



Concept Environmental and Social Review Summary

Concept Stage

(**ESRS Concept Stage**)

Date Prepared/Updated: 01/25/2024 | Report No: ESRSC04062



I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P504278	Investment Project Financing (IPF)	SMORE	2025
Operation Name	Strengthening Moldova's Disaster Risk Management and Resilience		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Moldova	Moldova	EUROPE AND CENTRAL ASIA	Urban, Resilience and Land
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Republic of Moldova	Ministry of Internal Affairs	08-Apr-2024	05-Sept-2024
Estimated Concept Review Date	Total Project Cost		
02-Feb-2024	40,000,000.00		

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Proposed Development Objective

The Project Development Objective is to enhance the capacity of the Government of Moldova to respond and prepare for disaster and climate-related shocks, and in case of an eligible crisis or emergency, respond promptly and effectively to it.

B. Is the operation being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project Activities

[Description imported from the Concept Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

The proposed Project is envisaged as part of a long-term strategic engagement on disaster risk management and climate resilience in Moldova, with this first Project focusing on investments and institutional strengthening for emergency preparedness and response, laying the ground for future support for risk reduction investments at scale. The Project will address immediate needs required to enhance the operational readiness of emergency institutions and personnel and



proposes operationalizing an updated early warning system (EWS) to allow for more timely and accurate warnings to save lives and reduce losses and damages, including those resulting from weather and climate events. The Project would also lay the foundations for potential subsequent investment projects by identifying and addressing existing risks in the built environment, and fostering a culture of financial protection and risk-sensitive development. Below is a summary of the Project components and their estimated financing. Component 1 – Investments and Institutional Strengthening for Emergency Preparedness and Response (US\$30 million): This component will finance the procurement and installation of a national cell-phone-based EWS with its respective instrumentation and data servers, and integration with existing meteorological, hydrological, and geological resource information systems. The component will also finance the acquisition of emergency response vehicles and equipment, and essential equipment and instrumentation for improved local-level emergency services. The component will also support strengthening SHS service delivery. The following sub-components are envisaged: Sub-component 1.1 - Strengthening Emergency Response and Preparedness Sub-component 1.2 - Improving Hydrometeorological Services Sub-component 1.3 - Institutional Strengthening for Emergency Preparedness and Response Component 2 – Policy, Regulatory and Investment Support for Risk Reduction of Critical Infrastructure (US\$6 million): This component will provide support to policy and regulatory measures and technical studies to better assess and manage natural hazard and climate related risks. This could include financing of the structural vulnerability assessments, geotechnical and other site investigations, as well as feasibility and design studies for rehabilitating, rebuilding, or reinforcing vulnerable critical infrastructure assets whose failure may cause loss of lives and livelihoods and significant economic damages and losses to the Moldovan economy. Activities financed under this component are intended to be used as pilots of good practices and later used as models for scale-up investments in the areas of flood protection, irrigation and/or seismic risk reduction. The component will support two sub-components: Subcomponent 2.1 - Policy and Regulatory Support to Reduce Risks Subcomponent 2.2 - Feasibility studies for selected risk reduction investments of critical infrastructure Component 3 – Financial Protection to Mitigate Natural Disaster Impacts (US\$ 1 million): This will support the development of strategic frameworks for risk finance to define government objectives for strengthening Moldova’s financial resilience to climate, disaster and other shocks and identify actions for implementation including putting in place new risk financing solutions or strengthening existing ones. It will then support its implementation focusing on embedding disaster risk considerations in government budget cycle including through either/and (i) assessing fiscal risks caused by disasters, (ii) strengthening post-disaster expenditure monitoring, and (iii) implementing risk-based budgeting. To further implement the strategy, this component will also finance development of a technical design / documentation for creating a dedicated disaster reserve fund, and potentially developing public asset insurance program and/or a catastrophe insurance program for households based on the identified priorities of the government. Component 4 – Contingency Emergency Response Component (CERC) (US\$0.00): This component will enable the reallocation of credit proceeds from other components to provide immediate recovery and reconstruction support following an eligible crisis or emergency, as needed. Component 5 – Project Management (US\$3 million)

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

[Description of key features relevant to the operation’s environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 2,000]

The proposed operation has a national coverage. Moldova is considered as the most climate vulnerable country in Europe. The country is exposed to various natural hazards, particularly hydro meteorological disasters such as droughts,



floods, and severe weather events. Climate change is likely to render disaster impacts worse over the medium term. Climate models predict future rises in mean temperature of more than 2 degrees by mid-century, and a significant decline or a slight increase in precipitation, depending on the region. The poor and vulnerable groups are disproportionately affected, especially in view of their dependence on agricultural income. Agriculture employs 30 percent of the population and is the backbone of the rural economy. Droughts have been a recurring threat undermining the country's resilience. The 2020 drought caused a drop of 26 percent in agricultural production and significant socio-economic impacts with almost 20 percent of overall job losses in the agriculture sector, contributing to the recession and putting additional strains on the budget as the Government of Moldova (GoM) responded with relief measures. The 2022 drought, combined with very high fertilizer and fuel prices due to the Russian invasion of Ukraine, caused a drop of 62 percent in cereal production. Extreme temperatures are also a risk in Moldova, with heatwaves, wildfires, and cold spells leading to power outages and water shortages. While earthquakes are rarer, their impacts could be devastating. The country is situated in a high-seismicity area due to its proximity to Vrancea, one of the most active seismic areas of Europe. Moldova has suffered 16 major earthquakes since the past 200 years, with the 1940 earthquake being recorded as the worst earthquakes in recent history at a moment magnitude of 7.7. Over 324,000 people or about one in every two inhabitants in Chisinau reside in the high-risk buildings prone to result in casualties in the event of a severe earthquake.

D.2 Overview of Borrower's Institutional Capacity for Managing Environmental and Social Risks and Impacts

[Description of Borrower's capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 2,000]

The Consolidated Agricultural Project Management Unit (CAPMU) has experience implementing World Bank-financed projects under safeguards with satisfactory performance and is expected to be staffed by experienced professionals and experts relevant to the sector, including environmental and social specialists. Additional personnel and thematic capacity building may be required. However, since the potential social risks are inherent in the project's design, the institutional capacity assessment that will be performed during project preparation will focus on the implementing agencies' capacities in delivering social outcomes through the proposed interventions. Since the project is multi-sectoral and will include key institutions with mandates for emergency response and disasters, further institutional assessment will focus on inter-agency coordination and institutional capacity to deliver the proposed interventions in an inclusive and culturally appropriate manner. The effectiveness of early warning systems and emergency management information systems hinges to a great extent on the quality of awareness raising and management of social implications as a result of public disclosures and dissemination of information related to disasters. Since such information could be sensitive and influence individual and collective decision making, particularly in the contexts of significant trade-offs (i.e., red-zoning, restrictions on land uses, evacuation instructions, etc.), the current institutional capacity to deliver public messages, engage stakeholders and manage grievances will need to be assessed. Further, the existing practices on disaster management along with local perceptions on how recent disasters were managed in the past will need to be understood to enable understanding of the broader institutional capacity challenges and systemic gaps that the project could potentially address as part of its core interventions.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Moderate



A.1 Environmental Risk Rating

Moderate

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 2,000]

The proposed environmental risk classification is moderate. The project's activities will not involve any physical activities and civil works and will have no adverse construction impacts on the human populations and the environment. The project will generally have positive effects due to the acquisition and replacement of fire and rescue vehicles with ones requiring less manpower that will reduce critical response times and improve the safety and efficiency of interventions under sub-component 1.1. It will also enable GIES to increase emergency response operational standards in order to meet requirements of the EU Civil Protection Mechanism and reach compatibility with EU Member States. The equipment choice will be driven by low energy consumption and high efficiency. Traffic safety and road safety risk measures from fire and rescue vehicle usage will need to be implemented as part of the project design and applying good international industry practice and standard operating procedures. There is also a TA component would finance consulting services for detailed structural condition assessments, geotechnical and other site investigations, feasibility design studies, detailed engineering designs (incorporating multi-hazard resilience measures as appropriate to site-specific exposures), and design reviews of critical infrastructure addressing flood, drought and/ or earthquake risks. Any feasibility study/ design funded under this component will take in consideration ESF requirements and green building requirements, towards lowering the consumption of the buildings by higher level of insulation, proper use of LED lighting and ventilation/ heating systems combined with use of renewable energy sources as photovoltaic panels, heat pumps and wind farms as applicable. All potential environmental risks of the project are expected to be low in magnitude, predictable and temporary if identified, mitigated and adequately addressed.

A.2 Social Risk Rating

Moderate

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 2,000]

The proposed social risk classification is moderate. The project will not finance infrastructure investments, with potential land acquisition and impacts on human and the environment, including worker and community health and safety risks. The project may finance feasibility studies for selected risk reduction investments of critical infrastructure. Since the scope is currently to be determined, the social risks will be re-assessed during the project preparation. In terms of the direct investments, the overall social impacts are expected to be positive, particularly for communities residing in disaster-prone areas through improved preparedness against future disaster shocks as well as adaptation to slow onset events induced by the climate change. In the long term, enhanced disaster preparedness and institutional capacity to respond to disasters could potentially result in the reduction of the loss of lives and economic damages as a consequence of disasters. Adverse social risks are limited and mostly residual due to poor quality of implementation. A critical element to deliver social benefits is the ability of the implementing agencies to actively involve relevant stakeholders, communities, and in particular vulnerable groups on awareness raising and capacity building about emergency preparedness and responses. Provisions of emergency communication and early warning may have social implications with regards to individual and collective decision making if information is inaccurate and/or not delivered in a timely and accessible manner. Such risks are expected to be addressed as part of the project's design and stakeholder engagement through implementation of a Stakeholder Engagement Plan (SEP).

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[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 2,000]

B. Relevance of Standards and Policies at Concept Stage

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts Relevant

[Optional Explanation - Max. character limit 1,000]

ESS1 is relevant. The project will not finance infrastructure investments, with adverse environmental and social impacts or potential land acquisition and impacts on human and the environment. including workers and the community. The project may finance feasibility studies for selected risk reduction investments. The Terms of References (ToRs) for technical assistance will incorporate relevant risk assessments and mitigation measures and provisions for stakeholder consultations to promote transparency and public participation. For the Operations and Maintenance (O&M) of equipment, relevant capacity building to operators and project workers from OHS risk perspectives will be incorporated in the operation manual. A project-level Environmental and Social Commitment (ESCP) will consolidate time-bound actions to be agreed by the implementing agencies for the management of environmental and social risks and impacts. The ESCP will be prepared, disclosed, and consulted prior to appraisal.

ESS10 - Stakeholder Engagement and Information Disclosure Relevant

[Optional Explanation - Max. character limit 1,000]

A critical element to deliver social benefits is the ability of the implementing agencies to actively involve relevant stakeholders, communities, and in particular vulnerable groups on awareness raising and capacity building about emergency preparedness and responses. However, provisions of emergency communication and early warning may have social implications with regards to individual and collective decision making if information is inaccurate and/or not delivered in a timely and accessible manner. Such risks are expected to be addressed as part of the project’s design and stakeholder engagement through implementation of a Stakeholder Engagement Plan (SEP). In addition to managing social risks, the project will identify entry points to promote social benefits through enhanced disaster awareness, particularly amongst vulnerable groups, and institutional capacity amongst key agencies to engage them, including GRMs. The SEP will be prepared, disclosed, and consulted prior to appraisal.

ESS2 - Labor and Working Conditions Relevant

[Optional Explanation - Max. character limit 1,000]

ESS2 is relevant. The project may involve direct workers (i.e., CAMPU consultants and experts, government secondees), as well as contracted workers (i.e., firm consultants, service providers). Whether or not primary supply workers will be engaged to deliver the project’s activities will be determined based on the GoM’s procurement and O&M approach (i.e., equipment and instrumentation). The project is not envisaged to involve activities with significant OHS risks. However, deployment of staff to disaster-prone areas for instrument installation, awareness

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raising, and stakeholder engagement is anticipated and hence, requires management of risks. Applicable elements of a Labor Management Procedure (LMP) addressing ESS2 provisions will be integrated into the Project's Operation Manual (POM).

ESS3 - Resource Efficiency and Pollution Prevention and Management

Relevant

[Optional Explanation - Max. character limit 1,000]

All equipment to be acquired for this project are designed and expected to be energy efficient and this will be an important part of the choice of such equipment. All prefeasibility studies/ design financed under this project will take in consideration principles of ESS 3.

ESS4 - Community Health and Safety

Relevant

[Optional Explanation - Max. character limit 1,000]

ESS4 is relevant. As part of the project support, the GoM may conduct a hazard risk assessment and develop a contingency plan in coordination with relevant local authorities and disaster-prone communities to build early warning communication methods and evacuation plans. Potential risk for the project's activities may likely stem from potential weak implementation of contingency plans, poor public awareness, information distortion and/or inadequate maintenance of relevant early warning equipment, leading to malfunction and/or failures. Due care should be given also to training of drivers of rescue and emergency vehicles in order to avoid traffic and road safety risks. These risks are expected to be addressed also as part of the project design, O&M arrangement and implementation of the SEP.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

TBD

[Optional Explanation - Max. character limit 1,000]

ESS5 is to be determined. While there will be no direct infrastructure investments under the project, there could be TA support to finance feasibility studies for specific investments of critical infrastructure with downstream impacts on land and restrictions on land use if being implemented. The scope of the TA is being discussed and will be confirmed during the project's preparation. On the basis of which, the relevance of the ESS5 will be re-assessed based on the GoM's decision at the appraisal stage.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Not Currently Relevant

[Optional Explanation - Max. character limit 1,000]

ESS 6 is not currently relevant, as all existing and potential investments are done in human anthropogenic modified environment and the Project is not expected to support any activities that might have adverse impacts on biodiversity or living natural resources.



ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Not Currently Relevant

[Optional Explanation - Max. character limit 1,000]

ESS7 is not relevant. Moldova does not host communities and/or groups who meet the criteria of Indigenous Peoples/Sub-Saharan African Historically underserved local communities under ESS7.

ESS8 - Cultural Heritage

Not Currently Relevant

[Optional Explanation - Max. character limit 1,000]

ESS8 is not relevant. The project does not involve community-level disaster preparedness where use of traditional knowledge around disasters may be envisaged. The proposed investments will not have impacts on physical and intangible cultural heritage.

ESS9 - Financial Intermediaries

Not Currently Relevant

[Optional Explanation - Max. character limit 1,000]

ESS9 is not relevant. The project will not include investments with financial intermediation activities.

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways

No

OP 7.60 Operations in Disputed Areas

No

B.3 Other Salient Features

Use of Borrower Framework

No

[Optional explanation – Max. character limit 1,000]

Borrower framework is not envisaged to be used in this project

Use of Common Approach

No

[Optional Explanation including list of possible financing partners – Max. character limit 1,000]

No possible financing partners

B.4 Summary of Assessment of Environmental and Social Risks and Impacts

[Description provided will not be disclosed but will flow as a one time flow to the Concept Stage PID – Max. character limit 5,000]

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Environmental and Social Risks and Impacts (Moderate). ESS1, ESS2, ESS3, ESS4, and ESS10 are considered relevant. ESS5 is to be determined, based on the scope of the direct investments and feasibility studies. The Project's social and environmental risk classification is moderate. The Project will not finance infrastructure investments, with potential land acquisition and impacts on human and the environment, including worker and community health and safety risks. No significant environmental risks are foreseen, as major component relates to purchase of equipment for firefighters. The Project may finance feasibility studies for selected risk reduction investments of critical infrastructure where downstream risks will need to be re-assessed during project preparation. Adverse social risks are limited and mostly residual due to poor quality of implementation. A critical element to deliver social benefits is the ability of the implementing agencies to actively involve relevant stakeholders, communities, and in particular vulnerable groups on awareness raising and capacity building about emergency preparedness and responses. Such risks are expected to be addressed as part of the Project's design and stakeholder engagement through implementation of a Stakeholder Engagement Plan (SEP). The Terms of References (ToRs) for TA (i.e., studies, regulatory support, etc.) will incorporate relevant risk assessments and mitigation measures and provisions for stakeholder consultations to promote transparency and public participation. Depending on the types of equipment and instrumentation to be procured, relevant capacity building to operators and project workers from OHS risk perspectives will be incorporated in the operation manual and Labor Management Procedures (LMP). A Project-level Environmental and Social Commitment (ESCP) will consolidate actions to be agreed by the implementing agencies for the management of environmental and social risks and impacts. Both the SEP and ESCP will be prepared, disclosed and consulted prior to appraisal. Other measures will be incorporated in the ESCP as timebound actions and will be finalized during negotiations.

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C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by Appraisal?

[Description of expectations in terms of documents to be prepared to assess and manage the project's environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 3,000]

Prior to appraisal, the project will prepare:

- A Stakeholder Engagement Plan (SEP) covering all components under the project and a Grievance Redress Mechanism (GRM)
- Environmental and Social Commitment Plan (ESCP)

Prior to effectiveness, the project may prepare a Project Operation Manual (POM), which incorporate applicable provisions of a Labor Management Procedures in line with the ESS2

III. CONTACT POINT

Contact Point

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IV. FOR MORE INFORMATION CONTACT

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V. APPROVAL

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