

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA17444

Date ISDS Prepared/Updated: 20-Mar-2016

I. BASIC INFORMATION

1. Basic Project Data

Country:	Ukraine	Project ID:	P158091
Project Name:	Ukraine: Conflict Response and Recovery Pilot and Capacity Building (P158091)		
Task Team Leader(s):	Holly Welborn Benner, Klavdiya Maksymenko		
Estimated Appraisal Date:		Estimated Board Date:	31-Mar-2016
Managing Unit:	GSU03	Lending Instrument:	Investment Project Financing
Sector(s):	Information technology (10%), Other social services (90%)		
Theme(s):	Social Safety Nets/Social Assistance & Social Care Services (10%), Conflict prevention and post-conflict reconstruction (60%), Other social development (10%), Social Inclusion (20%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	3.60	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
State and Peace Building Fund			3.60
Total			3.60
Environmental Category:	B - Partial Assessment		

2. Project Development Objective(s)

The goal of the project is to build the capacity of the State Agency for Donbas Recovery to address the development impacts of the conflict. This will be done through capacity building, knowledge generation and pilot recovery and peacebuilding activities.

3. Project Description

The proposed project is organized in three inter-related components to support knowledge generation, pilot displacement response activities and capacity building.

Component 1– SADR Capacity Building, Project Management, and Monitoring and Evaluation

(Recipient Executed by SADR US\$ 900,000)

This component will build the early capacity of the State Agency for Donbas Recovery to fulfill its strategy, planning and coordination mandate as well as to effectively manage, monitor and evaluate proposed recipient executed pilot activities and future national and international assistance. As a new State Agency, and with the GoU's continuing budget crisis and competing reform process, SADR faces challenges in establishing itself as the focal point for recovery activities. Despite these obstacles, SADR has made significant progress in recent months. The Head of Agency for SADR was appointed in May 2015 and SADR became operational with initial staff hired in June 2015. As of February 2016, SADR has established its offices in Kyiv and has 26 staff members, including with competencies in legal affairs, accounting, human resources, communications, humanitarian assistance, economic recovery, public-private partnerships and displacement response. SADR has a staffing plan for 70 future personnel although low wages and limited availability of technical staff with a peacebuilding and recovery skillset has made recruitment difficult.

In this institutional context, Component 1 would include the following types of activities designed to both enable SADR to implement Component 3 activities and to more broadly build the capacity of SADR to coordinate future national and international programming and financing for peacebuilding and recovery. The principle for capacity building assistance will be to prioritize activities that complement incremental costs provided by the Government of Ukraine for SADR and to provide an initial surge of support during SADR's start-up phase. Capacity building will also include attention to building SADR presence and reach in eastern Ukraine and support for municipal/local level capacity building for recovery and peacebuilding planning and program implementation. SADR is interested in creating a satellite office in eastern Ukraine that would enable enhanced coordination with local governmental and non-governmental partners and program oversight.

A focus will also be on supporting SADR in establishing coordination and consultation mechanisms that engage donors and other national/international partners to lay the groundwork for future investments and recovery programming. Capacity building activities would include:

- a) Support for the establishment of fiduciary, procurement and safeguard capacity within SADR including training and consultant support. The goal would be SADR readiness to manage future WBG and international donor financing. This component will also finance the preparation of an operations manual to help guide pilot activities under Component 3, and as a basis for implementation of future internationally-financed projects.
- b) Basic computing, office equipment, and vehicle purchase to enable SADR functioning at national level and to establish a SADR hub in eastern Ukraine.
- c) Training program/workshops for SADR, national partners, and local partners in eastern Ukraine in project planning, design, management and implementation of sub-projects and a range of sectoral/thematic issues based on demand – e.g. displacement response, gender sensitivity, combatant re-integration, monitoring and evaluation. This would build on the TA program being jointly delivered by the WB, UN, and DFID in FY16.
- d) Support for the development of a national and international stakeholder coordination and information-sharing mechanism and donor dialogues.
- e) Capacity building support for monitoring and evaluation, including a monitoring system to

track overall conflict and recovery trends and to monitor progress of peacebuilding and recovery activities. Also, development of monitoring and evaluation capacity for oversight of component 3 pilot activities, including funds for an independent evaluation at the close of activities to gather evidence and lessons to inform future programming. (These capacity building activities would complement proposed DFID financing to support initial design of a ‘prototype’ conflict and recovery monitoring system and assist in the transfer of this monitoring system to SADR for management and oversight.)

f) Knowledge exchanges with other countries/regions to share relevant experiences and approaches on peacebuilding and recovery.

g) Strategic communication support, including information management systems and enhanced dissemination of SADR products and information on services.

(Component 2 – Building knowledge on the socio-economic impacts of displacement and combatant return (Bank executed, US\$ 400,000))

This component will support the design and implementation of new research and analysis to assess the socio-economic impacts of displacement and combatant return in order to provide robust data to underpin future planning and programming. The overall goal is to identify policy and program responses that mitigate the potential negative socio-economic impact of conflict-affected population presence on host communities and maximize the social-economic benefits of conflict-affected population presence for host communities and the Ukrainian economy as a whole.

Two main analytic products are envisioned that are targeted to areas of World Bank comparative advantage and where the World Bank has global knowledge and experience in development response. These analytic activities will directly inform the design and implementation activities outlined in Component 3.

a) A representative survey of IDPs and host communities to assess the impact of displacement on issues such as labor markets/livelihoods, housing, municipal services, education, return intentions and pull factors for return, healthcare, welfare, and social cohesion. This may be accompanied by a complementary qualitative assessment focused on perceptions and experiences of key stakeholders, their priorities as well as exploration of factors contributing to the trends identified through the quantitative work.

b) A survey to assess psychosocial and economic reintegration needs of former combatants to include a baseline assessment of the population of returning combatants from eastern Ukraine to identify potential areas for psychosocial and economic reintegration support. The assessment would cover both combatant needs, family/community needs and potential opportunities for socioeconomic integration based on needs, skills, available support services and structures, labor market, and private sector investment opportunities.

This component would also include capacity building and technical assistance to the relevant GoU agencies in survey design, implementation, and data analysis in order to facilitate future GoU ownership of survey efforts. This component would be carried out in close cooperation with IFC who are considering options for generating private sector development and employment generation programming in communities hosting large numbers of conflict-affected persons. The surveys would

also be developed in close cooperation with the Poverty and Social Protection and Labor GPs with experience in survey design in conflict setting and in the case of SPL, with existing skills and labor market surveys for Ukraine that could complement SPF data. A national firm would be chosen through a competitive bidding process that has the capacity to undertake survey activities across the country, including in conflict-affected (but GoU controlled) areas of Ukraine. (If feasible, options would be considered for remote/mobile phone survey technology to extend survey efforts in non-governmental controlled areas of Ukraine.)

The data generated from this component would be utilized as part of the proposed Conflict and Recovery Monitoring System and for use by the SADR in later targeting of pilot activities. This proposed system aims to provide an information platform of relevant and timely data on conflict and displacement, impacts on poverty and shared prosperity and progress of peacebuilding and recovery activities.

Component 3: Piloting activities to respond to the development challenges of displacement and combatant return (Recipient executed by SADR, US\$ 2.3 million)

Based on the results of the capacity building and analytic work described above, Component 3 would include pilot activities to respond to the developmental needs of the internally displaced persons (IDPs), former combatants and host communities as a complement to ongoing humanitarian response efforts. The goal of Component 3 is to build GoU capacity to implement innovative development-oriented programming that could be brought to scale through future national and international financing.

This component would be designed based on the results of Component 2 assessments and following sufficient capacity building support to SADR to manage project activities. Target communities for pilot support would be chosen based on the following principles:

- a) communities with high concentrations of combatants and/or IDPs;
- b) areas where host communities are already vulnerable due to conflict impacts, lack of employment and economic opportunities, and social cleavages;
- c) communities where there exists a gap in national/international development support;
- d) regions neighboring Donetsk and Luhansk which World Bank group staff can access for supervision (based on security situation/travel restrictions).

While displacement has been countrywide, the most affected regions include Donetsk and Luhansk regions, where the active conflict is taking place, followed by Dnipropetrovsk and Kharkiv. In terms of returning combatants (including volunteers and regular forces), reliable data is very difficult to obtain. However, Mykolayiv and Dnipropetrovsk oblasts have been identified by the State Agency for Donbas Recovery in early consultations as potential oblasts facing challenges in combatant return combined with existing vulnerabilities and IDP populations. In Dnipropetrovsk oblast, for example, authorities list 8,817 demobilized. Based on the criteria above, and initial consultations with SADR and regional authorities, pilot activities focused on IDPs and ex-combatants will take place in one or two of the following oblasts: Kharkiv, Zaporizhzhia, Dnipropetrovsk, and/or Mykolayiv. Based on results of component 2 surveys, SADR will consult with national and local authorities and international partners to decide on final target communities, which will have to be approved by the

World Bank team as a disbursement condition for funding under Component 3.

SADR would pilot an integrated set of activities to respond to the unique needs of Ukraine's displaced (e.g. large numbers of pensioners; repeat returns; availability of high-skilled labor force), former combatants and host communities. The specific set of interventions to be delivered would be tailored based on assessment results but would likely include livelihood opportunities, housing support, municipal services and social assistance, health and psychosocial support as well as activities to promote social cohesion and community revitalization. The pilot would also explore possible joint programming with the IFC to promote private sector development and job creation in areas with high IDP or former combatant populations. As part of capacity building activities under Component 1, an operations manual will be developed by SADR (to be approved by the World Bank) to guide project activities.

Lessons from the pilot activities and capacity building would then be utilized to inform a more comprehensive GoU strategy and budgeting as well as to help in the better targeting and design of investments by the Bank and other development partners. For the Bank, these pilots could directly inform investment projects focused on community social support, health, urban development, and district heating that operate in communities with conflict-affected populations.

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

Target communities chosen for pilot support under Component 3 would be chosen based on the following principles:

- a) communities with high concentrations of combatants and/or IDPs;
- b) areas where host communities are already vulnerable due to conflict impacts, lack of employment and economic opportunities, and social cleavages;
- c) communities where there exists a gap in national/international development support;
- d) regions neighboring Donetsk and Luhansk which World Bank group staff can access for supervision (based on security situation/travel restrictions).

Based on the criteria above, and initial consultations with SADR (recipient) and regional authorities, pilot activities focused on IDPs and ex-combatants will take place in one or two of the following oblasts: Kharkiv, Zaporizhzhia, Dnipropetrovsk, and/or Mykolayiv. Based on results of component 2 surveys, SADR will consult with national and local authorities and international partners to decide on final target communities, which will have to be approved by the World Bank team as a disbursement condition for funding under Component 3.

5. Environmental and Social Safeguards Specialists

Angela Nyawira Khaminwa (GSU03)

Svetlana Khvostova (GEN01)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Since the pilot activities/communities under Component 3 will be developed through capacity building, survey work, and consultations under Components 1 and 2, the specific details of these activities is still undefined. Therefore OP 4.01 on Environmental Assessment is triggered due the possibility of small civil works and support for

		development or expansion of business enterprises that could have potential environmental issues. Based on the nature of the proposed pilot projects under Component 3, the project was assigned EA Category B and has prepared and ESMF/ESMP checklist, which will guide the selection, preparation and implementation of these pilot projects. The implementing agency conducted a set of public consultations on the ESMF/ESMP checklist and publicly disclosed it in Ukraine and in the Bank InfoShop. During implementation pilot-project specific ESMPs will be developed prior to beginning of works on the sites and will be included in the contractor bidding documents.
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	There is no land acquisition or involuntary resettlement anticipated under the proposed interventions. Proposals requiring land acquisition will be excluded from financing under the project.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

II. 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:

Since the pilot activities/communities under Component 3 will be developed through capacity building, survey work, and consultations under Components 1 and 2, the specific details of these activities is still undefined. Therefore OP 4.01 on Environmental Assessment is triggered due the possibility of small civil works and support for development or expansion of business enterprises that could have potential environmental issues. This policy is triggered if a project is likely to have potential (adverse) environmental risks and impacts in its area of influence. OP 4.01 covers impacts on the natural environment (air, water and land); human health and safety; physical cultural resources; transboundary and global environment concerns. Main potential adverse

<p>environmental impacts for the pilot projects are summarized below and are restricted in scope and severity:</p> <p>a) Dust and noise due to demolition and construction;</p> <p>b) Disposal of construction wastes;</p> <p>c) Risk from inadequate handling of hazardous wastewater, air emissions and spillage of hazardous material during operation of the building.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>Any potential adverse environmental impacts will be limited in scope and severity due to the small scale nature of grant activities and with environmental restrictions to be defined in an operational manual to be developed to guide Component 3 activities.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>Not applicable until the geographic area and detailed activities are defined for the Component 3 pilots.</p>
<p>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.</p>
<p>Since OP 4.01 was triggered, the borrower prepared and disclosed to regional authorities an Environmental and Social Management Plan (ESMP) checklist for potential target oblasts for pilot activities. Consultations were held with the regional authorities of Kharkiv, Zaporizhzhia, Dnipropetrovsk, and Mykolayiv--since these were identified at possible oblasts for pilot project implementation.</p> <p>In addition, the operations manual developed for Component 3 activities will include a project screening procedure and exclude activities that require land acquisition or compensation to Project Affected People. Any proposed investments triggering OP 4.12 on Involuntary Resettlement will not be eligible for funding under the project.</p> <p>Finally, as part of Component 1 capacity building activities, the borrower has committed to training SADR staff and hiring consultant support to develop enhanced capacity for environmental oversight. Also, SADR will work with the Ukrainian Academy of Sciences, other national stakeholders, and environmental specialists with regional administration to ensure compliance with environmental safeguards.</p>
<p>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</p>
<p>Once final target communities are chosen for Component 3 pilot activities, SADR will disclose this ESMF and site-specific ESMPs and provide relevant information to communities in a timely manner prior to consultation and in a form and language accessible to the groups being consulted. The above documents will be made available in the country and in the project locations in the local language and at a public place accessible to project-affected groups and local NGOs.</p>

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	15-Mar-2016
Date of submission to InfoShop	31-Mar-2016

For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Ukraine	10-Mar-2016
<p><i>Comments:</i> On March 10, 2016, the State Donbas Recovery Agency of Ukraine distributed the ESMF to Kharkiv, Zaporizhzhia, Dnipropetrovsk and Mykolayiv oblast state administrations together with a cover letter describing the project approach and the potential pilot activities to be undertaken within the scope of the implementation of the Conflict Response and Recovery Pilot and Capacity Building Project. The Agency also suggested that representatives of the above-mentioned oblast state administrations take part in a conference call discussion to provide feedback on the suggested project implementation approach. Consultations on the cooperation in the field of the implementation of pilot projects were held with officers of the relevant line units of oblast state administrations on March 12, 2016. Department heads of oblast state administrations and representatives of the Agency's World Bank cooperation working group took part in the discussion.</p> <p>The parties discussed the project's environmental impact. It was stated that no substantial environmental impact was expected under the suggested project, that the project did not call for the new construction, the excavation work, or the damage to be caused to known or unknown monuments of history or architecture, that it would not result in changing the designated purpose or in acquiring/seizing land plots, including, inter alia, the resettlement of persons affected by the project, the forced resettlement, the impact on income and livelihood, the use of hazardous or toxic materials, the removal and the recycling of toxic and/or hazardous waste generated as a result of the demolition and/or construction; that it would not affect forests or protected areas; and would not involve the management of the medical waste. It is also expected that the installation or equipment to be financed would have no large-scale, substantial and/or irreversible impacts on the environment.</p> <p>Representatives of oblast state administrations reiterated their interest in the implementation of pilot projects and the provision of guarantees of comprehensive support and assistance as a result of the consultations.</p> <p>The potential involvement of an environmental protection unit of an oblast state administration for the coordination and the supervision of the implementation of the environmental management plans and the implementation of the impact mitigation measures within the scope of the project (if implemented) was discussed as well. Representatives of oblast state administrations expressed their consent as a result of the consultations.</p>	
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

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
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 [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Holly Welborn Benner, Klavdiya Maksymenko	
<i>Approved By</i>		
Safeguards Advisor:	Name:	Date:
Practice Manager/ Manager:	Name: Nina Bhatt (PMGR)	Date: 12-Apr-2016