



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 06/09/2020 | Report No: ESRSC01379



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Europe and Central Asia	EUROPE AND CENTRAL ASIA	P173890	
Project Name	Blueing the Black Sea GEF Regional project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Environment, Natural Resources & the Blue Economy	Investment Project Financing	11/26/2020	3/31/2021
Borrower(s)	Implementing Agency(ies)		
Organization of the Black Sea Economic Cooperation	Permanent International Secretariat of Black Sea Economic Cooperation (BSEC)		

Proposed Development Objective(s)

The proposed Project Development Objective (PDO) is to strengthen economic, technical and communication tools to promote regional collaboration and private sector engagement for pollution prevention in the Black Sea.

Financing (in USD Million)	Amount
Total Project Cost	6.39

B. Is the project 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 [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

Addressing pollution issues is a major challenge for the sustainable development of the Black Sea in a post-COVID era. Prevention and reduction of water pollution is important for health and for healthier natural habitats. Many factors that condition our health are common to us all and come from the natural environment but are often overlooked within health systems. The proposed project would build on solid analytical works on pollution to identify innovative finance and business models that reduce the degradation of coastal and marine resources, providing strong evidence



for effective “blue economy” approaches to maritime management sustaining an economy in support of marine ecosystem restoration and protection.

Design and theory of change. The proposed project would be a first step towards building the larger Blueing the Black Sea (BBSEA) Program to catalyze blue economy investments for the Black Sea. The BBSEA Program would have an Investment Component and an Analytical Component (Figure 1). The initial step of building a coherent BBSEA Program is focused on the Pillar 1 “Save the Sea” that is aiming at reducing pollution in the Black Sea. Two instruments are considered for the realization of these first step: (i) PROBLUE Regional Analytical Work, executed by the World Bank (US\$ 400,000) has been approved and will support national diagnostic on pollution and synthesize the results in a regional report and; (ii) the proposed GEF grant in an amount of US\$ 6.6 million, financed under the IW Water window. The project would tackle the root cause to achieve prevention, reduction and the control of pollution in the Black Sea which issues are linked to coordination and lack of economic tools and investments. In total, six categories of outputs have been identified for the project, including: (i) frameworks governing pollution assessed; (ii) investment plans for pollution prevention and circular economy prepared; (iii) cross-sectoral coordination mechanisms prepared; (iv) private sector awareness raised; (v) regional dialogue improved; (vi) communication outreach strengthened; (vii) sustainable business standards and guidelines prepared; (viii) eco-business grants provided through competition; (ix) investment prepared, (x) BSEC capacity strengthened. The project would also include a transversal activity encompassing the regional level, engaging with all the Black Sea countries in a constructive dialogue. In the medium-term, the project would help to create more incentives for public and private investments for pollution reduction all leading to the longer-term outcome of an improved environmental status of the Black Sea with increased economic and social benefits for the population.

Component 1. Improved national and regional frameworks for pollution prevention and reduction (GEF US\$ 2,1 million): The project would build on the on-going and planned national investments for rural development, wastewater treatment and rivers basin and coastal zone management as well as current institutional reforms that may present further opportunities for improved coordination. Good policy and governance at the national and regional levels are an indispensable basis for further developing the blue economy in the region. The component would provide an assessment of the current national policy and legal framework, examining the compliance with regional regulations / conventions on pollution related to water management, agriculture, aquaculture, tourism and shipping. It would provide recommendations for legislative and administrative reforms at national and municipal levels, aligning with regional engagements for improved coordination between sectoral agencies and for pollution control. The component would include national plans for pollution reduction and circular economy (including financing, targets and monitoring) through an established dialogue with the countries and key regional stakeholders, in compliance with relevant regional frameworks and international instruments. The project would also support strengthened framework for Blue Economy with supporting cost-effective coordination and harmonization of agreed actions (that would be identified during the project preparation) that would further support the implementation of the CMA and SRIA. Finally, the project would facilitate the regional dialogue with strengthened regional cooperation between the BSC, BSEC, GFCM and enhance BSEC performance (financing of activities and participation) including through the IW:LEARN Platform.

Component 2. Strengthen public private partnership and innovative financing (GEF US\$ 4.0 million). The proposed project would look at establishing a momentum and incentives to reduce pollution and invest in pollution reduction technology, innovation and finance. The project would support the Development of sustainable business standards and guidelines in agriculture, aquaculture, tourism, shipping and water management would be developed based on



international best practices. Models from investments into nature-based solutions would be also used. Capacity building in banking and innovative financing would be provided through trainings on green technology investments, focusing on pollution reduction and prevention targeting regional financial/investment organizations such as the BSTDB and or the BSEC Business Council. At the national level, relevant banks / investors would be convened for participation. Eco-Business Competition and Grants would be organized, engaging public agencies, local authorities, private sector and youth programs from the Black Sea region to promote eco-sustainable business practices, innovation and finance supporting pollution reduction. Best practices and innovations for pollution reduction would be selected for further implementation and financing through grants. Various rounds would be organized throughout the project duration, including a competition open for women led SME as well as for young entrepreneurs. Rounds would be organized in each country as well as a regional final round. The project would support the preparation of an investment (e.g. identification and pre-feasibility study) in at least one of the beneficiary country. The support would target investments for waste water treatment, water depollution, water recycling, etc. Circular economy models focusing on pollution prevention and reduction could be also explored for the selection of the investment.

Component 3. Project Management (GEF US\$ 0.3 million). This component would aim to ensure the project efficiency and efficacy through the establishment of a satisfactory monitoring and management system as well as the maintenance of the project's participation and consultation mechanisms. This component would support the project executing entity in charge of the technical implementation, financial management and procurement, overall monitoring of project results, production of progress reports, and safeguards compliance, including the establishment of a culturally appropriate grievance redress mechanism.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The Black Sea is a nearly enclosed and zonally elongated basin with a surface area of 423,000 km² and has a limited interaction with the Aegean Sea through the Turkish Straits System. The Black Sea is bordered by Ukraine, Romania, Bulgaria, Turkey, Georgia and Russia. It is supplied by a number of major rivers such as Danube, Dnieper, Don, Rioni, Kodori and Inguri Chorokh, Kizilirmak, Yesilirmak, Sakarya, Southern Bug and Dnister. Other than those, many other countries' watersheds drain into the Black Sea. The Black Sea is highly sensitive to anthropogenic impacts due to the huge catchment area and almost landlocked nature. The diversity of species of Black Sea fauna is approximately three times lower compared to Mediterranean, due to natural factors. The thin upper layer of marine water (up to 150 m) supports the unique biological life in the Black Sea ecosystem. The deeper and more dense water layers are saturated with hydrogen sulfide, that over thousands of years, accumulated from decaying organic matter in the Black Sea.

The environmental quality of the Black Sea has been declining significantly, with peak nutrient pollution causing eutrophication, plastics and marine litter. The climate change is likely to exacerbate erosion, flooding and environmental quality of the Black Sea. The most significant process causing degradation of the Black Sea has been the massive over-fertilization by nitrogen and phosphorus compounds, coming largely from agricultural, domestic and industrial sources. Sewage discharge and oil pollution pose a threat to human health and in some cases hamper the development of sustainable tourism and aquaculture.



For protection and improvement of the status of the Black Sea, Bucharest Convention on the Protection of the Black Sea Against Pollution has been signed by Georgia, Turkey, Russia, Bulgaria, Romania and Ukraine in 1992. The Commission on the Protection of the Black Sea Against Pollution has been established for implementation of the Convention. Since then Strategic Action Plan (SAP) has been established and implementation status reports and State of Environment (SoE) reports have been prepared. The Black Sea SAP, lastly updated in 2009, describes policy actions and management targets required to meet the major environmental challenges faced in the Black Sea. The Black Sea Integrated Monitoring and Assessment Program provides sound and scientific data and information flow underpinning SoE of the Black Sea and implementation of the SAP for Environmental Protection and Rehabilitation of the Black Sea. According to the latest SAP revised in 2009, the main environmental challenges for the Black Sea are: (a) the preservation of the commercial marine living resources, (b) the conservation of Black Sea biodiversity and habitats, (c) eutrophication reduction and ensuring good water quality for human health, (d) recreational use and aquatic biota.

The population of the greater Black Sea basin is more than 160 million people. The Black Sea is an important year-round transportation artery, linking the eastern European countries with world markets. Fish constitute the most widely utilized biological resource of the Black Sea. The main economic sectors and sources of livelihoods include tourism, aquaculture including fishing, coastal agriculture, and shipping industry. The social landscape of the Black Sea basin is very diverse including various country contexts with different gender and citizen participation and social inclusion issues. These social issues including the identification of vulnerable and disadvantaged social groups dependent on natural resources in Black Sea, assessment of the negative impact of environmental degradation on their livelihoods as well as potential means to mitigate such impact, will be assessed within the scope of SESA so that project activities will be implemented taking them into account.

D. 2. Borrower's Institutional Capacity

The project will be executed by the Black Sea Economic Cooperation (BSEC). BSEC is a multilateral political and economic initiative aimed at fostering interaction and harmony among the Member States. It serves as a forum for cooperation in a wide range of areas for its 12 Member States. BSEC was launched as a regionally owned initiative, when the Heads of State and Government signed the Summit Declaration and the Bosphorus Statement on 25 June 1992, in Istanbul. Agriculture and agro-industry, culture, education, emergency assistance, energy, environmental protection, exchange of statistical data and information, science and technology, SMEs, tourism, trade and economic development and transport are some of the fields of cooperation within the framework of the Organization.

For each cluster, BSEC has established Working Groups (WG). WG on Environmental Protection is composed of relevant ministries from member states and meets regularly. The WG on Environmental Protection is responsible for promoting integration of environmental protection into economic and social policies of the Member States, as well as the development of innovative, environmentally friendly and resource saving technologies, sustaining the development of environmental cooperation in integrated coastal zone management, marine environment, water protection etc in the region. BSEC also has permanent staff collaborating with WGs to execute their activities.

The Project's governance structure includes a Regional Project Steering Committee (RSC), the BSEC as the project executing entity and national agencies. BSEC will enter into implementation arrangement with each national agency for the execution of national level activities in Georgia, Moldova, Turkey and Ukraine. The national agencies include



the Ministry of Environmental Protection and Agriculture of Georgia, Ministry of Agriculture, Regional Development and Environment in Moldova, the Ministry of Environment and Urbanization and the Ministry of Agriculture and Forestry in Turkey and the Ministry of Energy and Environment Protection in Ukraine. The RSC will be comprised of representatives of the relevant national ministries providing policy level and strategic guidance, ensuring linkages to sectoral policies and programs, assisting in the resolution of any inter-sectoral conflicts, and debating and suggesting improvements in project strategy and operations, among other issues. The project executing entity will be responsible for coordination, supervision and monitoring of project implementation, as well as procurement and financial management and monitoring, including approving and tracking the distribution of funds. The national agencies will provide technical guidance for the overall implementation of the project in consideration of the RSC observation and in support of the project executing entity.

BSEC has no prior experience in GEF funded projects, however, five projects in the field of environmental protection were financed under the BSEC Project Development Fund. BSEC has no prior experience working with the ESF. Therefore, BSEC will hire have environmental and social specialists to be able to implement the requirements of the ESF. BSEC will need to establish enough capacity to assess the environmental and social potential risks, and to develop and implement an Environmental and Social Management Framework (ESMF), Terms of Reference (ToR) associated with the relevant activities in consideration of the requirements of the ESF, and monitoring implementation.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Moderate

Environmental Risk Rating

Moderate

The Environmental risk is assessed as Moderate. The project will generally result in positive environmental and social impacts in the Black Sea region by providing assessment of national policies and legal frameworks, development of national plans for pollution reduction and circular economy, strengthened framework for blue economy and enhancing regional dialogue in the Black Sea Basin. The impacts associated with sustainable business standards for agriculture, aquaculture, tourism, shipping sectors and action plans for participation countries are anticipated to be positive, including but not limited to conservation of aquatic species, improved water use and treated wastewater quality, reduced soil pollution. In the absence of environmental and social measures, the associated adverse impacts could be increased water pollution and reduced water quality, increased deterioration of habitats and respective species and unsustainable use of natural resources. These impacts and respective mitigation measures and opportunities to increase the quality will be addressed through SESA. The investment component of the project will include innovation grants in pollution reduction and potential preparation of a pre-feasibility study. The potential impacts associated with such activities (waste generation and management, energy use, noise, dust emissions and occupational health and safety) could be temporary and reversible, low in magnitude and site specific which can be easily mitigated through good management practices. Those will be considered within the scope of the ESMF, ToRs and site specific environmental and social assessment documents. The instruments will consider not only the requirements of the ESSs but also World Bank Group (WBG) General and industry-specific Environmental Health and



Safety (EHS) Guidelines where necessary as well as other international best practices, including IFC Performance Standards and European Investment Bank's (EIB) Environmental and Social Principles and Standards.

Social Risk Rating

Moderate

Social risk is assessed as Moderate. Social impacts are expected to be minimal, localized and reversible, since the project activities are designed to generate positive results for pollution reduction and to strengthen policy coordination around Black Sea sustainable management. The project will not finance activities which require land acquisition or involuntary resettlement, impact on cultural heritage, nor those involving child and forced labor. These risks and impacts will be part of the exclusion list. Labor and community health and safety risks are anticipated to be low to moderate, and may include impacts such as dust, noise, temporary traffic disruptions, and occupational health and safety risks associated with small - scale civil/installation works. The project will not finance any large civil works, therefore impacts will be temporary, reversible and easily managed with mitigation measures included in ESMF and sub-projects E&S documents. Labor influx is not expected to be associated with grant funded activities, and sexual exploitation and abuse (SEA) and sexual harassment (SH) risks are anticipated to be low. The Project will develop extensive stakeholder engagement program with diverse stakeholders in participating countries, and will rely on participatory approach and active consultation in selection of grant supported activities. While BSEC does not have previous experience with ESF, the ministries of project participating countries including Turkey, Georgia, Ukraine and Moldova have the experience with implementation of the WB funded projects. While the project inherent activities will create overall positive social impacts, and have limited and temporary negative impacts, the project is rated Moderate due to complex stakeholder landscape involving diverse contexts of four countries.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

This standard is relevant. Almost all the activities within the scope of the project will result in positive environmental and social impacts through strengthened governance for improvement of the environmental status of the Black Sea. The policy and capacity development activities will result in indirect positive impacts, such as conservation of aquatic species, improved water use and treated wastewater quality, reduced soil pollution, while the investment component of the project might cause impacts such as waste generation and management, energy use, noise, dust emissions and occupational health and safety (OHS) which could be temporary and reversible, low in magnitude and site specific which can be easily mitigated through good management practices. The risks and impacts associated with the project components will be addressed through (a) a Strategic Environmental and Social Assessment (SESA), which will be prepared during implementation, (b) an Environmental and Social Management Framework (ESMF), which will be developed before appraisal.

A Strategic Environmental and Social Assessment (SESA) of national action plans will be conducted during implementation in light of ESS1 through 10 in order to inform project design and activities. This will integrate ESF requirements into the assessment of the current national policy and legal framework, development of national plans for pollution reduction and circular economy and strengthened framework for Blue Economy across the region. The SESA will be identifying and assessing key environmental issues and opportunities associated with the project development and the mitigation measures that will be integrated into the national action plans and sustainable business standards to be developed. The SESA will analyze the national frameworks for environmental and natural

Public Disclosure



resources assessment and management, pollution reduction, the context of the identified sectors and contribution to the Black Sea Basin environmental problems, formulate alternatives and mitigation strategies, and highlight opportunities for sustainable use of natural resources, and therefore enhance the decision-making process. The SESA will be developed, publicly disclosed and consulted with relevant stakeholders throughout project implementation. The project will include a competition for best practices and innovations for pollution reduction which will be selected for further implementation and financing through grants. These can include grey solution such as collection and storage systems for manure, waste water or ship's black water, filtration technologies and conversion of polluting industrial activities; green solution such as plantation and ponds filtering contaminants, afforestation of degraded lands and circular systems, and financial solution such as performance-based incentive for farmers. The rules and procedures environmental and social impacts associated with such activities including waste management, noise, dust, energy use, OHS risks will be described within the scope of the ESMF which will be the governing document for the specific project interventions to screen environmental and social risks, and present response measures or instruments that can be applied to avoid or mitigate potential impacts. The ESMF will be developed and disclosed and consulted with the relevant stakeholders in all participating countries, prior to project appraisal. The ESMF will propose the form of the Environmental and Social Management Plans (ESMP) that will be prepared on site-specific basis for assessment and management of the environmental and social risks and impacts of the investments to be granted through the project. The potential risks described in the ESMF will be further detailed in the site-specific ESMPs. The call for proposals for the projects that will be supported will include exclusion criteria, and prior SESA preparation, additional criteria and thresholds will be identified in consultation with the participating countries and BSEC which has a regional mandate and sensitivity to basin level activities. The ESMF will specify that projects which will have adverse impacts on sensitive areas with respect to biodiversity, cultural heritage and land acquisition will not be eligible for financing.

The project may support preparation of a future potential WB investment though identification and preparation of a pre-feasibility study in at least one country. The study may address investments such as wastewater treatment, water depollution, and water recycling. Detailed designs will not be supported under the project. If pre-feasibility study would be supported under the project, it will integrate requirements of the ESF into its ToR, since such investments can pose risks associated with civil works such as waste generation, noise, dust and OHS and potential operational risks. The pre-feasibility study will be identified during project implementation, and the ToR would be prepared and approved by the Bank during project implementation. Findings of a Bank supported ASA on Blueing Black Sea (P173334) may inform the identification of pre-feasibility study.

The overall social impact of the project is expected to be positive leading to sea pollution reduction, enhancement of business standards in sectors such as agriculture, aquaculture, tourism and shipping, and empowerment of local communities and NGOs to participate in local pollution prevention activities. The project grant facility will not finance activities which require land acquisition or involuntary resettlement, impact on cultural heritage, nor those involving child and forced labor. These risks and impacts will be part of the exclusion list. Labor and community health and safety risks are anticipated to be low to moderate, and may include impacts such as dust, noise, temporary traffic disruptions, and OHS risks associated with small-scale civil/installation works. The project will not finance any large civil works, therefore impacts will be temporary, reversible and easily managed with mitigation measures included in ESMF and sub-projects E&S documents. Labor influx is not expected to be associated with grant funded activities, and SEA/SH risks are anticipated to be low. The Project will develop extensive stakeholder engagement program with diverse stakeholders in participating countries, and will rely on participatory approach and active consultation in



selection of grant supported activities. Grant-funded activities will aim to target a certain percentage of women-led businesses/activities and support youth inclusion. The criteria for inclusion of women and youth will be further developed during project preparation.

The SESA of national action plans will include a social assessment which will analyze social risks and impacts in the Black Sea basin and opportunities resulting from investments in the basin, including the identification and assessment of stakeholders, assessment of the national legal and institutional framework for addressing social risks, contextual risks in beneficiary countries, socio-economic profile of communities in the Black Sea basin project participating countries, mapping of land use, sources of livelihoods and prevalent economic activities. This assessment will inform project supported activities and investments. At this stage it is expected that vulnerable groups would include households whose livelihoods mainly depend on sea-related activities such as fishing; women, youth, poor households, and persons stemming from conflict affected regions (IDPs) in some participating countries. The SESA will identify any other vulnerable groups and the need to differentiated approach to certain groups. Generic SESA TOR will be prepared before appraisal.

A stakeholder mapping will be conducted to inform the SEF and SEPs, as well as core project activities, which will inform SESA process to be conducted during implementation.

Areas where “Use of Borrower Framework” is being considered:

The use of Borrower Framework is not being considered.

ESS10 Stakeholder Engagement and Information Disclosure

The standard is relevant. Project activities will take place in Turkey, Georgia, Ukraine and Moldova. While the BSEC will have overall responsibility for project implementation, including the implementation activities in each country in coordination with national agencies. This may lead to the risk of complex stakeholder coordination, which will be addressed in project design and in SEF and SEPs. The exact locations of innovation grants, which will be implemented by each beneficiary country are not known at this stage. The BSEC will prepare the SEF (Stakeholder Engagement Framework) which will outline the engagement approach for both project affected parties (PAPs) and other interested parties (OIPs). SEF will outline general principles and a collaborative strategy to identify stakeholders and plan for an engagement process in accordance with ESS10. The SEF will also assess any existing mechanisms for coordination between BSEC and member countries, and include additional steps towards facilitating coordination between them in implementing the project activities, to address the risk of complex stakeholder coordination. BSEC and country agencies will agree on the implementation arrangements for stakeholder engagement at the country level, including preparation of country specific Stakeholder Engagement Plans (SEPs) for the set of sub-projects (investments). SEF will be prepared and disclosed and before Appraisal, and consulted upon before Appraisal conclusion. Country-specific SEPs will be prepared, disclosed and consulted upon before the start of any activities in each country. The SEF and respective SEPs will inform the SESA process to be conducted during implementation by identifying key stakeholders (both regional and country levels) and establishing a platform for meaningful engagement with them throughout the project life.

The initial assessment indicated that the direct stakeholders include the Ministry of Environmental Protection and Agriculture of Georgia, Ministry of Agriculture, Regional Development and Environment in Moldova, the Ministry of Environment and Urbanization and the Ministry of Agriculture and Forestry in Turkey and the Ministry of Energy and



Environment Protection in Ukraine, local municipalities in the Black Sea basin in beneficiary countries, local business associations in agri and aquaculture, tourism and shipping, local NGOs to be involved in the grant financed activities. Additional stakeholder groups will be identified during project preparation, and special attention will be dedicated to the identification of vulnerable groups among stakeholders. The SEF and subsequent SEPs preparation process will identify additional direct and indirect stakeholders, particularly at the local level.

The SEF will lay out a strategy to identify and map key stakeholders. The SEP will present modalities of engagement that are tailored to the needs and characteristics of each stakeholder group. The implementing agencies will ensure that all consultations are inclusive and accessible (both in format and location) and carried out through channels that are suitable in the local context. The SEF and specific SEPs will be disclosed to the public, but continue to be updated throughout the implementation phase.

The SEF will include the principles and guiding procedures for Grievance Redress Mechanism (GRM) to address all types of grievances, both environmental and social, that relate to the project, while country specific SEPs will propose detailed country and culturally sensitive GRMs.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The standard is relevant. It is anticipated that the project will involve direct and contracted workers. ESMF preparation will assess the relevance of primary supply chain workers. It is not expected that project would engage community workers.

Direct workers will include: a) BSEC staff assigned to work on the project, and b) technical consultants engaged by BSEC.

BSEC is a multilateral agency and terms and conditions of their staff are regulated by the Regulations for the Staff of the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation, which is disclosed on BSEC website. These regulations, which are aligned with the requirements of ESS2, will continue to apply to BSEC staff. Technical consultants funded under the project will be hired following World Bank procurement procedures.

Contracted workers may include employees of firms hired to carry out technical and policy studies, training and capacity building activities, and workers of firms and organizations engaged to carry out grant - funded activities. Labor management procedures will be prepared to assess, and guide overall labor risks in the project, including country specific labor risks and procedures to manage sub-projects. Depending on the nature of activities in each country, LMP can be prepared as a part of ESMF and/or ESMP.

It is anticipated that labor risks will be mainly associated with OHS issues associated with small grants. These risks and impacts will be addressed in the ESMF and in site specific ESIA/ESMP as relevant. WB EHS Guidelines will be included in the ESMF and followed during project implementation.

Child and forced labor risks are not anticipated and these activities will be include in the project Exclusion List. LMP will include proposed Code of Conduct to address SH/SEA risks.

Business standards and guidelines which will be developed under Component 2 will include principles of ESS2.

ESS3 Resource Efficiency and Pollution Prevention and Management



This standard is relevant. The activities that are involved in the project are related to reducing pollution in the Black Sea Basin through enhanced governance, assessment of the regional and national frameworks, development of national plans for pollution reduction and circular economy and support to regional dialogue with strengthened cooperation among the authorities. The SESA will be addressing the water quality and corresponding environmental problems, the pollution sources and means to mitigate those and will inform the overall project design accordingly.

The grants for innovations for pollution reduction will be integrated with the requirements of the ESS3 as the eligibility criteria for selection. The ESMF will be addressing the impacts associated with those investments such as noise, dust, waste generation and management, energy use etc. Site-specific ESA documents (ESMPs) will assess the associated risks and impacts and present means to avoid/mitigate such impacts. The ESMPs will also address efficient use of resources such as energy and water as appropriate for each grant proposal.

The potential environmental impacts associated with the project funded activities will be generally positive since the project preparation will consider wastewater treatment, water depollution or water recycling facilities. If a pre-feasibility study would be supported by the project, it will assess the potential environmental risks such as noise, dust and waste generation with respect to construction and operation phases of the potential investment and will integrate the provisions regarding ESS3 into the ToR for conducting ESIA and ESMP.

The assessments will consider WBG General and industry-specific EHS Guidelines where necessary in accordance with the project design.

ESS4 Community Health and Safety

The standard is relevant because the implementation of the activities funded under small grants component, may cause temporary disturbance to local communities. The requirements of the standards will be addressed under the project ESMF, while site-specific risk and impacts such as temporary traffic disruptions will be elaborated with appropriate mitigation measures to prevent or minimize the risks and impacts through site specific ESF instruments which shall be in line with the WBG Environmental Health and Safety Guidelines (EHSGs).

Small civil works or installation activities will carry out community health and safety sessions during installation works, if relevant, will adhere to the requirements of site-specific ESMPs. Labor influx is not anticipated. SEA risk is assessed as low. Code of Conduct will be implemented for grants' activities.

Pollution and environmental degradation in Black Sea can negatively affect the health and safety of local communities in coastal areas. The SESA process will consider community health and safety risks and impacts and propose solutions to mitigate such impacts through national plans.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The standard is not relevant. The project will not finance activities will require land acquisition, restriction to land use and involuntary resettlement.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources



This standard is relevant. The project will have important environmental benefits due to the nature of the activities proposed. Black Sea Region is rich in biodiversity and includes many important protected areas in all riparian countries. The SESA and ESMF will provide for an assessment of the current biodiversity status in the Black Sea Basin area and identify sensitive/protected areas and habitats which would fall under the region of project implementation. The SESA will consider protection of the habitats as well as availability of provisioning ecosystem services to local communities and enhance sustainable management of natural resources.

ESMF will include provisions on ESS6 considering the impacts of the investments within the scope of the project and will screen out the activities which are likely to adversely impact critical habitats. The site-specific ESMPs to be prepared for grants will also address potential impacts and relevant measures to avoid/mitigate those, on biodiversity. ToRs that will be prepared for capacity building activities for establishment of sustainable business standards and pre- feasibility study for potential investment will integrate aspects of conservation of protected areas as well as the sustainable management of natural resources.

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

This standard is not relevant since there are no known indigenous people living in the region.

ESS8 Cultural Heritage

This standard is currently not relevant. None of the activities within the scope of the project are anticipated to have impacts on cultural heritage and such activities in the scope of investments will not be eligible for financing. The projects with adverse impacts on the cultural heritage will be screened out through the ESMF and SESA.

ESS9 Financial Intermediaries

This standard is currently not relevant since the project will not involve any FIs.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
The project has no activity triggering OP 7.5.	
OP 7.60 Projects in Disputed Areas	No
The project has no activity taking place in disputed area.	

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? **No**

Financing Partners

Not applicable.

Public Disclosure



B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

Development of Terms of Reference for Strategic Environmental and Social Assessment (SESA) before appraisal
Development, disclosure and consultation of Environmental and Social Management Framework (ESMF) before appraisal

ToRs for capacity building activities before appraisal

Development, disclosure and consultation of Stakeholder Engagement Framework (SEF) before appraisal

Development, disclosure of labor management procedures (LMP) before appraisal

Development, agreement between the Borrower and the Bank on and disclosure of the ESCP before appraisal

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

Implementation of the ESMF

Preparation of the site specific ES documents (ESIA and ESMPs)

Conducting SESA for national action plans and business standards and guidelines

Development and implementation of the training plans in consideration of ESS requirements

Preparation of ToRs for pre-feasibility studies in consideration of ESS requirements

Development of the pre-feasibility study in consideration of ESS requirements

Implementation of LMP, establishment and maintenance of workers' GRM

Development, disclosure, consultation and implementation of country-specific SEP including establishment and maintenance of GRM

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

02-Nov-2020

IV. CONTACT POINTS

World Bank

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Borrower/Client/Recipient

Public Disclosure



Borrower: Organization of the Black Sea Economic Cooperation

Implementing Agency(ies)

Implementing Agency: Permanent International Secretariat of Black Sea Economic Cooperation (BSEC)

V. FOR MORE INFORMATION CONTACT

The World Bank
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VI. APPROVAL

Task Team Leader(s):	Berengere Prince, Gulana Hajiyeva
Practice Manager (ENR/Social)	Satoshi Ishihara Recommended on 20-May-2020 at 09:40:57 EDT
Safeguards Advisor ESSA	Nina Chee (SAESSA) Cleared on 09-Jun-2020 at 18:16:53 EDT