

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: AB3173

Project Name	FOREST AND MOUNTAIN PROTECTED AREAS PROJECT
Region	EUROPE AND CENTRAL ASIA
Sector	Forestry (50%);Sub-national government administration (25%);Central government administration (25%)
Project ID	P087094
GEF Focal Area	Biodiversity
Borrower(s)	GOVERNMENT OF BOSNIA AND HERZEGOVINA
Implementing Agencies	
	Ministry of Foreign Trade and Economic Relations, BiH (GEF Focal Point)
	FBiH Ministry of Environment and Tourism
	RS Ministry of Civil Engineering, Physical Planning, and Ecology
	FBiH Ministry of Agriculture, Water Management and Forestry
	Republika Srpska: Ministry of Agriculture, Forestry and Water Management
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	Mar 24, 2008
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Date of Board Approval	May 29, 2008

1. Country and Sector Background

1. Country and sector issues

Land Use. Bosnia and Herzegovina (BiH), with a land area of 51,000 km² and an estimated population of 4.1 million, is endowed with internationally recognized rich biodiversity assets. About 50% of the country is covered by forests and 25% by pastures. It is mostly hilly and mountainous, with only 5% of territory classified as plains, 24% as hills, 29% as Karst (irregular limestone terrain) and 42% as mountains.

Economic Role of Natural Resources. About 2 million people (54% of BiH's population) live in rural areas, and for them forest and mountain ecosystems serve as an important source of subsistence, employment, energy and recreation. Furthermore, since BiH has a rural population density (43 persons per square km) which is lower than any of the other Balkan countries, sound management of its "production landscape" values (forest and grassland management) can provide income for local people while also maximizing environmental services.

Biodiversity Significance. BiH is at a geographical cross-roads and includes 5 types of climate, 3 agro-climatic regions, and multiple provinces, landscape types, and biotopes. BiH covers three globally significant ecosystems and several smaller-scale globally important sites. The country's rich biodiversity includes over 5,000 confirmed taxa of vascular flora, including 450 of which are endemic to BiH only. For several taxonomic groups (e.g., lichens, mosses, algae, fungi, and bacteria) comprehensive surveys do not exist, but available data indicate these groups are also

highly diverse. BiH's forest resources are among the richest in Europe with a wide variety of coniferous and deciduous species. The country's large blocks of forests maintain ecological integrity, river dynamics, and large carnivore dispersion between Central and South-East Europe. At least thirty-two species of animals and plants found in BiH are on the 2002 IUCN Red List of threatened species. Keystone species include bear, wolf and river otter. Interesting flagship species are bats, of which several are considered in vulnerable status.

Protected Area Coverage. It is estimated that at 19%, BiH has the highest proportion of threatened plant species of any European country, and yet less than 1% of its land is set aside as PAs. Currently only 0.55% of the territory is formally protected – the lowest level in Europe - compared to the regional average of 7%. Broad consensus to expand the network of protected areas (PAs) exists among stakeholders at all levels in both Entities. Key ministerial officials, as well as local governments, and numerous civil society organizations, are committed to developing a system of PAs which would protect key biodiversity and cultural assets, as well as providing new income opportunities for local residents. However, civil society organizations working on environmental issues are relatively weak. Furthermore, there is little experience with participatory approaches to sustainable landscape management.

Post-Conflict Context. The conflict associated with the breakup of the former Yugoslavia, between 1992 and 1995 caused heavy damage to natural resources – the direct damage to forests and associated sectors is estimated at US\$2 billion. A minimum of 200,000 hectares became contaminated by landmines, resulting in overexploitation of some rural areas and abandonment of others. Subsequent to the conflict, poverty, inadequate land-use planning, as well as limited capacity of local institutions and lack of awareness of conservation issues, have contributed to unsustainable land use practices and habitat change. In this context, the conservation of globally significant natural resources has to take into account economic development considerations.

Government Structure. As a result of the Dayton Peace Accords (1995), in addition to central government authority at the 'state' level, Bosnia-Herzegovina (BiH) is divided into two Entities - the Federation of Bosnia and Herzegovina (FBiH), and the Republika Srpska (RS), and a separate territory of Brcko. The Entities have separate administrative and legislative bodies. In most areas of natural resources management, the Entities have responsibility for creating and implementing all relevant laws. FBiH delegates some authority and responsibilities to the cantonal level.

Allocation of Responsibilities for Protected Areas. Responsibilities for PA planning and much of their oversight rests with the Entity ministries in charge of environment - the Ministry of Environment and Tourism (MET) in FBiH, and the Ministry of Civil Engineering, Physical Planning and Ecology (MCEPPE) in RS. In the FBiH the Ministry of Physical Planning is responsible for preparing spatial development plans. Four types of PAs are defined: (a) nature protection areas, (b) national parks, (c) natural monuments and (d) landscape protection areas. Entity environmental ministries provide oversight for the first two PA categories (nature protection areas and national parks), with the right to delegate specific responsibilities to other institutions. Management of these two types of PAs, however, is primarily carried out by specialized public enterprises. In contrast, for natural monuments and landscape protection areas oversight and management responsibilities rest with a variety of other institutions (including Cantonal Ministries in charge of Water Management and Forestry; Municipalities; NGOs; and others). Where such PAs are located within public forests, public forest enterprises (in the RS, the enterprise associated with Entity Ministries of Agriculture, Forests, and Water Resources,

and in FBiH, enterprises associated with cantonal forest offices) are responsible for maintaining conservation status.

PA Financing. Existing PAs have been under-funded and largely self-financed, relying on the generation of revenues from various activities. Historically, the largest portion of funding (between 60-90%) has come from sales associated with selective thinning of forests. While existing national parks have progressively reduced the total volume of forest thinning, in the absence of significant revenues from non-consumptive sources, this is likely to remain an important revenue source for the medium term¹. Other revenue sources from forest products include fees for grazing, gathering of non-timber forest products (NTFPs) and hunting (generally less than 10%). National parks do obtain some budget support from government authorities, and the level of funding is likely to increase in the future. In RS, it is expected that Entity budgets will provide for nearly 100% of park operating and investment costs. In FBiH, the Ministry of Finance is committed to long-term financing of new PA operations and investments, but final levels will only be determined after formal PAs establishment. Tourism is also an important revenue source (between 3-25%) for existing national parks. That said, tourism revenues will continue to be insufficient to cover all operational expenditures, much less new investments. World-wide experience demonstrates that PAs require government budget support to operate.

Government Strategy and Plans. BiH is an active party to the United Nations Convention on Biodiversity Conservation (1992). With support of the United Nations Environment Program – Global Environment Facility (UNEP-GEF), Bosnia-Herzegovina is developing its National Biodiversity Strategy and Action Plan (NBSAP), which includes a national plan for PAs, and is expected to be completed in 2008. A government-sponsored Biodiversity Committee composed of technical professionals from government ministries, universities and the private sector has guided the NBSAP preparation. The involvement of NBSAP committee members in this preparation work has ensured consistency between the proposed project design and the PA plan. Collaboration between the project and the NBSAP would continue during project implementation, especially through capacity building of Entity ministerial staff and involvement of NBSAP committee members in project activities.

Selection of Project Areas. The selection of areas for inclusion in the Forest and Mountain Protected Areas Project (FMPAP) was made through a comprehensive and participatory consultation process and reflects a strong technical consensus on priorities. Four areas are already official PAs. Another two areas, Igman-Bjelasnic-Treskavica-Visocica (IBTV) mountain complex, and the Una River, have completed feasibility studies and are expected to be legally proclaimed as national parks in 2008 and early 2009 respectively. The proposed project also includes a feasibility study for Prenj-Cvrsnica-Cabulja-Vran an important site in the Dinaric Alps, which may subsequently be funded under the project.

2. Objectives

The Project Development Objective. The project development objective (PDO) is to strengthen the institutional and technical capacity for sustainable PA and natural resource management, and

¹ In the RS, new laws are nearly completed which will change the incentive structure by converting the management bodies for national parks from public enterprises to “public institutions”. This new status will channel revenue from thinnings directly to the Entity-level (thus restricting this as a source of financing PA operations). The status also provides a revised governance structure that will represent a wider range of stakeholder interests.

expand the national network of forest and mountain PAs. Because the PDO is considered both local and global in nature, it is also considered to be the *global environmental objective* for purposes of GEF consideration. The project focuses on improving the management effectiveness of four existing PAs, bringing two additional sites under protected status, assessing feasibility for another site and promoting sustainable natural resource management and biodiversity conservation activities in or around PAs.

Outcomes. Indicators for outcomes associated with this objective include:

- Area under formal protection (of various types of PA management categories, mostly multiple use) increases from approximately 0.6% to 3.0% (i.e., an addition of approximately 120,000 ha);
- Portion of recurrent management costs financed by at least 20% from user fees and other revenue from non-consumptive activities, and at least 15% from government budget.
- Improved PA management effectiveness resulting from use of Protected Areas Management Effectiveness (PAME) Tracking Tool²
- Public support for PAs maintained at a minimum of 80% of respondents as assessed through public opinion surveys.

Recipient's Objectives. The proposed project will support Government efforts to address threats to biodiversity, promote ecosystem management, and expand the PA system to a level commensurate with local needs and regional averages. The Project will directly support implementation of the National Biodiversity Strategy and Action Plan (NBSAP) described above. Project activities also support the Government's Medium Term Development Strategy by: (a) creating conditions for sustainable and balanced economic development and promoting poverty alleviation through improved use of PAs for local livelihoods and tourism; and (b) supporting the acceleration of EU integration through support to the Government in meeting the EU nature and biodiversity policy (Natura 2000) requirements. Preparation and implementation of community-based initiatives will also build technical skills for activities eligible for funding by EU accession instruments.

Bank Country Partnership Strategy. The proposed project will directly address the 2008-2011 Country Partnership Strategy (CPS) objective to "improve the environment for private-sector led growth and convergence to Europe" with support for expanded business opportunities and strengthened regional cooperation to manage public goods. The CPS specifically mentions FMPAP as one of the "projects on environmental protection, both to improve governance and transparency and to support tourism". The project is included as one of the CPS deliverables.

Relevance to Global Environment Facility Priorities. The project is fully consistent with the provisions of the GEF Operational Strategy, and specifically with the Operational Program (OP) for Forest Ecosystems (OP3) with additional relevance to the OP for Mountain Ecosystems (OP4) and linkages to the program for Conservation And Sustainable Use of Biological Diversity important to Agriculture (OP13). Within the biodiversity focal area the project primarily supports the first strategic objective: Catalyzing Sustainability of Protected Area Systems.

3. Rationale for Bank Involvement

² World Bank / World Wildlife Fund Alliance for Forest Conservation and Sustainable Use: Reporting Progress in Protected Areas – A Site Level Management Effectiveness Tracking Tool, 2003

World Bank Involvement in BiH Forest Areas. The Bank has been continuously involved in the natural resources/environment sector since 1998. From 1998 to 2003, a Forestry Project, financed by the International Development Association (IDA), the EU, and Italian and Norwegian governments, focused on recovery of the forest sector, but also helped to improve the protection of forest ecosystems. A follow-up project, the Forest Development and Conservation Project (FDCP) supports implementation of reforms in forest organization and management. It includes support for landscape approaches to forest planning and management that incorporate improved information systems, conservation values and stakeholder engagement. It has four components:

- (i) accelerating the implementation of new legal, institutional and economic frameworks,
- (ii) development of a Forest Management Information System and a State Forest Inventory
- (iii) promoting biodiversity and forest conservation
- (iv) project management.

A US\$3.74 million equivalent IDA Credit for FDCP approved in 2003 and extended with an additional IDA Credit of US\$3.35 million equivalent in 2007 until late 2010, is financing the first, second and fourth components. An US\$780,000 equivalent Italian Grant (2003-2007) for FDCP financed the third (biodiversity) component, including most of the preparation studies for the Forest and Mountain Protected Areas Project (FMPAP), as well as other inputs for the NBSAP. The FMPAP preparation studies, which are listed in Annex 12, included generic frameworks (for environmental management plans, social assessments including participation plans, feasibility studies, and PA management plans) which can be applied to any proposed PA investments, as well as site analysis specific to FMPAP. Other biodiversity studies supported under FDCP which were not a specific part of FMPAP preparation (e.g., status of specific species, impacts of hunting on resource use) are also relevant to FMPAP.

Other Relevant Bank and Donor Activities. The World Bank/GEF-supported Neretva and Trebisnjica River Basin Management Project, will complement activities in forest and mountain ecosystems. In addition, the World Bank has wide regional experience in GEF biodiversity projects and forestry operations, including the Croatian Karst Ecosystem Conservation Project, which includes similar and nearby landscapes. Other donors active in forest development and biodiversity conservation include the United State Agency for International Development (USAID) the United Nation Development Program (UNDP), Japanese International Development Agency (JICA), the EU, the World Wildlife Fund (WWF), and the International Union for Conservation of Nature (IUCN). Through its lead role in the forestry sector, the Bank has and will continue to mobilize donor support for biodiversity conservation in BiH. On the broader rural agenda, the local initiatives grants under the project will build technical skills for activities eligible for EU funds under the Instrument for Pre-accession Assistance for Rural Development (IPARD) program, and thus complement the IDA-financed Agriculture and Rural Development Project.

4. Description

Total Costs. The FMPAP costs total US\$6.00 million over four years, including a GEF grant of US \$3.40 million, contributions from Entity governments of US\$2.51 million (US\$1.255 million from FBiH and US\$1.255 million from RS), beneficiary contributions (from the community

initiatives component) of US\$0.09 million. In addition, the additional financing phase of the IDA Project (FDCP), which is considered “associated” with FMPAP, provides US\$2.5 million in parallel financing, although these expenditures are administered separately from FMPAP. The leveraged financing from FDCP comprises US\$1.7 million for forest inventory; US\$0.5 million for FMIS; and US\$0.3 million for strategic forestry planning, planning for alternative revenue source generation, certification, and communication skills.

Component 1: Protected Area Development (total US \$3.66 million, of which US\$2.00 million GEF financed). This component will support PA management plans, operations, assessments, and facilities development in existing and new PAs.

Sub-component 1a): PA Management Planning. The project will finance development and implementation of new PA plans for the two existing National Parks (NPs) Sutjeska and Kozara, for the existing Janj and Lom Forest reserves and for the new NPs in Una River and IBTV. In addition, the project will undertake new feasibility studies to: i) cover the possibility of establishing a new PA in and around the karstic mountain ranges of Prenj-Cvrsnica-Cabulja; and ii) examine the options for expansion of existing protected areas. The project will involve stakeholders to develop and implement different models of PA expansion and management (e.g., PA zoning, joint management of adjacent areas, etc.). It will also address the policy development and implementation regarding sources and proportions of PA financing. These efforts will help the PAs to at least meet, and preferably exceed the result targets on expansion and financing.

Sub-component 1b): Ecological and PA Management Assessment. The project will establish a Monitoring and Evaluation (M&E) system for both the PAs and the project. This will include support for the ecological assessments to be used as inputs to the PA management planning as well as for subsequent monitoring biodiversity status. It will also include periodic assessment of PA management effectiveness, based on application of the GEF-mandated Protected Areas Management Effectiveness (PAME) Tracking Tool.

Sub-component 1c): PA Facilities. The project will support new infrastructure, and limited small-scale building rehabilitation, necessary for improving the operations of existing PAs, and for establishing the newly created protected areas. The infrastructure is generally “soft”, e.g., trail improvements, new trail creation, signage, resting places, park boundary markings, visitor entry booths, etc. In addition, the project will finance goods for park operations. It is expected that these investments will improve the products and services offered by PAs, and increase the capture of key revenues such as entry fees.

Component 2: Capacity and Support for Biodiversity Conservation (total US\$1.84 million, of which US\$0.99 million is GEF-financed). This component will focus on strengthening the institutions responsible for planning, establishment, and management of PAs.

Sub-component 2a): Institutional Capacity Development. At the PA-level, training and technical assistance will focus on building competencies in key areas including: ecosystem-based management focusing on adaptive management, integration of ecological, economic and social aspects, and sustainability; business planning emphasizing financial sustainability and marketing of PAs as quality destinations; and field-level skills in areas such as patrolling, community engagement, visitor management and interpretation. Given the critical roles of the forest and tourism sectors the training will also be targeted towards professionals in these sectors. At Entity level, the project will finance capacity building for the environmental ministries and other

concerned agencies in charge of protected area management, so that these institutions are able to provide enhanced leadership as they prepare for EU convergence and strengthen regional cooperation. This component will also support case studies on selected PA management issues.

Sub-component 2b): Public Awareness Programs. The project will support the development and implementation of an outreach program to raise public awareness for biodiversity conservation and PAs.

Sub-component 2c): Project Management. Limited financing will be provided for project management and associated operating costs, and the State-level Project Steering Committee.

Component 3: Local Initiatives in Biodiversity Conservation (total US \$0.50 million, of which US \$0.41 million is GEF-financed). The Project will support conservation efforts by local stakeholders which promote improved natural resource management and generate economic benefits to local communities involved in protected areas management. It is expected that eligible subprojects will fall under three categories: (i) PA compatible income-generation, e.g., ecotourism activities (home-based accommodation, guide training, trail development), sustainable NTFP extraction, agri-environmental enterprises, environmental certification assistance for ecotourism and agriculture; (ii) habitat and landscape conservation, e.g., site and landscape restoration, participatory pasture management; and (iii) sustainable environmental management, e.g., waste management schemes, alternative energy promotion. To ensure sustainability, the project will provide technical assistance to facilitate the design and screening of subproject proposals, and to help monitor their implementation. Beneficiaries will be required to contribute at least 20% of the overall sub-project budget. Suitable initiatives to be developed into subprojects will be identified and selected through public consultations involving local stakeholders, taking into account opportunities to address restrictions resulting from PA management. Eligible sub-projects can range in value from \$20,000 to \$100,000. At least one grant will be awarded per project PA, and the total value of grants is estimated at US\$360,000.

5. Financing

Source:	(\$m.)
BORROWER/RECIPIENT	2.51
Global Environment Facility (GEF)	3.40
Beneficiaries	0.09
Total	6.00

6. Implementation

Ministerial Responsibilities. BiH, represented by the Ministry of Finance and Treasury, would be the recipient of the GEF grant and would transfer the proceeds to the FBiH and RS Governments by opening two special accounts. The Sector for Project Implementation within the FBiH MET and the Sector for Project Coordination and Development within the RS MCEPPE (in order to simplify terminology, both are called Project Management Units (PMUs) hereafter in this document) have specialized teams who will undertake core implementation functions including oversight, procurement, financial management, annual planning, supervision, monitoring of repayments, reporting and evaluation. Where appropriate (for example in the Janj and Lom Forest Reserves in RS) implementation will be closely coordinated with the Ministries of Agriculture, Water Management and Forestry (MAWMFs), in both Entities. The MET and

MCEPPE would also lead the process of protected area declaration, establishment and expansion. A Project Steering Committee, chaired by the state MFTER (the GEF Focal Point) and with representatives from the four most concerned Entity ministries (MET, MCEPPE, and Entity MAWMFs) will provide project oversight, policy dialogue and a forum for exchanging experience.

PMU Capacity. The MET PMU is a well-established unit, already staffed by government employees with long experience implementing Bank projects and funded under the FBiH domestic budget. It has appointed a new financial management specialist (FMS) to work on FMPAP, and once this FMS is trained by the PMU's experienced FMS who is responsible for the ongoing Bank-financed Solid Waste Management Project, this PMU will be fully capable to undertake all necessary functions. The MCEPPE has established a PMU office with RS domestic budget and appointed a Project Manager to head this unit. This PMU plans to appoint an financial management and procurement staff shortly. Prior to negotiations, the RS PMU plans to sign a memorandum of understanding (MOUs) with financial management and procurement specialists who already have experience with a Bank-financed project. These experienced specialists will (a) establish the financial management and procurement systems in the MCEPPE PMU (b) provide financial management and procurement services and hands-on training to PMU staff during the first three months after project effectiveness, and (c) provide advice on a retainer basis to PMU staff for at least three additional months.

Site Specific Management Responsibilities. In the RS, the two existing National Parks (Kozara and Sutjeska) are under the authority of MCEPPE. For each PA a NP Authority, currently operating as a public enterprise, manages day-to-day operations. Each Park has Government-appointed Steering and Supervisory Boards. Forest Reserves, such as Janj and Lom, are generally under the supervision of State Forest Enterprises that report to their respective MAWMF. National Parks in FBiH will be under the authority of MET and are expected to operate as public institutions.

Further details of Implementation Arrangements can be found in Annex 6.

7. Sustainability and Replicability

Financial Sustainability. The project is designed to build financial sustainability and diminish the reliance on revenue from forest thinning. As noted above, under a new legal definition in the RS, (with PAs now established as "public institutions") PAs will be able to access additional government budget revenues, in particular for protection functions and capital improvements, improving their financial sustainability in the near and long-term. The Project will also assist PA authorities in the development of management plans that will include the most appropriate and feasible options for diversified revenue generation given the conservation objectives of PAs. As part of EU pre-accession capacity building, the EC will complete a preliminary assessment (including an investment and action plan) covering biodiversity and nature protection in July 2008, which FMPAP will take into account. Not all financing options will be appropriate in all places. For example, the Janj and Lom forest preserves will rely largely on government budget support. As strict preserves, options such as entry fees or other tourist fees are not available. On the other hand, both of the proposed new National Parks (Una River and the IBTV) offer outstanding tourism opportunities, and are in fact already widely visited, particularly IBTV. It is

reasonable to assume that demand for services in these parks will be sufficient to provide critical financial contributions to their long-term operations.

Institutional and social sustainability. Institutional sustainability will be addressed by training and increased hands-on experience in PA management, project management, and associated policy analysis. The project is making use of existing administrative and organizational structures. Social sustainability will be achieved by including relevant stakeholders in developing a country-wide approach towards the expansion of the network of protected areas, by incorporating community perspectives and needs into PA management, by building awareness of the benefits of mainstreaming biodiversity, and by building experience in participatory approaches to sustainable natural resource management.

Environmental sustainability. Environmental sustainability will be addressed by the introduction of environmentally sound PA management plans and detailed monitoring, and by applying the Bank's environmental safeguards.

Models to be Replicated. FMPAP will establish a number of models that can be replicated outside the scope of the project.

- Standards and precedents for improved PA management in existing PAs will be applicable to other existing PAs which are not included in the project as well as new PAs (both under FMPAP and for other future efforts).
- Criteria and processes associated with the establishment of new PAs, especially those related to site selection, PA management plans and consultation with local stakeholders should help guide establishment of additional future PAs.
- Public communications campaign, and related marketing of BiH's protected areas should not only establish capacity within the country related to PAs, but also be relevant for other sectors with tourism potential, and develop international linkages that will facilitate ongoing learning and commercial alliances across countries.
- Local initiatives in conservation under component 3, will serve as a model for accessing EU pre-accession assistance instruments such as Financial Instrument for the Environment (LIFE)-Nature and Special Action Program for Pre-Accession Aid for Agriculture and Rural Development (SAPARD), and Entity-based Funds for Environmental Protection (Eco-Funds) for similar activities in the country.

Replication through Dissemination and Learning. Replicability will also be addressed by the project's emphasis on dissemination and learning. Public consultation associated with PA management planning and implementation will build communication channels. Project support for M&E will not only identify lessons learned, but also cultivate a learning culture within the agencies responsible for PA management, so that they adjust their operations to take into account these lessons, consistent with modern "ecosystem management approaches" (i.e., adaptation, integration, precaution (avoidance of negative impacts) and sustainability). The institutional capacity development subcomponent will also support exchange of experiences across PAs and build awareness of good practices in other countries (through study tours to neighboring countries, participation in international conferences, and more robust access to the Internet). The public awareness program will also promote dissemination and interactive learning.

8. Lessons Learned from Past Operations in the Country/Sector

From the experience of comparable projects in Central and Eastern Europe and elsewhere, the following lessons have been learned:

- Projects should have broad support in the government, civil society, and local communities where the protected areas are proposed, or to be expanded;
- Early involvement of stakeholders in project preparation through a participatory planning process, including local communities and influential decision makers, is essential to ensure ownership and successful project implementation;
- Resource users should be involved in the design and development of the management system to ensure the sustainable use of the resource concerned, and of the control measures which need to be developed and applied;
- Effective public awareness campaigns should be built into the PA planning and management processes in order to ensure that all stakeholders are well informed and can provide support;
- Management strategies for PAs, buffer zones, biological corridors, etc. should establish a link between the conservation objectives and tangible benefits from sustainable natural resource use; and
- PA projects should maintain close co-operation with other types of projects and initiatives working in the same broad technical / geographical areas.

Project preparation and design has incorporated these lessons through: (i) addressing the links between sustainable natural resource use, natural resource management and socio-economic issues; (ii) building regional, Entity and local capacity for conservation management; and (iii) ensuring a participatory and transparent approach to project preparation and implementation.

9. Safeguard Policies (including public consultation)

Environmental Assessment (OP/[BP/GP](#) 4.01) is triggered and an Environmental Assessment and Management Plan have been prepared. The project is classified as Category B, whose potential adverse environmental impacts are few and site specific. The project is expected to have an overall positive environmental impact by conserving biodiversity and improving natural resource use. The Environmental Management Plan was subjected to numerous informal public discussions prior to preparation of the final draft. The final draft, incorporating all comments, was formally disclosed in public meetings in Sarajevo on June 7, 2007, and Banja Luka, on June 13, 2007.

Consistent with OP 4.12, the Involuntary Resettlement Policy is triggered, and an Access Restriction Process Framework was developed during project preparation to guide the mitigation of potential negative impacts on livelihoods of populations resident near the PAs. The Framework was disclosed in public meetings on 7 June, 2007 and 13 June, 2007 in Sarajevo and Banja Luka respectively, and has the endorsement of the relevant Entity ministries. Consultations were held in the communities during the development of the Process Framework.

Consistent with OP 4.36, the project aims to harness the potential of forest ecosystems to reduce poverty in a sustainable way integrate forest conservation effectively into sustainable development and protect vital local and global environmental services and values of forests.

Consistent with OP 4.04, the project will help to conserve natural habitats, and ensure that specific project activities avoid habitat degradation.

Safeguard policies

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP/GP 4.01)	[X]	[]
Natural Habitats (OP/BP 4.04)	[X]	[]
Pest Management (OP 4.09)	[]	[X]
Cultural Property (OPN 11.03 , being revised as OP 4.11)	[]	[X]
Involuntary Resettlement (OP/BP 4.12)	[X]	[]
Indigenous Peoples (OD 4.20 , being revised as OP 4.10)	[]	[X]
Forests (OP/BP 4.36)	[X]	[]
Safety of Dams (OP/BP 4.37)	[]	[X]
Projects in Disputed Areas (OP/BP/GP 7.60)*	[]	[X]
Projects on International Waterways (OP/BP/GP 7.50)	[]	[X]

10. List of Factual Technical Documents

1. Social Assessment, 2006
2. Process Framework, 2007
3. Participation Plan, 2007
4. Operational Sourcebook. 2007
5. Final Environmental Assessment/Framework Environmental Management Plan, 2007
6. Updated Access Restriction Framework, 2008
7. FMPAP: Detailed Project Site Descriptions, 2008
8. Guidelines for Implementing the Local Initiatives Grant Program, 2008

11. Contact point

Contact: Jessica Mott
Title: Senior. Natural Resource Economist
Tel: (202) 458-5607
Fax: (202) 614-0857
Email: jmott@worldbank.org

12. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Email: pic@worldbank.org
Web: <http://www.worldbank.org/infoshop>

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

