

INTEGRATED SAFEGUARDS DATASHEET

APPRAISAL STAGE

I. Basic Information

Date prepared/updated: 08/01/2007

Report No.: AC3080

1. Basic Project Data

Country: Croatia	Project ID: P100639																			
Project Name: Agricultural Pollution Control Project																				
Task Team Leader: Aleksandar Nacev																				
GEF Focal Area: International waters	Global Supplemental ID:																			
Estimated Appraisal Date: July 31, 2007	Estimated Board Date: September 11, 2007																			
Managing Unit: ECSSD	Lending Instrument: Specific Investment Loan																			
Sector: General agriculture, fishing and forestry sector (100%)																				
Theme: Pollution management and environmental health (P);Environmental policies and institutions (P)																				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">IBRD Amount (US\$m.):</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>IDA Amount (US\$m.):</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>GEF Amount (US\$m.):</td> <td style="text-align: right;">5.00</td> </tr> <tr> <td>PCF Amount (US\$m.):</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td colspan="2">Other financing amounts by source:</td> </tr> <tr> <td style="padding-left: 20px;">BORROWER/RECIPIENT</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td style="padding-left: 20px;">Local Communities</td> <td style="text-align: right;">2.00</td> </tr> <tr> <td style="padding-left: 20px;"><u>Financing Gap</u></td> <td style="text-align: right;"><u>0.00</u></td> </tr> <tr> <td></td> <td style="text-align: right;">2.00</td> </tr> </table>			IBRD Amount (US\$m.):	0.00	IDA Amount (US\$m.):	0.00	GEF Amount (US\$m.):	5.00	PCF Amount (US\$m.):	0.00	Other financing amounts by source:		BORROWER/RECIPIENT	0.00	Local Communities	2.00	<u>Financing Gap</u>	<u>0.00</u>		2.00
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	2.00																			
Environmental Category: B - Partial Assessment																				
Simplified Processing	Simple <input type="checkbox"/>	Repeater <input type="checkbox"/>																		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>																		

2. Project Objectives

The development objective of the project is to significantly increase the use of environmentally friendly agricultural practices by farmers in Croatia's Pannonian plain in order to reduce nutrient discharge from agricultural sources to surface and ground water bodies. In support of this, the project will assist the Government of Croatia to: (i) promote mitigating measures for nutrient reduction from agricultural sources to surface and ground water bodies (manure management); (ii) implement a national Agri-environment policy (Code of Good Agricultural Practices); and (iii) a public awareness campaign that would disseminate the benefits of project activities with the aim towards replication at the national and regional levels. The global environmental objective of the project is to reduce the discharge of nutrients into waters draining into the Danube River and Black Sea.

3. Project Description

Component 1: Promotion of Mitigating Measures for Nutrient Reduction from Point Source Pollution (Manure Management) (US\$14.59 million)

This component will support sustainable manure management practices with the objective of reducing nutrient loads to the surface and ground water bodies of Croatia. The project will establish a US\$ 4.43 million Nitrates Mitigation Investment Fund within the Ministry of Agriculture, Forestry, and Water Management (MAFWM) Payment Directorate to finance grants for 60 percent of the tax inclusive cost of manure storage and management. Grants will contribute to the construction of the platforms/sumps and associated pumping and agitation equipment. The project will as well support the installation of piezometers in select sites to monitor the quality of water flowing out of livestock farms implementing the Project financed manure management sub-projects.

Component 2. Development and Implementation of Agri-Environment Measures (US\$3.68 million)

The project will support implementation of the Code of Good Agricultural Practices currently under preparation by the MAFWM, and accreditation of EU compliant agri-environment measures. The Croatian Agricultural Extension Institute will undertake a training and demonstration program to educate and train the livestock community (extension workers, farmers, enterprises) in sustainable, cost-effective manure management practices.

Component 3: Public awareness and Replication (US\$0.71 million)

The project will undertake a broad public awareness campaign to disseminate the benefits of project activities with the aim towards replication at the national and regional levels. At the project county level, the main audience will be the direct stakeholders of the project including local and county officials, farmers, community groups and NGOs. At the national level the project will concentrate on institutions and groups including government agencies, national environmental or professional associations, academia, NGOs, etc. and the population at large. The aim would be to familiarize the population with the project and its benefits and thereby raise the interest of potential future clients.

Component 4: Project Management (US\$0.72 million)

This component will provide funding for overall project management which will be undertaken by a strengthened Project Implementation Unit of the ongoing Agricultural Acquis Cohesion Project. In addition, a livestock/nitrates management technical specialist will be recruited and paid through the GEF grant funds.

4. Project Location and salient physical characteristics relevant to the safeguard analysis

The proposed GEF investment is a pilot activity to be implemented in three selected counties of Croatia: (i) Osijecko-Baranjska; (ii) Vukovarsko-Srijemska; and (iii) Varaždinska. All three counties lie within the Pannonian plain which is Croatia's prime agricultural area. The counties have well developed agriculture, livestock and associated food industries including vegetable oils and sugar, meat processing, dairy and wineries. These counties have been selected because of their relatively high livestock density and

their concentration of medium scale livestock farms. Poor manure management practices, lack of awareness of sustainable agricultural practices to reduce nutrient loads to water bodies and inadequate water monitoring infrastructure characterize the counties and contributed to their selection for project interventions.

5. Environmental and Social Safeguards Specialists

Ms Helen Z. Shahriari (ECSSD)

Ms Ruxandra Maria Floroiu (ECSSD)

Ms Natasa Vetma (ECSSD)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
Natural Habitats (OP/BP 4.04)		X
Forests (OP/BP 4.36)		X
Pest Management (OP 4.09)		X
Physical Cultural Resources (OP/BP 4.11)		X
Indigenous Peoples (OP/BP 4.10)		X
Involuntary Resettlement (OP/BP 4.12)		X
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

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: Environmental Assessment (OP/BP 4.01)

The Project has been classified as an environmental category B and triggers the safeguard policy OP/BP 4.01 on Environmental Assessment. The project has been designed to demonstrate a series of positive impacts on the environment, especially related to reduction of nitrogen loads into the surface waters and groundwater. No major adverse environmental impacts are anticipated under the proposed project. The environmental concerns under the project relate to select activities under Component 1 and may occur during construction phase of the manure platforms. These impacts are predictable and can be mitigated through application of standard measures in engineering designs, procurement construction, operation and maintenance. The standard construction works associated with the construction of waste platforms include following activities: removal of fertile top-soil, excavation for foundation of the above ground manure storage, concrete lining, excavation for the underground storage tank, etc. Adverse effects that may occur during the construction phase are: dust from excavation processes, exhaust emission and noise & vibrations from construction equipment and vehicles, soil pollution caused by oil and grease leakage and improper waste disposal. The expected impact is related to noise and dust, which will however have local short-range character and will be temporary. Some adverse impact could be felt in close proximity to manure storage structures only due to odor. This impact will be felt particularly during

unfavorable climate conditions (high temperatures, high air pressure, no wind). An Environmental Management Plan was prepared to guide mitigation and monitoring of potential noise, dust, waste, or other impacts as well as to ensure that the civil works implementation are carried-out in accordance with the existing Croatian construction and environmental legislation as well as with the Bank operational policies applicable to the project.

International Waterways Safeguard Policy (OP/BP 7.50)

The project does not involve the use or extraction of international waters or cause pollution to international waters. In addition, the proposed project activities do not address/affect water supply nor target waste water treatment, and therefore the OP/BP 4.11 is not applicable. The project is specifically designed to reduce nutrient discharges to Croatia's surface and ground water bodies in the Danube watershed with the ultimate aim of improving the quality of the Danube River and Black Sea. Activities under the project will focus on sustainable land management practices (improved manure management and promotion of environmentally friendly agricultural practices) so that there is reduced nutrient run-off from agricultural sources to local water bodies.

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

The potential environmental and social implications of the physical investments to be supported under the project are described in the Environmental Management Plan (EMP) prepared by the Government during project preparation. The investments supported will have positive environmental impacts. They are intended to reduce the nitrogen loads into the surface waters and groundwater. No significant indirect or long-term environmental impacts are expected.

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

N/A

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.

As part of project preparation, the Government prepared an EMP to address environmental issues associated with the proposed construction and rehabilitation work investments. This document meets the current Croatian legislation and the World Bank operational policies on environmental assessment and public disclosure. The EMP also reviews the Croatian legislation related to safeguard and administrative procedures during and after construction works including issuance of construction permits and procedures to be followed during implementation.

Implementation of mitigation measures during the construction phase of manure platforms will be transferred to the construction company or other entity/person responsible for execution of such works. The measures include, among others, fencing of the construction area, vehicle speed reduction on earthy roads and areas, implementation of measures to reduce surface run-off and erosion on site, limiting works on the regular daily working hours, compliance with construction work regulations, follow the waste

management system, maintenance of vehicles and construction equipment on designated surfaces where oil and grease adsorbents are provided. Also, to limit the spread of odor, appropriate location for construction of the manure storage structures would be ensured in the design phase to limit its impact to a minimum.

The MAFWM as the key beneficiary of the loan, through the Payment Directorate will take primary responsibility for addressing the environmental aspects of the loan, and ensuring that the Environmental Management Plan is implemented. This Ministry has been already involved with the implementation of World Bank projects and therefore have institutional capacity to apply the bank's operational policies. A person at the PIU unit will be responsible for the "safeguard compliance". Key participants in the EMP have been clearly identified and include the building design teams; the regional Ministry of Environment, Physical Planning and Construction (MEPPC) Office that issues construction permits; the construction contractor; Croatian Waters; and the farmer as operator.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. Key stakeholders of the project include the MAFWM, MEPPC, county's officials and farmers and agro-processors in the project area. The PIU will monitor the project implementation in close coordination with local authorities and will ensure that the EMP is followed properly. The draft EMP was publicly disclosed in local language on the MAFWM website and in English at the Infoshop in Washington DC on July 30, 2007.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	07/30/2007
Date of "in-country" disclosure	07/30/2007
Date of submission to InfoShop	07/30/2007
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	

*** If the project triggers the Pest Management and/or Physical Cultural Resources, 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:

N/A

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?	Yes
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If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report? Yes

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

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop? Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs? Yes

All Safeguard Policies

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

Have costs related to safeguard policy measures been included in the project cost? Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? Yes

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Mr Aleksandar Nacev	07/30/2007
Environmental Specialist:	Ms Natasa Vetma	07/30/2007
Social Development Specialist	Ms Helen Z. Shahriari	08/01/2007
Additional Environmental and/or Social Development Specialist(s):	Ms Ruxandra Maria Floroiu	07/30/2007
<i>Approved by:</i>		
Sector Manager:	Mr Juergen Voegelé	08/01/2007
Comments:		