

BOSKOV MOST HYDROPOWER PROJECT: PCM COMPLIANCE REVIEW REPORT

MANAGEMENT ACTION PLAN

Management considers that the preparation of a satisfactory biodiversity study was appropriately established in this project as a condition for disbursements under the EBRD loan. Nevertheless, the following Management Action Plan is proposed to be implemented as part of the ongoing process to review and revise the Environmental and Social Policy (ESP), which is planned to be completed in April 2014.

Recommendations		
A. Recommendations to address the findings of the PCM Compliance Review Report at the level of EBRD systems or procedures		
Recommendation	Management Response	Resources/Timetable
<p>- Development of detailed guidance on the minimum requirements for the preparation of biodiversity assessments for projects likely to have a significant effect on natural, critical or protected habitats, providing, <i>inter alia</i>:</p> <ul style="list-style-type: none"> o Best practice regarding the setting out of conclusive and definitive findings and conclusions capable of removing all reasonable scientific doubt as to the effects of the proposed Project on the integrity of the site concerned. o Best practice regarding the preparation and reporting of a biodiversity assessment separately from the general ESIA or in a manner clearly identified and distinguishable within the ESIA. 	<p>Management believes that there are many good sources of guidance currently available on biodiversity assessment which collectively cover and define best practices that the Bank can rely on. These include guidance on both the setting out of conclusive and definitive findings and conclusions as well as the preparation and reporting of a biodiversity assessment, for example in accordance with the EU Environmental Impact Assessment Directive and Habitats Directive.</p> <p>Management proposes that the Environment and Sustainability Department (ESD) will review such guidance during the on-going review of the ESP, including Performance Requirement 6, and identify appropriate guidance that will be made available and applied to relevant assessments.</p>	<p>No additional resources needed.</p> <p>Identification of appropriate guidance in 2014, following Board approval of the revised ESP.</p>

<p>○ Practical guidance on the scope of the very limited flexibility as regards the exhaustiveness of such a biodiversity assessment likely to be acceptable for the approval of a Project under the so-called “D1 exception”.</p>	<p>Management proposes to refine internal operational procedures to clarify the circumstances under which Board approval to defer elements of environmental and social appraisal until after Board approval could be sought, providing that appropriate contingencies or other obligation placed on the borrower are included in the financing agreements, including the Environmental and Social Action Plan. Management also proposes that internal operational procedures will be amended to clarify the decision making process and documentation of such decisions, and enhance the information provided to the Board on such circumstances and contingencies relating to further environmental and social appraisal when their approval is sought.</p>	<p>No additional resources needed. Internal operational procedures will be refined in 2014, following Board approval of the revised ESP.</p>
<p>○ Where the so-called “D1 exception” is employed, fully transparent procedures for decision-making on disbursement of funds subject to subsequent satisfaction of contractual conditions relating to further biodiversity assessment.</p>	<p>The Bank has robust procedures that govern decisions on disbursement of funds, including decisions taken upon completion of required additional environmental and social appraisal, and involve a number of Bank departments in making such decisions. In such cases where further environmental and social appraisal is required as a condition of disbursement, ESD must deem the relevant disbursement conditions having been satisfied before disbursement can take place.</p> <p>Management proposes:</p> <ul style="list-style-type: none"> • to amend internal operational procedures to clarify the decision making process and documentation of such decisions; • to amend internal operational procedures to enhance the information provided to the Board to ensure the Board is fully informed on conditions relating to further environmental and social appraisal as a condition of disbursement when their approval is sought; and 	<p>No additional resources needed. Internal operational procedures and ESD’s internal guidance for preparing PSD Environmental Impact Sections will be amended in 2014, following Board approval of the revised ESP.</p>

	<ul style="list-style-type: none"> that for projects with disbursement/ implementation requirements contingent upon further environmental and social appraisal, the Bank's Project Summary Documents (PSDs) disclosed on www.ebrd.com will explicitly identify these requirements. PSDs will be updated as needed to disclose information on subsequent environmental and social appraisals and associated contingent disbursement decisions. Internal ESD guidance notes on the preparation of the environmental and social sections of PSDs will be updated to reflect this commitment. 	
<ul style="list-style-type: none"> Practical guidance on the use of the exception, outlined under PR 6.12 and corresponding with Article 6(4) of the EU Habitats Directive, permitting approval, for imperative reasons of overriding public importance, of a Project which a biodiversity assessment has determined to be unavoidably likely to adversely impact the ecological integrity of the site concerned. 	<p>The EBRD Board of Directors has the ability to decide to waive or defer the application of the Environmental and Social Policy (ESP)/PR requirements in their decision-making process as outlined in the section 30 of the 2008 ESP. However, an exception for the imperative reasons of overriding public interest (IROPI) as provided for in the Habitats Directive is not applicable to EBRD as an international financial institution. The IROPI is an administrative decision to be adopted by a competent national authority of an EU Member State in respect of the permitting of a project. Therefore, Management considers this recommendation does not fully reflect the Bank's role as an international financial institution and does not propose any action in response to it.</p>	No additional action or resources proposed.
Recommendations to address the findings of the PCM Compliance Review Report regarding the scope or implementation of the Project		
<p>B. Though the Compliance Review Expert has concluded that the Bank was not in full compliance with the ESP as regards the assessment of the biodiversity impacts of the present Project, it is only necessary in the present case to</p>	<p>Management considers that the preparation of a satisfactory biodiversity study was appropriately established in this project as a condition precedent for disbursements under the EBRD loan. The results of the Environmental and Social Action Plan (ESAP)-required additional bio-monitoring programme have been disclosed and discussed with relevant CSOs. The four seasons' bio-</p>	<p>No additional action or resources needed. Current commitment in project documentation. Resources include</p>

<p>recommend that the mitigation measures identified in the ESAP, and any further measures arising under the due process of national law, are rigorously implemented. The reasonably comprehensive desk-based studies undertaken and the complete suite of mitigation measures stipulated ought to be sufficient to ensure the effective application of the requisite standards of protection of biodiversity resources in the present case.</p>	<p>monitoring was required to verify earlier conclusions contained in the Environmental and Social Impact Assessment (ESIA) regarding the project's limited and temporary impacts on biodiversity, and to strengthen mitigation measures, if needed. To satisfy the Bank's conditions precedent for disbursement and ensure effective protection of biodiversity resources, all necessary refinements to the project design and mitigation measures taking into consideration sound scientific advice from the CSOs will be introduced to address the findings and conclusions of the additional bio-monitoring programme.</p>	<p>normal monitoring resources for Bank staff to review outputs of bio-monitoring and measures to address its findings, undertake site visits and monitor project reporting.</p>
<p>C. In ensuring implementation of the mitigation measures stipulated in the ESAP, the Bank should have regard to the outcome of the ongoing revalorization of the Mavrovo National Park by the Ministry of Environment and Physical Planning and any new or additional management goals established thereby.</p>	<p>Management continues to monitor the Park's planning process closely. The revalorisation process has been completed, with no change to the previous "sustainable use" zoning of the area to be affected by the HPP; "sustainable use" is considered to include hydropower development. A draft Management Plan has also been completed and disclosed by authorities; on-going monitoring shows that the HPP project does not conflict in any way with draft plans, nor would construction and operation of the HPP.</p> <p>EBRD will continue to monitor the Mavrovo National Park revalorisation, zoning and management planning, and take the necessary actions to amend the project ESAP, mitigation measures and the project monitoring programme, as needed.</p>	<p>No additional action or resources needed. Included in normal monitoring of this type of a project.</p>
<p>Monitor and report on the implementation of any recommended changes</p>		
<p>D. The Compliance Review Expert recommends that implementation of the various recommendations proposed</p>	<p>Management will monitor the implementation of the various recommendations proposed above and report to the PCM Officer in accordance with the PCM Rules of Procedure every six months until</p>	<p>No additional action or resources needed. Bank staff will cooperate</p>

<p>above are monitored by Bank officials and that a report be prepared upon completion of these tasks and agreed with relevant Bank officials and the PCM Officer.</p>	<p>issues are closed.</p>	<p>with the PCM officer's preparation of the bi-annual reporting on Action Plan until items are closed.</p>
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