Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 10/21/2019 | Report No: ESRSC00880
BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
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<tbody>
<tr>
<td>Western Balkans</td>
<td>EUROPE AND CENTRAL ASIA</td>
<td>P168862</td>
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Project Name: Sava and Drina River Corridors Integrated Development Program

Practice Area (Lead) | Financing Instrument | Estimated Appraisal Date | Estimated Board Date |

Borrower(s)

- Republic of Serbia
- Ministry of Finance,
- Bosnia and Herzegovina - Brcko Government,
- Ministry of Agriculture, Forestry and Water Management,
- Montenegro Ministry of Agriculture and Rural Development

Implementing Agency(ies)

- Bosnia and Herzegovina - Brcko Government,
- Republic of Serbia - Ministry of Agriculture, Forestry and Water Management,
- Montenegro - Ministry of Agriculture and Rural Development

Proposed Development Objective(s)

The Development Objective of the Sava-Drina River Corridor Integrated Development Project is to strengthen capacity for integrated river basin management and development through improved transport connectivity, flood protection, and landscape management in selected catchment areas of the Sava and Drina river corridors.

Financing (in USD Million)

<table>
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<th>Amount</th>
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<tbody>
<tr>
<td>Total Project Cost</td>
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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]
The Program specifically aims to support integrated management of the international Sava and Drina corridors to (i) improve the protection of selected communities in Bosnia and Herzegovina, Serbia, Montenegro, Croatia and Slovenia from floods, (ii) enhance the navigability of the river between the Belgrade and Sisak with priorities given to most critical sectors of the waterway, for example, between the ports of Belgrade (Serbia), Brčko (Bosnia and Herzegovina), Slavonski Brod (Croatia) and Brod (Bosnia and Herzegovina), (iii) improve flood forecasting and management capacities among riparian countries, and enhance management and operations of Drina cascade dams for hydropower production as well as flood and drought management, and (iv) enhance nature values and tourism along the river in Bosnia and Herzegovina, Serbia, Montenegro, Croatia and Slovenia. The proposed interventions are selected because of their relevance in achieving one of the above goals, and/or complement or amplify the impact on the other goals.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

Sava and Drina River Corridors Integrated Development Program builds upon the existing Drina Regional Project that have started activities in 2 countries of the Drina River Basin. The Program has 3 components: Integrated Development of the Sava River Corridor; Sustainable Management of Environmental Assets and Cascade of Dams in Drina Corridor; Enabling Regional Economic Integration, Institutional Support and Program Management - and will cover Bosnia and Herzegovina, Croatia, Serbia, Montenegro and Slovenia. It comprises:

(i) Strengthening of the Sava River Basin Planning and Development Systems through preparation of Second Sava Master Plan, Flood Risk Assessment and Management Plans and expansion of the existing hydraulic simulation model;
(ii) Enhancement of ports facilities, services and logistics by financing civil works and equipment for rehabilitation and expansion of cargo and vessels handling infrastructure at Sava ports of Brcko (Bosnia and Herzegovina), Sremska Mitrovica (Serbia) and Slavonski Brod (Croatia);
(iii) Multi-Purpose Waterway Improvements, through funding civil works at selected sites between Slavonski Brod (Croatia) and Belgrade (Serbia) aiming at removing bottlenecks, sharp bends, unpredictable drafts, underwater debris etc. and addressing impediments to navigation at Sava River;
(iv) Flood Protection and Forecasting, through financing the implementation of the Second Phase of the Flood Forecasting and Warning System operated by national Hydro-Met institutions of the riparian countries and ISRB secretariat.
(v) Environmental management and Climate Change Adaptation, through watershed management and climate change adaptation measures to re-vitalize selected protected areas of ecological significance, which may be developed as a nature-based flood retention areas.
(vi) Mitigation of Climate Change Impacts and risks while enhancing navigation, hydropower generation and agricultural productivity in Drina Corridor, through optimization of operation of Cascade Dams, including environmental, social and feasibility assessment of candidate dams. The TA related to above will contribute to identification of measures and investments to improve hydropower production through rehabilitation of the existing and construction of new dams;
(vii) Protecting and managing environmental assets in Drina River Corridor - by financing studies, surveys and preparation of detailed designs for interventions related to development and management of environmental assets, protected areas and natural sanctuaries along the Drina Corridor;
(viii) Studies and policy dialogue to foster regional economic integration, through consultations, preparation of plans and studies to strengthen nexus between water services, job creation, economic growth and enhancement of economic integration through trade and tourism;
(ix) Institutional support and program management, by financing activities to increase institutional capacity and inter-sectoral coordination, thus improving decision making and program management at regional level;

(x) Planning and development of tourism in Sava-Drina Corridor, through development of Master Plan to define the strategy to attract cruise ships and strengthen eco-tourism and enhance access for tourists in Serbia, Bosnia and Herzegovina, and Croatia. This may include development of cycling paths, pontoon network and other tourism-related specific investments.

The Program will work with the national and local authorities located throughout the riparian countries, with potential investments identified at over forty locations, mostly at or immediately adjacent to the rivers Sava and Drina, although some of investments may be located at the wider catchments.

The program will directly impact a population of over 8 million people in the river basin. The affected population are likely to have some vulnerable groups such as Roma and IDPs and refugees which the Social Assessment will take into account.

D. 2. Borrower’s Institutional Capacity

The International Sava River Basin Commission (ISRBC), established in 2005, serves the Sava and Drina River Basins riparian countries as an important platform for the multilateral dialogue, and to enhance their cooperation to capture benefits from investments. National institutional capacities in the riparian countries covering environment and protected areas, agriculture, water supply, water-borne transport, energy generation, municipal water supply and waste water etc are existing. However, they suffer from insufficient level of internal and external coordination, and are mostly involved in the single-sector-oriented activities. Several national sectorial development and/or action plans exist, although in many cases they are not synchronized with activities belonging to other sectors and/or other riparian countries. Although some progress has been made recently through different ongoing activities funded by IFIs, the capacity of implementation agencies for ESF implementation in Bosnia and Serbia is still insufficient to smoothly tackle the challenges related to multi-stakeholder and multi-sectoral planning and implementation of activities in Sava-Drina River Corridor. The institutions participating at the Program will benefit of targeted strengthening, capacity building and training in, among others, technical, environmental, social, multi-stakeholder consensus building, planning and international coordination activities.

Program implementation would bring significant capacity enhancement not only with regard to some technical aspects of agencies, but more so in the area of establishing procedures and systems for coordination and efficient decision making between the range of stakeholders who now may lack experience of working together.

The Program proposes that a Sava/Drina Development Council is established with a policy advocacy role - with participation of city mayors, private sector representatives, NGO’s and national political authorities. In addition, it is proposed that the management of the River Basin would be governed by a Steering Committee at ministerial level (political), a Program Coordination Unit (agency level) and a regional working group (technical level).

The Bank already has a considerable experience of working with the ISRBC in several regional projects in the Balkans and will build on this experience with regard to filling capacity gaps and establishing smooth working procedures.

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

A. Environmental and Social Risk Classification (ESRC)  

| Environmental Risk Rating | High |

Environmental Risk Rating  

High
- National institutions dealing with the environmental assessment, management and monitoring are at various stages in relation to implementation capacity and application of enforcement mechanisms. Most of them do not have adequate capacities for smooth implementation of ESF. Adoption of the common standards and/or implementation enforcement mechanisms will need to be designed and implemented during the Program execution;
- Despite improvements that occurred during past years while working within ISRBC, most of the implementing institutions are still faced with the insufficient experience of multi-stakeholder discussion, analysis and prioritization for use of water resources within the Basin. The Program will need to ensure participatory approach of all relevant stakeholders and support in development of the policy dialogue aiming at multi-purpose water use with simultaneous protection and enhancement of the existing natural resources;
- Civil works related to water training works, dredging and port development may contain significant environmental risks/negative impacts;
- Past experience shows that development of the River Basin Management Plan which is not coordinated with Strategic EIAs, Sectoral EIAs can significantly and irreversibly increase existing risks in respect to natural resources;
- Several protected natural areas may be directly or indirectly impacted by the Program. Management of negative impacts on biodiversity and habitat preservation needs to be undertaken in accordance with the legally binding national, international and Bank's procedures.
- Program's activities may include works at the existing reservoirs, which are associated with safety of dams.
- Implementation of the Program may be undertaken at locations that include ports, cities and old fortifications that encompass tangible cultural heritage, which should be protected and considered as an aspect of sustainable development.

Social Risk Rating

The social risk of this project is rated high due to the following identified issues:
- Stakeholder engagement: There is a high risk of delays in decision making, due to different interests and poor coordination and clear procedures between member countries. In addition, the nature of the investments (especially impacts on reservoirs) can evoke resistance from civil society groups due to resettlement and environment impacts
- Land acquisition: Activities such as port enhancement, dykes, dredging, river training and increasing river storage could have impacts on involuntary land acquisition. This is particularly risky in more populated urban areas. In addition, building dykes and protection of environmental areas could restrict access to economic resources for people along the river.
- Labour impacts affecting community health and safety from worker influx and camps related to civil works such as port enhancement. For smaller embankments community labour will be used to the extent feasible.
- Community health and safety impacts; For flood protection measures to be most effective, they should be combined with good training and community response plans and information networks to flood forecasting centers. Without this element, the infrastructure solutions risk compromising their outcomes. Further, the impacts of labour influx and camps from port construction and other civil works have negative impacts on local communities and appropriate measures will have to be implemented. The river basin planning will need to look at dam safety issues and cumulative impacts from the dam cascade.
- Cultural Heritage: Civil works for ports, river dredging and training works etc. may impact physical cultural resources. Also any significant resettlement in case of planned reservoirs or for new ports may affect intangible cultural heritage and these impacts will need to be mitigated.
- The ESA is likely to identify additional social risks (ESS1 para 28 (b)).

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:

Based on project screening, Aide Memoires, Program's description, discussions with stakeholders, and web research - environmental risks relate to air, land, soil, water, protected habitats, flora and fauna, culture heritage, communities, etc.

The range of different tools will be used throughout the Project cycle:

- Environmental and Social Management Framework at the initial phase of the Project – to set up principles, rules and procedures to assess environmental and social risks. It will also, in line with the mitigation hierarchy, contain measures and plans to reduce, mitigate and offset adverse risks and impacts, and include relevant parts of WBG EHS Guidelines. ESMF will assess current level of implementing agencies capacities, gaps and responsibilities for application of the mitigation measures.
- Regional and cumulative ESIAs will be developed as well as River Basin Management Plans, which will among other issues also evaluate impacts of proposed alternatives and recommend measures to strengthen environmental and social management within the River Basin.
- ESMPs will be prepared for specific investments that will be funded by the Program that include civil works. ESMPs will include actions and measures to eliminate, reduce and offset adverse environmental and social impacts, OHS risks.
- Vulnerable groups impacted (eg disable access to ports?)
- Stakeholder engagement: It will include an identification and capacity assessment of a range of Stakeholders, as the success of the Program is highly dependent on good coordination between a wide set of institutions. Activities will impact communities: worker influx and camps, land acquisition from civil works resulting in relocation but also restriction of access to economic resources for people along the river. The screening will consider the scope for including training and community response plans. It will also include the potential cultural heritage sites and possible impacts on non tangible heritage.

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

Given the high environmental and substantial social risks of the Project related activities, and considering existing deficiencies in institutional capacities of the Borrowers, the Borrowers' E&S Framework will not be used for the Project as a whole, nor for any of its parts.

ESS10 Stakeholder Engagement and Information Disclosure

The program and will cover Bosnia and Herzegovina, Croatia, Serbia, Montenegro and Slovenia. This is the full set of riparian countries in which these river basins lie. Slovenia is only marginally affected but included in the project (with regard to the study) since it is part of the riparian group. Consultations will be limited to this full set of riparian countries. The program will directly impact over 8 million people. There are likely to be vulnerable sub groups like the Roma as well as IDPs and refugees and the social assessment will screen for this and take this into account when designing consultation strategies and project design activities.

This program depends on coordination between many institutions, some still to be set up. As some haven't worked together earlier, there is risk of delays in decision making, differing interests, poor coordination and unclear
procedures between countries. The investments (especially dams) can evoke resistance from civil society. There is need to establish procedures for decision making cascades between institutions/countries.

The International Sava River Basin Commission (ISRBC), setup in 2005, serves as an important platform for multilateral dialogue in the region. Based in the considerable experience accumulated in the ISRBC and at the Bank in the joint implementation of regional projects in the Balkans, the Program will need to setup a Sava/Drina Development Council with a policy advocacy role; a governance system at regional level structured in three layers: (i) a Program Steering Committee at Ministerial level to oversee policy decisions at basin level to enable implementation; (ii) a Regional Program Coordination Unit (RPCU) at agency level to coordinate the agencies implementing sub-projects; and Regional Working Groups (technical) constituted by experts to review and discuss annual investment plans.

The stakeholder assessment will also look into the technical capacity of the agencies responsible for the different E and S standards and identify capacity gaps that the program will then be responsible to fill. The PAPs include people affected by land acquisition, losing access to river resources and OIPs are energy users, env. groups, civil society, water user groups, local labor etc. A GRM accessible to all stakeholders will be established. The borrower will carry out stakeholder engagement throughout the life of the project, conduct stakeholder assessment including identification of impediments for meaningful engagement, and prepare SEP before appraisal which will be implemented through the project cycle.

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 Program related activities may include rehabilitation of the existing ports and development of the new ones; construction and reconstruction of embankments and dykes; river bed and reservoir dredging; various forms of river training etc. the project will impact both direct and contracted workers who will be expected to comply with ESS2 requirements. This require preparation of Labour Management Procedures, OHS management for new/rehabilitation works etc. This will be detailed in the Labour Management Procedures document prepared by the Borrower which details requirements for contractors and others as well as any gaps between ESS2 and national law. These become the basis of smaller Labour Mangement Plans. While for smaller-scale works, like small embankments, the locally based and/or community labour may be used, the large- scale civil works may involve an influx of labour and construction of labour camps. These need to adhere to the standards of the framework: wage, protective gear, working hours, benefits etc. These countries also have a lot of in migration and refugees so the rights of such persons need to be clarified in terms of job opportunities and benefits. The types of project workers relevant to the project include direct workers, contracted workers and primary supply workers for whom this standard will apply. The E and S study will screen the relevant aspects of labor codes (in particular with regard to labor management procedures, freedom of associations, etc), and identify gaps for inclusion in commitment plan. OHS/ CHS aspects and contractor GRM will be included in relevant contracts in all activities.

ESS3 Resource Efficiency and Pollution Prevention and Management
The Standard is relevant to Program-related activities that involve preparation of Sava and Drina Management Plans, as well as to construction/civil works related activities. The Program itself is not expected to be a significant user of water, nor have potentially significant impact on water quality. Implementation of various Program-related sub-projects, once defined and agreed between the riparian countries, may produce localized impacts on water use and water quality, although it is not anticipated that these impacts will be major in any sense. These impacts will be further discussed in Program-related River Management Plans, ESIs, ESMPs and other documents. Preparation of various documents related to Sava River Management Plan and Drina River Management Plan will, as its prominent feature, include work on water balance assessment, related allocations and optimization scenarios, that will be further reviewed and discussed between stakeholders and endorsed by riparian countries. Civil works related activities funded by the Program, which by nature require use of the significant quantities of energy, water and raw materials like stone, sand and gravel - need to be managed in such a way to ensure application of good engineering practices and techniques, thus contributing to optimal use of the resources to achieve the designed benefits. Depending upon its nature, dredging of the river bed and reservoirs will result in production of significant quantities of dredged material that can be classified either as a hazardous waste, non-hazardous waste, or useful resource (sand, gravel). Application of the good engineering practices, sampling and testing techniques (to be specified in ESMPs) would ensure adequate classification of the dredged material and provide possibilities for its future use and/or mode of disposal. Construction rehabilitation works by its nature include removal of the significant amounts of rubble-type materials that may include various types of waste, including hazardous waste. Due to historic circumstances, it is likely that at some locations the civil works may be contaminated by heavy metals, PCB oils, asbestos etc. It is also possible that old UXO could be encountered, which will need to be dealt with by the appropriate experts or even the police/or army services. The Borrower countries have enacted sector specific laws on hazardous and non-hazardous waste management. However, enforcement of the relevant legislation and corresponding procedures and practices is very limited and needs to be strengthened by the Program related activities. During the Program's implementation, the Borrowers will develop and implement relevant Waste Management Plans and energy optimization plans. While developing the above plans, the Borrowers will draw on WBG EHS Guidelines, national legislation and codes of good engineering practice.

ESS4 Community Health and Safety

The influx of labour and creation of labour camps at civil works sites will impact the health and safety of the host communities and these impacts have to be identified and mitigated with good supervision and information sharing. Further, the river basin planning involving dam cascade will have to look at dam safety issues including cumulative impacts. Traffic and road safety mitigation measures will be needed during construction phase. In addition, the Program may consider activities on existing reservoirs and will review the appropriateness/need for preparation of Emergency Preparedness and Response Plans, if warranted. With regard to security, this is not expected to be a concern. Guards are not used on sites in any significant numbers – except few gate keepers at construction sites and night guards to keep the equipment from “misappropriation”. There is currently no sufficient information to access the potential impacts on ecosystem services.
As a part of ESA, the Borrowers will, through development of ESMF and ESMPs, identify, assess and evaluate the general and site-specific risks, and design and implement mitigation hierarchy designed measures for reduction of negative impacts on local communities. The risks/measures will relate, but not be limited to, general health and safety due to construction activities, exposure to water-borne and vector-borne diseases, road safety, management of hazardous material, and impacts of the works on ecosystem services due to possible negative climate-change impacts.

Where relevant, and particularly related to works on dams and in the existing floodplains, the Program will design and implement the emergency preparedness and response plans in case of natural hazards for the local communities, and organize trainings for the implementation agencies' staff and community members'. The Borrowers will require from the owners of the existing dams included in the Program to adopt and implement dam safety operation and maintenance plans.

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

The program will have land acquisition impacts that are likely to result in both physical displacement and relocation as well as land acquisition without relocation. The activities such as port enhancement, dykes, dredging, river training and increasing river storage are likely to have impacts on involuntary land acquisition. This is particularly risky in more populated urban areas. In addition, building dykes and protection of environmental areas could restrict access to economic resources for people along the river. There is a risk of temporary/permanent economic displacement of existing activities located close to the waterways and the new ports. The social assessment will screen for all impacts linked to permanent and temporary land acquisition.

Since this is a program and many sub projects are not currently known, a Resettlement Policy Framework will be developed for each country. Since the WB has substantial experience working across these countries on regional programs, the instrument will build on existing frameworks and where feasible continue to be implemented by the agencies who have this experience. Where specific investments have been identified, Resettlement Plans will be developed. The institutional arrangements for approvals and implementation will also be laid out in the Frameworks, as well as identified capacity and policy gaps.

**ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

Project area is a home of several dozens of nationally and internationally recognized natural and critical habitats, protected areas, wetlands, Natura 2000 and Ramsar sites. Preparation of multi-sector River Basin Management Plans and implementation of specific investments that include civil works, if not adequately designed and managed during implementation, could have high negative impacts on natural and critical habitats and the biodiversity of the Region. Similarly, although to a lesser degree, the substantial negative impacts could be felt at the modified habitats, mostly related to floodplains used for agricultural productions, which are located along the river banks. Bearing in mind the wide scope of possible planning measures and specific investments, multi-country and multi-sector approach - at this stage of Program development the specific types, nature and scope of risks cannot be attributed to any specific location, as these will be directly related to particular activities to be included in the River Basin Management Plans, which are to be developed under the Program. Regional ESIA(s), to be developed as a part of the Program, will have to identify the types of habitats potentially affected by the Program, provide options for consideration, multi-sector impact analysis, assessments of risks and prioritization of development options. The Borrowers will use the
proportionate approach for assessment of the associated environmental and social risks - based on their likelihood, significance and severity. Multi-stakeholder approach will be included in development of Regional ESIA(s). Where the risks are found to be high or significant, the Borrowers will manage related risks and impacts in accordance with the mitigation hierarchy, including development and implementation of required offsets, as relevant. Site-specific impacts will, in addition to Regional ESIA(s), be managed through development and implementation of site-specific ESMPs.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
There are no communities that fall into this category as defined in the Environmental and Social Framework. However, the social assessment will screen for this again.

ESS8 Cultural Heritage
The Project area is rich with cultural resources ranging from pre-historic to present time, as Sava and Drina rivers were used as important travel corridors for many centuries. Important Roman and Middle-Age settlements and fortifications are located and well preserved along Sava River, with settlements of different sizes scattered throughout catchments. Tangible cultural heritage is well documented in several Borrower countries, although the area is also rich in chance finds.

The impact on intangible cultural heritage will be covered in the social assessment screening, but is not expected to be significant except in the event of larger relocations linked to proposed dams/ports.

Works related to cultural heritage object may be additionally endangered by presence of UXO from 20th century. The Borrowers will address requirements of this Standard through a range of instruments: (i) as a part of ESMF the Borrowers will define systematic approach to tangible and intangible cultural heritage that is consistent with the national and Bank standards; (ii) through Regional ESIA(s) the Borrowers will determine potential risks and impacts of the proposed activities on the known cultural heritage, including both tangible and intangible cultural heritage, as relevant. In case of known cultural heritage sites, this will include, among others, development of a specific management plans; (iii) through site-specific ESMPs for the activities that include civil works - which is particularly relevant to ports, dredging and river training works - the Borrowers will address the potential risks and impacts of the Project related activities to cultural heritage, taking into account legal requirements and mitigation hierarchy. ESMPs will also include requirements in case of chance finds.

ESS9 Financial Intermediaries
The Program will not be working with the financial intermediaries.

B.3 Other Relevant Project Risks
The major additional risks for the successful implementation of the Program relates to challenges related to coordination, consensus building and implementation mechanisms in implementation of the Program-related activities between several countries; to coordination of joint activities between agencies responsible for design and implementation of the environment and social measures in Borrowers countries; and to somewhat different policies
which are applied in various countries. An additional effort will be needed to ensure that these agencies work in coordination on relevant aspects of the projects that require such a coordination.

Existing financial and human capacities and constraints in the Borrowers' countries may have an impact on possibility to mobilize and ensure timely involvement of additional resources to synchronize and implement Project related activities, particularly the ones that are inter-related or transboundary in nature.

A separate risk relates to presence of unrecorded unexploded ordinances (UXO) at specific sites, which may bring the civil works to jeopardy, or to a complete halt in case of inadequate cooperation between various state institutions or between various states.

The Program's implementation may also be at risk due to undefined borders (in relation to water line as well as land), since both Sava and Drina were considered as "national" rivers until the dissolution of the former Yugoslavia. The international treaties in respect to borders (Sava and Drina rivers are now de-facto international borders) between Bosnia and Herzegovina, Croatia, Montenegro and Serbia have not been signed yet.

Reputational risks may involve failure to achieve consensus on important Project-related activities, both at the planning and at the implementation stages, between various sectors involved, and between the Borrower countries - which may lead to the overall failure of the Project.

C. Legal Operational Policies that Apply

| OP 7.50 Projects on International Waterways | Yes |
| **The project team has received request from participating countries to notify Danube riparian countries on their behalf. This request has been recorded in the International Sava River Basin Commission 52nd Session meeting minutes. The team intends to use the International Commission for the Protection of the Danube River (ICPDR) as a vehicle on which the notification of Danube riparian countries will be made. ICPDR is established to implement the Danube River Protection Convention and is comprised by the Delegation of all Contracting Parties to the Danube River Protection Convention. It has been promoting policy agreements and the setting of joint priorities and strategies for improving the state of the Danube and its tributaries since its creation. ICPDR is familiar with the notification process regarding international waterways. Its executive secretary has agreed to notify Danube riparian countries on World Bank’s behalf.** |

| OP 7.60 Projects in Disputed Areas | TBD |

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

European Commission

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

**Actions to be completed prior to Bank Board Approval:**

- Stakeholder Plan including capacity building gaps and plan
- Resettlement Policy Framework for all countries and Resettlement plan where any sub projects are already identified.
- Environmental and Social Management Framework for all Borrower countries, to be prepared by each Borrower country separately, and consolidated into one document in relation to operational issues at Program level.
- Labor Management Procedure as envisaged in the ESS2 section
- Identification and agreement on working arrangements between the main institutions needed for development of main Project related activities.
- Identification of GRM for the main institutions responsible for the already identified sub-projects.
- The notification to the riparian countries was conducted through the International Sava River Basin Commission (ISRBC) and was discussed at the 52 Session (also included in meeting minutes for the given session). Furthermore, the participating countries have requested the World Bank to notify Danube riparian countries on their behalf. This request has also been recorded in the meeting minutes. Notification of the project to Danube riparian countries will be done through the International Commission for the Protection of the Danube River (ICPDR), as the proposed activities reach the level of preparation that would facilitate an informed and constructive discussion and feedback. This is expected to take place during project implementation, and will be an activity led by the World Bank team. 
ICPDR is established to implement the Danube River Protection Convention and is comprised of the Delegations of all Parties to the Convention. ICPDR is familiar with the notification process as it has facilitated notification according to OP 7.50 (Projects on International Waterways) for earlier Bank financed projects.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):
- Hire of social and environment officers at regional PMU but also in country sector units;
- Development of TOR for Regional ESIA;
- Options for development of Sectoral ESIA;
- Agreement on methodology to be used for development of Region ESIA;
- Agreement on methodology to be used for prioritization of specific investments from the environmental and social perspective;
- Labor Management Plan/s developed as needed
- Development of site-specific ESMPs, including other instruments like RPF etc;
- Development of Waste Management Plans;
- Development of Preparedness and Response Plans;
- Implementation of Stakeholder Plan including capacity building activities;
- Establishment of GRM.

C. Timing
Tentative target date for preparing the Appraisal Stage ESRS 21-Oct-2019

IV. CONTACT POINTS

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Contact: IGOR PALANDZIC Title: Water Supply and Sanitation Specialist
V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s): IGOR PALANDZIC, Berina Uwimbabazi, Luis C. Blancas Mendivil

