture and forestry are two closely-linked components of rural land use development. In Albania, the villagers manage both agriculture and forestry, typically as part of diverse agro-forestry and silvo-pastoral systems. The Albanian forestry sector holds great potential to support national economic growth, rural employment, industrial development, and environment preservation.

Sectoral and Institutional Context

Albania has a total surface area of 2.9 million hectares (ha), 52 percent (1.5 million ha), of which is forest, 17 percent (0.48 million ha), of which is pasture, and 3 percent (87,000 ha) of which is cropland. The forest cover is classified as 30 percent high forest, 42 percent coppice and 28 percent shrub forest. Timber volume is concentrated in high forest (80 percent), followed by coppice forests (19 percent) and shrubs (0.2 percent). Only 2/3 of arable land is being cropped, while only about 1/4 to 1/3 of cropland is under irrigation.



Even though Albania has a high percentage of forest cover, most of the forests and pastures are in poor condition. Fragile soils combined with unsustainable forestry and agricultural practices (including under- and over-grazing) have caused sediment to be eroded into Albania's rivers, lakes and streams, prior to being washed into the Adriatic Sea. Erosion reduces the carrying capacity of pastures, decreases agricultural yields, increases fertilizer costs on agricultural land, and leads to the siltation of hydropower and other water reservoirs.

In 2017, the Government approved the decentralization of forest and pasture management functions to the newly created municipalities and 80% of these resources were transferred to them. The project is helping the Ministry of Tourism and Environment (MTE) undertake National Forest Inventory and establish a forest management information system, while the municipalities with the registration of forest and pasture lands transferred under their ownership and prepare forest and pasture management plans. The Project is also piloting an IPARD (instrument for pre-accession for rural development) like forestry grant scheme where beneficiaries are Forest and Pasture Users' Associations (FPUAs) and individual famers. The Government approved the Forest Policy Document (2019-2030) on December 31, 2018 and a draft law on forestry is in the consultation phase. A National Forestry Agency was established by Government Decree on July 17, 2019, and the ESP will support this process under the institutional strengthening component.

C. Proposed Development Objective(s)

Original PDO

The Project Development Objective (PDO) is to support sustainable land management practices and increase communities' monetary and non-monetary benefits in targeted Project areas which are mainly in erosion prone rural upland areas.

Current PDO

The PDO remains the same. This PDO is to be achieved through the support of alternative livelihoods and provision of environmental services and through sustainable utilization of wood and pasture products in the long term. The Project will particularly focus on enhancing the financial, economic, and institutional sustainability of land use and natural resources management, and will help build capacities of Albania farmers, community organizations and government institutions to efficiently use EU funding.

Key Results

Key result indicators are:

- (i) Land area where sustainable land management practices have been adopted as a result of the Project (core sector indicator for Land Administration and Management);
- (ii) People in targeted forest and adjacent communities with increased monetary or non-monetary benefits from forest (core sector indicator for Forestry);



D. Project Description

The environmental services (such as carbon sequestration, protection of watersheds, the supply of water for power generation, irrigation, drinking and sanitation, and the contribution to scenic beauty) derived from any landscape depend on its management. The Project aims to maximize the provision of environmental services whilst contributing to the economic development of the communities dependent on their local environment for their livelihoods. The ESP will identify means to secure funding for the provision of direct production and the environmental services in perpetuity through: sharing the benefits of sustainable land use, formalizing land use rights and tenure, implementing payments for environmental services (e.g. sequestered carbon and reduced damage from erosion), and precursors to EU funding (i.e. Natura 2000, agro-environment measures of the rural development program and the LEADER¹ approach, and IPARD).

E. Implementation

Institutional and Implementation Arrangements

The MTE is the lead Implementing Agency (IA) for the Project, supported by National Environmental Agency, State Environment and Forest Inspectorate which will be responsible for the implementation of the national forest inventory and Albanian forest information system; The State Cadaster Agency is responsible for the registration of the municipal forest and pasture land and Agency for Rural Development and Agriculture (ARDA) for the administration of the competitive grant schemes.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project is implemented throughout Albania, while farmers, FPUAs, action groups and individuals spanning 310 rural communes and 2980 villages in the country benefit either directly or indirectly from the grant funds and other project activities. The site specific conditions are reflected in the site specific Environmental and Social Management Plans, in line with the ESMF developed for the project.

G. Environmental and Social Safeguards Specialists on the Team

Bekim Imeri, Social Specialist

Esma Kreso Beslagic, Environmental Specialist

¹ LEADER is a French acronym which stands for Links Between Actions of Rural Development, and was designed as a separate axis of the EU Rural Development Program, aimed at mobilizing and delivering rural development in rural communities through encouraging local and innovative responses to rural development rather than through a fixed set of measures and has proven to be an effective mechanism in driving local development.



SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project has an Environmental and Social Management Framework prepared and was applied all throughout implementation. The ESMF calls for environmental and social screening of all grant applications, and provides template Environmental Management Plans (EMPs) for all construction of water points and check dams. The ESMF was prepared, disclosed and consulted upon in 2013. For the purposes of the Additional Financing the ESMF will be redisclosed at the ARDA or Ministry website.
Performance Standards for Private Sector Activities OP/BP 4.03	No	Not applicable.
Natural Habitats OP/BP 4.04	Yes	The ESMF contains adequate provisions for protection of habitats, since the majority of the project deals with interventions in forested areas and may therefore impact habitats as well.
Forests OP/BP 4.36	Yes	Project activities include afforestation as well as remedial forest operations (coppicing, cleaning, re-spacing, enrichment planting, selective silvicultural thinning, etc.) as well as processing and sale of the sustainable production of wood products, such as poles, firewood and non-wooden forest products. All of these activities are carried out in line with the ESMF and with the site specific forest plans.
Pest Management OP 4.09	Yes	The ESMF for the project includes an Integrated Pest Management Plan, in the event that pest management activities would be supported, either directly or indirectly.
Physical Cultural Resources OP/BP 4.11	No	There are no cultural resources identified within the scope of the project, but the site specific ESMPs contain precautionary chance finds procedures.
Indigenous Peoples OP/BP 4.10	No	Not applicable.
Involuntary Resettlement OP/BP 4.12	No	Not applicable. All works are carried out on public owned land.
Safety of Dams OP/BP 4.37	No	Not applicable.
Projects on International Waterways OP/BP 7.50	No	Not applicable.



Projects in Disputed Areas OP/BP 7.60	No	Not applicable.
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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:

As expected, the ESP did not have any negative environmental impacts, but rather it helped reverse land and watershed degradation through both physical interventions for forest and pasture regeneration and the empowerment of rural population and of local and central institutions. The project supported sustainable land use practices that help reduce degradation in upland areas, reduce risks to downstream lands and infrastructure, improve sustainability of dams and reservoirs, while improving water quality and improve agricultural lands. As the project activities impact directly the livelihoods of the local rural communities, there remains the potential for possible localized indirect and cumulative impacts of interventions through the grants and any other potential impacts on local economies and society. The relatively small negative environmental impacts from construction works were readily mitigated through the application of the project Environmental and Social Management Framework and the site specific Environmental and Social Management Plans (ESMP).

All grants were screened using an environmental and social checklist, and all physical activities, such as construction of a check dam or a watering point were subject to an EMP for construction works. During site visits no non-compliance was noted. The PIU is staffed with an environmental specialist and the original project has an Environmental Management Framework document that remains applicable for the restructuring as well.

There are no issues noted, there are no changes to the scope of the project or proposed activities and there are no potential large scale, significant or irreversible impacts associated.

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

The overall project helps establish better local management of natural resources and promotes sustainable use of these resources. Carbon sequestration activities and payments for environmental services also help promote positive environmental impacts in the project area and the country overall.

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

There are no project alternatives considered in order to minimize adverse impacts.

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 overall project management is carried out by the Ministry of Environment. ARDA administers the grants scheme and the screening is carried out by a safeguard specialist. . In addition, the grant program is strictly guided by the Grant Operational Manual, where the detailed environmental screening procedure is laid out, in accordance with the one developed within the EMF. Review of the paper trail of the applications has shown that the screening was applied to each application and that adequate due diligence was conducted.

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

The project involves a number of institutions and works with a number of levels in country, in particular with the local



communities. The consultant that has developed the EA and EMF has identified a large group of potential stakeholders that included representatives of the institutions, academia, local communities and non-governmental organizations that have been included in the two sets of public consultations workshops (on July 31, 2013 and September 26, 2013). All works and consultations during project implementation were carried out at the level of the local community. Due to the nature of the works, most of the activities on the forest management and construction of check dams is carried out with close involvement of the local community. Nonetheless the EMPs are disclosed to the public in local areas in proximity of the proposed project activities and discussed with the affected communities. For the purposes of the Additional Financing the ESMF will be redisclosed at the ARDA or Ministry website.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other		
Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
13-Sep-2013	24-Jan-2014	

"In country" Disclosure
 Albania
 26-Sep-2013
 Comments

Pest Management Plan		
Was the document disclosed prior to appraisal?	Date of receipt by the Bank	Date of submission for disclosure
Yes	13-Sep-2013	24-Jan-2014

"In country" Disclosure
 Albania
 26-Sep-2013
 Comments

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) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

No

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?

Yes

OP 4.09 - Pest Management

Does the EA adequately address the pest management issues?

Yes

Is a separate PMP required?

No

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?

Yes

OP/BP 4.36 - Forests

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

NA

Does the project design include satisfactory measures to overcome these constraints?

NA

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

No

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?



Yes

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?

Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

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

CONTACT POINT

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Borrower/Client/Recipient

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APPROVAL

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