Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 04/10/2020 | Report No: ESRSA00673
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>
</tr>
</thead>
<tbody>
<tr>
<td>Ukraine</td>
<td>EUROPE AND CENTRAL ASIA</td>
<td>P172392</td>
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</tr>
</tbody>
</table>

Project Name: GPSA UKRAINE: EMPOWERING CIVIL SOCIETY AND JOURNALISTS IN OVERSIGHT AND PROMOTION OF EFFECTIVE ANTI-CORRUPTION ENVIRONMENT PROJECT

Practice Area (Lead) | Financing Instrument | Estimated Appraisal Date | Estimated Board Date
Social               | Investment Project Financing | 7/9/2019                |

Borrower(s) | Implementing Agency(ies)
Anti-Corruption Action Center (AntAC) | Anti-Corruption Action Center (AntAC)

Proposed Development Objective(s)
The PDO is to improve the implementation of anti-corruption legislation in Ukraine by strengthening the country’s anti-corruption coalition’s capacities to enhance and enforce said legislation through collaborative social accountability processes at the national and sub-national levels.

<table>
<thead>
<tr>
<th>Financing (in USD Million)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Cost</td>
<td>0.45</td>
</tr>
</tbody>
</table>

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 PDO is to improve the implementation of anti-corruption legislation in Ukraine by strengthening the country’s anti-corruption coalition’s capacities to enhance and enforce said legislation through collaborative social accountability processes at the national and sub-national levels.
The project will rely on a collaborative social accountability approach aimed at strengthening the capacities for multi-stakeholder collective action and cooperation in Ukraine’s anti-corruption reform. Lessons learned from both the GPSA and AntAC’s experience were considered in developing the project’s design. The project strategy will consist in deploying resources for supporting integrated and coordinated actions by both civil society groups and state institutions leading the AC agenda. Project activities will engage all three branches of government in project implementation and promote collaborative dialogues to address challenges and solving problems with regards to anti-corruption legislation and its implementation. Likewise, activities will engage both state and civil society stakeholders -including journalists and local civil society and community-based organizations- in capacity building and peer learning at the regional level.

D. Environmental and Social Overview

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

The proposal’s geographical scope is both national and regional. National level activities will focus on monitoring anti-corruption legislation and its enforcement through AC agencies in the judicial, legislative and executive branches. At the sub-national level, capacity development of investigative journalists and members of local Civil Society Organizations (CSOs) will be undertaken on an on-demand basis. The project anticipates that at least nine regions will be engaged in Component 2 (and 3) activities.

D. 2. Borrower’s Institutional Capacity

The Anti-Corruption Action Center (AntAC) is the lead project implementing agency. As such, it will be responsible for the overall management, coordination and implementation of project activities, monitoring and evaluation. AntAC has vast experience in the implementation of social accountability initiatives in the anti-corruption sector within in the country. AntAC will be also responsible for implementation of the component 1 of the project. AntAC has identified Nashi Groshi as its main partner for project implementation, primarily to lead implementation of 2 activities. Nashi Groshi (founded in 2012) is a CSO dedicated to tackling misuse of public finances by discovering, investigating and communicating such cases in a highly professional manner to a wide audience. Nashi Groshi also works to nurture the pool of journalists and experts in this sphere and enhance cooperation with activists and initiatives in response to their investigation of corruption cases.

AntAC and Nashi Groshi have successful long-term cooperation in tackling corruption through information and knowledge exchanges between the two organizations. They work together to follow up on the corruption cases investigated by Nashi Groshi with AntAC’s lawyers monitoring and analyzing the work of anti-corruption investigators, prosecutors and ultimately courts. Both organizations have experience in managing and implementing projects of such scale as both CSOs have already been partners within the EU-supported project on enhancing journalistic network and challenging public procurement and have experience of joint implementation of such donor funded projects.

Borrower’s capacity to perform ESF due diligence activities of these two institutions will need to be developed with focus on social implications of the Project activities. This would be done through project-specific training on ESF to build capacity on stakeholder engagement technics, various feedback channels development (including GRM), environmental and social screening and supervision activities. These skills would be relevant to this project and future projects given vast Bank agenda on anti-corruption reform in Ukraine.
A. Environmental and Social Risk Classification (ESRC)  Moderate

Environmental Risk Rating  Low

The project does not envisage any civil works or any impact on physical environment. The project does not involve development/review/update of any primary or secondary legislation on environmental issues. Therefore, the project environmental risk is rated a 'Low'.

Social Risk Rating  Moderate

Overall, the Project does not pose any significant social risks associated with ESS2, ESS5, ESS7. Although the project not envisaged any civil works that might involve risks related to land acquisition and resettlement, other risks such as preparation of an inclusive stakeholder engagement plan, contextual risks, sensitivity of the topic in the society, and probable labor related issues cannot be ruled-out. Given contextual background described above, as well as crucial importance of properly implementing ESS10 to achieve the objectives of the Project, the proposed social risk is rated ‘Moderate’.

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:

The project strategy consists in deploying resources for supporting integrated and coordinated actions by both civil society groups and state institutions leading the AC agenda. Project activities will engage all three branches of government in project implementation and promote collaborative dialogues to address challenges and solving problems with regards to anti-corruption legislation and its implementation. Likewise, activities will engage both state and civil society stakeholders – including journalists and local civil society and community-based organizations – in capacity building and peer learning at the regional level.

The project will produce independent analyses, including the use of international benchmarks and indicators to assess institutional performance, and to compare it against national and international legal frameworks and monitoring mechanisms. The project will also provide training and mentoring to journalists, CSOs and other relevant stakeholders in monitoring anti-corruption reforms through their meaningful participation in public hearings and other types of events at both the national and local levels. The project will rely on a collaborative social accountability approach aimed at strengthening the capacities for multi-stakeholder collective action and cooperation in Ukraine’s anti-corruption reform.

Since the implementation of the Project is aimed at developing recommendations on improving the legal framework for combating corruption (both legislation and implementation) adopted by target government institutions at the local or national levels, it is necessary to systematically involve all key stakeholders in the implementation of the Project. For this, in the framework of interaction with key stakeholders, the Stakeholder Engagement Plan (SEP) prepared by Borrower and approved by the Bank. During SEP preparation key stakeholders and their characteristics were identified (stakeholders mapping), and strategies for their involvement into the Project implementation were developed. Thus, according to ESS1, the Borrower will engage with stakeholders as an integral part of the project’s environmental and social assessment and project design and implementation.
ESS10 Stakeholder Engagement and Information Disclosure

In order to ensure that an inclusive and coordinated approach is taken to stakeholder engagement and project disclosure, the Stakeholder Engagement Plan (SEP) was prepared by Anticorruption Action center (AntAc). SEP has been developed and will be implemented to ensure that all stakeholders are engaged on the basis of timely, relevant, understandable and accessible information. SEP includes analysis and identification all stakeholders (affected parties, other interested parties, disadvantage groups) on both national and regional/local levels, planning of possible channels of communication for each group stakeholders, disclosure of information, consultations with stakeholders, addressing and responding to grievances, reporting to stakeholders. SEP will be updated, as necessary, during the project implementation.

Within the SEP, grievance redress mechanism (GRM) has been developed which includes contact information for communication with all stakeholders for early identification, assessment and resolution of grievances and therefore for strengthening accountability to beneficiaries. All complaints and claims will be promptly documented and collected, and they would be monitored and handled rapidly within a maximum of one month after being received. The GRM log will be maintained for the project and reported to the Bank on semi-annual basis. Also, Borrower developed online-survey feedback form which will be placed on the official web site and allows quickly get in feedback from stakeholders.

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 project is expected to have Direct Workers (AntAc) and Contracted Workers (consultants hired by the AntAC) involved. AntAc have prepared Labor Management Procedures (LMPs) applicable to the project. The LMP identify the main labor requirements including the program management staff of agencies, and risks associated with employing the staff and providing safety and legal assurance for investigative journalists and activists to be supported under the project. The LMPs describes (i) procedures relevant to each category of workers involved; (ii) overview of key potential labor risks (if any); (iii) overview of Ukraine’s labor legislation; (iv) description of grievance redress mechanism or mechanisms available for all direct workers and contracted workers, including the process for hiring experienced consultants to provide “hands-on” technical assistance and capacity-building programs. LMPs may be amended at any time during project cycle depending on the needs and developments in the project preparation and/or implementation. In addition, LMP describes legislation pertaining to labor regulations governing specifically for anti-corruption bodies activity given the potential concern about the safety and job security of journalists involved in the implementation of this project. It also describes the nature of its contractual relationship with recipient executing tasks in the Project (whether it is through contract or sub-granting agreement).
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ESS3 Resource Efficiency and Pollution Prevention and Management
The standard is not currently relevant for the project.

ESS4 Community Health and Safety
The standard is not currently relevant for the project.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
As the project will support only capacity building activities, no issues related to land acquisition or restrictions on land use and involuntary resettlement are expected.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
The standard is not currently relevant for the project.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
The standard is not relevant for the project.

ESS8 Cultural Heritage
The standard is not currently relevant for the project.

ESS9 Financial Intermediaries
The standard is not relevant for the project.

B.3 Other Relevant Project Risks
Risks specific to operations in Ukraine such as transparency and accountability issues.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways
The project activities will not impact any international waterways.

OP 7.60 Projects in Disputed Areas
There is no disputed area in the project location.

III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)
<table>
<thead>
<tr>
<th>DELIVERABLES against MEASURES AND ACTIONS IDENTIFIED</th>
<th>TIMELINE</th>
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<tbody>
<tr>
<td>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</td>
<td></td>
</tr>
<tr>
<td>Maintain management of E&amp;S risks throughout Project implementation.</td>
<td>07/2020</td>
</tr>
<tr>
<td>Develop and implement procedures for managing contractors and subcontractors.</td>
<td>04/2023</td>
</tr>
<tr>
<td>ESS 10 Stakeholder Engagement and Information Disclosure</td>
<td></td>
</tr>
<tr>
<td>Prepare, disclose and implement throughout project implementation a Stakeholder Engagement Plan (SEP).</td>
<td>04/2023</td>
</tr>
<tr>
<td>Develop and implement the arrangements for the project grievance mechanism (GRM).</td>
<td>04/2023</td>
</tr>
<tr>
<td>ESS 2 Labor and Working Conditions</td>
<td></td>
</tr>
<tr>
<td>Develop labor management procedures.</td>
<td>07/2020</td>
</tr>
<tr>
<td>Develop as a part of the Labor Management Plan and maintain a grievance mechanism for Project worker.</td>
<td>04/2023</td>
</tr>
<tr>
<td>ESS 3 Resource Efficiency and Pollution Prevention and Management</td>
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<tr>
<td>ESS 4 Community Health and Safety</td>
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<td>ESS 9 Financial Intermediaries</td>
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B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework? No

Areas where “Use of Borrower Framework” is being considered:
Due to discrepancies between requirements of the WB ESSs and National Environmental and Social Assessment laws and regulations, the project will not use Borrower Framework.

IV. CONTACT POINTS
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Borrower/Client/Recipient

Borrower: Anti-Corruption Action Center (AntAC)

Implementing Agency(ies)

Implementing Agency: Anti-Corruption Action Center (AntAC)

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s): David Bernstein, Laura Pop, Ann-Sofie Jespersen

Practice Manager (ENR/Social) Satoshi Ishihara Cleared on 10-Apr-2020 at 16:30:32 EDT