ANNEX 6b

ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT AND ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN

VOLUME 2 – ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (ESMP)

“Enabling Implementation of Forest Sector Reform in Georgia to Reduce GHG Emissions from Forest Degradation”

Prepared for the GIZ
for submission to the
Green Climate Fund (GCF)

"Enabling Implementation of Forest Sector Reform in Georgia to Reduce GHG Emissions from Forest Degradation"

Volume 2 – Environmental and Social Management Plan (ESMP)

Catherine Garcia
Independent Environmental and Social Specialist

In collaboration with:
Nana Berdzenishvili
Independent Social Specialis

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1. INTRODUCTION

1.1 Overview

The project aims at reducing emissions from forest degradation through sustainable management of forests as well as promotion of energy efficiency and alternative fuels to reduce fuelwood consumption as a main driver of forest degradation. The project will result in the reduction of national GHG emissions, equivalent to approximately 5.2 million tCO_{2eq} over 7 years. Furthermore, the project will strengthen institutional and regulatory systems for low-emission planning and development, at the national and provincial levels, as well as improved law enforcement.

The Green Climate Fund (GCF) and the GIZ require the preparation of an Environmental and Social Impact Assessment for all projects that have been classified as “Category B”. The ESS consultant analysed the primary and secondary information gathered and produced this report; Volume 2 – Environmental and Social Management Plan (ESMP). The purpose of the ESMP is to guide the implementation of mitigation measures identified during the stakeholder engagement process, collection of primary and secondary data and analysis of the information gathered from March to May 2019.

1.2 Report Structure

This report presents the Environmental and Social Management Plan for the Project. Section 2 of this report provides a full overview of the mitigation and compensation measures identified to reduce the predicted adverse environmental and social impacts resulting from the implementation of the Project. They are based on embedded mitigation measures involving application of good international industry practice and enhancement measures. These measures constitute the Project’s E&S commitments. The information is presented in a table form to facilitate understanding of the project commitments. Section 3 presents the implementation structure required for the execution of the ESMP, section 4 provides the capacity building section of the ESMP, section 5 provides the specific management plans aligned with the commitments proposed in Table 2-1 and section 6 presents the ESMP budget.

The ESMP will be implemented by the GIZ, MoEPA, relevant ministries, contractors and sub-contractors during construction and operations of the Project. The GIZ will appoint

an ESMP+G Specialist that will be responsible for managing the implementation of the ESMP.

1.3 Objectives

The aims of the ESMP are:

- Establish methodologies to manage the impacts identified in Volume 1 – ESIA.
- Ensure the project is compliant with the Georgian regulatory framework.
- Ensure the project is compliant with the Environmental and Social requirements of the Green Climate Fund (GCF), GIZ and the International Finance Corporation (IFC).
- Ensure adequate human resources and budget have been allocated by the Project to implement the ESMP.

To achieve these objectives, the ESMP contains the following information:

- Presentation of the project commitments; outline of the environmental and social impacts of each intervention and mitigation commitments.
- Introduce the implementation structure and capacity building proposed to manage the project impacts.
- Description of the management plans necessary to implement the commitments.
- Presentation of the ESMP implementation budget.

2. Presentation of Impacts and Commitments

Table 2-1 presents the summary of all impacts, as well as the mitigations identified as part of the Environmental and Social Impact Assessment process described in Volume 1.

It is expected that with the implementation of the ESMP the impacts will be efficiently managed and that the overall project will be in compliance with GCF Environmental and Social Standards and GIZ S+G requirements. Regular monitoring of the ESMP, including the individual plans presented in section 5 and the commitments made by the project in Table 2-1 will be carried out and will be reported to the Project Steering Committee and the Project Implementation Unit.

The ESMP will be updated annually based on monitoring and evaluation, supervision of contractors and evaluation of outcomes.

In total, 65 mitigations have been proposed, each mitigation has been included in one of the management plans presented in section 5, except for 9 mitigations. The mitigations

that are not part of a plan are specific actions that do not require a plan and completion will be tracked using Table 2-1 directly.

The ESIA/ESMP will be disclosed on the GIZ and GCF websites for 30 days before the Board Meeting in which the Funding Proposal will be discussed, as required by the GCF and GIZ.

Table 2-1: Summary of Impacts and Commitments

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
Component 1 - Sustainable Forest Management					
Activity 1.1: Development and implementation of SFM Management Plans	1	Disruption of wildlife and flora during logging activities.	1.1	As a precautionary measure and no more than two-days prior to logging, the Project will undertake a Rapid Vegetation Assessment to inspect each tree and ensure there are no nests. Trees with nests will not be felled. Reduced Impact Logging and the Vegetation Assessment will be included in the SFM and the Annual Plans prepared by the NFA.	5.1 ESHS-MS and 5.2 ESHS Construction Contractor Requirements Procedure.
	2	During logging and skidding activities, there are OHS Health risks for NFA, project staff, and contractors. In particular carrying out logging and skidding activities and traffic accidents.	2.1	The project will provide safety awareness and fit for purpose training. Health and safety training for loggers, in particular in mountainous areas and defensive driving training for drivers of lumber trucks and small vehicles. Development of a Driver Safety Procedure.	5.1 ESHS-MS and 5.2 ESHS Construction Contractor Requirements Procedure.
			2.2	Provide and document all safety training.	5.1 ESHS-MS and Chapter 4.
			2.3	ESHS-MS to include HS procedures, establishing safety culture within project, and reporting, documenting and managing incidents and accidents. SFM plans and Annual Plans to integrate key components of the ESHS-MS.	5.1 ESHS-MS.
			2.4	Supply rangers, loggers, and NFA staff with fit for purpose PPE (e.g. hardhats, safety boots, gloves, etc.)	5.1 ESHS-MS and 5.2 ESHS Construction Contractor Requirements Procedure.
	3	During construction of Forest Access roads, including river	3.1	Mitigations #2.1 to 2.4.	As above.

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
		crossing and skid trails. Impacts on OHS of workers, generation of waste, noise and dust, spills, disruption of wildlife, vegetation and soil and impact on water.	3.2	Conduct a Rapid Environmental and Social Screening prior to any construction activity and Rapid Vegetation Assessment (vegetation clearing using chemicals is not permitted, only mechanical removal of vegetation will be used).	5.4 Rapid Environmental and Social Review.
			3.3	Prepare and implement an ESHS Construction Contractor Requirements Procedure (to include all working sites to be equipped with fire extinguishers, spill equipment including trays, spill kits inside each motor vehicle, designated bunded sites for refuelling, waste separation, interdiction of hunting, interdiction of washing any project equipment or vehicle near the rivers).	5.2 ESHS Construction Contractor Requirements Procedure.
			3.4	Develop a fit for purpose Environmental, Social, Health, and Safety Management System, which will include preparation of ESHS plans and procedures, including a Human Resource Policy and Code of Conduct. Include in Article 13, Regulation 242 of Forest Management as soon as Forest Code has been approved. SFM plans and Annual Plans to integrate key components of the ESHS-MS.	5.1 ESHS-MS .
			3.5	Ensure all earthworks are planned to optimise the management of space to ensure that all cleared surfaces and areas exposed to soil erosion are minimised as much as possible.	5.2 ESHS Construction Contractor Requirements Procedure.

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
			3.6	Restrict construction of roads and skid trails to surface water buffer restrictions available under the Georgian law to minimize sedimentation accumulation, impacts on aquatic fauna and flora and comply with the Georgian Water Law (the law provides buffer restrictions depending on length of river).	5.2 ESHS Construction Contractor Requirements Procedure.
			3.7	River crossing will be constructed as per international best practices. Covering surface water with construction material is forbidden and no changes of river bed will be allowed during construction and operations. The project will use bridges or special framed culverts to cross surface water.	5.2 ESHS Construction Contractor Requirements Procedure.
			3.8	Stabilize slopes and control erosion in key risk areas using vegetation and other natural processes (bioengineering).	5.2 ESHS Construction Contractor Requirements Procedure.
			3.9	Side casting of material excavated for the construction of the forest road, skid trails and landing sites is not permitted on slopes.	5.2 ESHS Construction Contractor Requirements Procedure.
			3.10	Apply best practices for Forest Road Construction and Maintenance (slope protection and stabilization, drainage, river crossing, equipment selection, etc.) and maintenance (e.g. GIZ Construction Procedure, FAO Guide to Forest Road Engineering in Mountainous Terrain, US Department of Agriculture: Landowner Guide to Building Forest Access Roads, 2014 Best Practice Guidelines - Forest Road Planning and Construction for Georgia,	5.2 ESHS Construction Contractor Requirements Procedure.

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
				2009 German Ministry of Agriculture, Conservation and The Environment - Soil Conservation and Forest access - Guide for the practitioners.	
			3.11	Risks related to climate change adaption include damage to project infrastructure and equipment and result in barriers to achieving the long-term project objectives. This risk will be addressed through design of the SFMs by assessing forests' vulnerability, and integrating the results into management plans, trainings, protocols and to streamline the results into policy-making. Specifically, for the project this could include constructing resilient forest roads and using climate resilient species during the rehabilitation process.	Feasibility Study Report.
	4	Risk of induced access due to Forest Access roads, impacting flora and fauna.	4.1	Restrict, as much as possible, motor vehicles on all forest roads, except MoEPA, NFA, Supervision Department and institutions. According to new Forest Code, only NFA/Supervision Department will have access to the Forest Roads for forest related activity. This will be implemented with caution to avoid conflict with communities.	Commitment not specifically mentioned in individual management plans.

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
	5	During operations logging activities, operations in the forest road and skid trails can result in sedimentation accumulation and erosion (some regions are more prone to erosion), impacts on water, generation of dust during operations, impacts on soil due to hazardous material spills and waste generation.	5.1	Mitigation #3.2 to 3.10.	As above.
	6	The interdictions to cut timber for household consumption and the requirement to purchase fuelwood and timber from the BSYs, can increase household energy costs or prevent them from obtaining fuelwood/timber for cooking and heating. In particular vulnerable households and transient population (cattle herders as seen in Kakheti).	6.1	Vulnerable households to be supplied with fuelwood through subsidies or ticketing system, including transportation to their Households (Currently under discussion with MoEPA).	Commitment not specifically mentioned in individual management plans.
			6.2	Engage with the transient population (cattle herders) and include them in the participatory consultation process, including the development of SFM plans, grazing locations, EE stoves, briquettes, and other themes.	Stakeholder Engagement Plan (Annex 7 to Funding Proposal) and 4.6 Participatory Sustainable Forest Management Plans.
			6.3	Government to provide subsidies to purchase EE Stoves for vulnerable households.	Commitment not specifically mentioned in individual management plans.
			6.4	Introduce the cost of briquettes at a realistic cost for communities, taking into consideration their current energy expenditures. Support the provision for alternative fuel options that include briquettes and other options.	Commitment not specifically mentioned in individual management plans.

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
			6.5	Design and implement a Livelihood Support Program taking into consideration each Region's Strategic Plan and in consultation with the communities	5.3 Livelihood Support Program.
			6.6	Maximize local content by employing and procuring goods and services from the communities. Develop local procurement and employment targets (harvesting, transportation of wood, production of stoves and briquettes, undertaking inventory of forest, regeneration of forest, stove production, supply chain of raw materials for briquette production and other). Criteria to include: Priority will be given to community companies. All job postings will mention that women are encouraged to apply.	5.1 ESHS-MS, 5.2 ESHS Construction Contractor Requirements Procedure and 5.3 Livelihood Support Program.
			6.7	MoEPA and NFA to develop a transparent procurement system. Tenders to be posted at the municipality and villages.	5.1 ESHS-MS.
	7	Restriction of access to cultural sites or impact on cultural sites located inside the forest (none of the communities met used the forest for cultural purposes, however, there might be other communities in Georgia that use the forest to perform cultural activities/rites).	7.1	Identify communities that use forest for cultural heritage purposes and establish agreed usage rights, if applicable for each individual SFM plan.	5.6 Participatory Sustainable Forest Management Plans.
			7.2	Prepare a Chance Find Procedure.	5.5 Chance Find Procedure.

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
	8	The New Forest Code allows in principle grazing of livestock and collection of fruit from trees, collection of plants, berries, mushrooms and other NTFP for non-commercial purposes. However, there will be restrictions which can result in socio-economic disturbance and community conflict.	8.1	Meaningful consultation with communities regarding the SFM plans. Including identification of locations where grazing and gathering of NTFP will be allowed and establish targets jointly.	5.6 Participatory Sustainable Forest Management Plans and Volume 1.
			8.2	Engage a facilitator to provide awareness to communities regarding communication and negotiation prior to the SFP consultation process.	5.6 Participatory Sustainable Forest Management Plans and Volume 1.
			8.3	Develop Livelihood Support Programs that support improvement of pasture management, production of winter forage, veterinary care and value added of NTFP.	5.3 Livelihood Support Program.
	9	Risks of natural hazards such as landslides, flooding and avalanches during road construction and maintenance, construction of skid trails and logging activities.	9.1	Prepare and communicate an Emergency Response Plan that includes response to natural hazards for institutions and workers.	5.1 ESMS-MS.
Activity 1.2: Strengthening of Forest Supervision	10	Conflict between communities and NFA/Supervision department due to interdictions to cut timber and issuing of penalties, which could escalate to physical violence.	10.1	Mitigation #6.5	As above.
			10.2	Provide capacity building to MoEPA, NFA and Supervision Department on a) conflict management, mediation and dispute resolution; b) communication and engagement with communities; c) OHS; and d) environmental communication; e) fauna and flora identification and biodiversity awareness. The objective is to build institutional competencies for dialogue and cooperation and increase environmental	Section 4.

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
				communication capacities within the MoEPA to build inclusive sustainable development.	
			10.3	Preparation of guidelines and procedures for the MoEPA, NFA and Supervision Department regarding a) conflict management, mediation and dispute resolution; b) communication and engagement with communities; c) OHS; d) environmental communication; and e) fauna and flora guide.	Section 4.
			10.4	Develop a Stakeholder Engagement Plan and communicate and engage regularly with communities as per project activities and participatory consultation regarding any regulation that will impact them. Including information awareness about the requirements and interdictions of the New Forest Code. Include local NGOs as liaison agents.	Stakeholder Engagement Plan (Annex 7 to Funding Proposal)

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
			10.5	Develop an environmental awareness program for the communities and schools. Include recreational activities in the forest, school educational trips. Install eco-friendly signage of tree species and use to promote awareness of tree species, construct trekking tracks. Establish demarcation sites for camping and install waste bins.	Stakeholder Engagement Plan (Annex 7 to Funding Proposal)
	11	Livelihood disturbance due to hunting restrictions and increase supervision.	11.1	Mitigation #6.5	As above.
	12	Generation of waste within the forest by DES staff and/or contractors during patrolling activities.	12.1	NFA, Supervision Department, Ministry, including contractors to be provided with awareness regarding minimization of waste generation and waste management (e.g. removal of all waste generated by workers in the forest and ensure proper disposal system).	5.1 ESHS-MS and 5.2 ESHS Construction Contractor Requirements Procedure.
	13	Community health and safety: Traffic accidents due to increase mobile transportation equipment.	13.1	Traffic rules of conduct, including establishment of speed limits.	5.1 ESHS-MS and 5.2 ESHS Construction Contractor Requirements Procedure.
			13.2	Defensive driving training.	5.1 ESHS-MS and 5.2 ESHS Construction Contractor Requirements Procedure.

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
Activity 1.3: Provision of sustainably produced fuelwood by NFA	14	Energy costs for the local population increases, this can affect all households in general and in particular vulnerable households due to the requirement to buy fuelwood from the BSYs (Similar impacts as #6).	14.1	Mitigations #6.1 to 6.7.	As above.
	15	Health and safety risks for NFA staff during the day to day management of the BSY.	15.1	Mitigation #2.1 to 2.4.	As above.
	16	Further degradation of forest due to combination of NFA establishment of Business Service Yards, communities continuing cutting forest illegally and lack of buy-in from communities.	16.1	Mitigations #6.5, 6.6, 10.3 and 10.4.	As above.
			16.2	Explore options to engage with private companies, for example HPPs to align with SFM plans (some companies are required to compensate or offset forest loss) and support introduction of stoves and briquettes as part of their Corporate Social Responsibility (CSR) strategy.	Commitment not specifically mentioned in individual management plans.
			16.3	Identify and establish Community Forest Focal-Points community to provide awareness to the community members and support monitoring and inventory of trees and build sense of ownership of forest within the communities.	Section 3, 5.6 Participatory Sustainable Forest Management Plans, and Volume 1.

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
			16.4	Establish a forest baseline using satellite imagery, using resolutions such as SPOT Satellites (French: Satellite Pour l'Observation de la Terre) which have a variety of resolutions that can help with the accuracy of the process. Ground truthing will be required for specific problem areas will inform the spatial analysis process. This can be used for monitoring the success of the Forest Code and SFM plans.	Stakeholder Engagement Plan (Annex 7 to Funding Proposal)
			16.5	Use landuse maps changes and sensitivities to communicate messages to communities as shown in Volume 2.	Stakeholder Engagement Plan (Annex 7 to Funding Proposal)
	17	Income reduction for informal businesses (intermediaries) that sell fuelwood or timber.	17.1	Mitigations #6.5, 6.6, and 19.3.	As above.
			17.2	Offer formalized employment for example loggers and other employment that will be created by the project.	5.1 ESHS-MS and 5.2 ESHS Construction Contractor Requirements Procedure, and 5.3 Livelihood Support Program.
	18	Minor nuisance impacts related to the construction of the 14 planned Business Service Yards, including OHS, dust, noise, and waste.	18.1	Rapid Environmental and Social Screening of all construction of infrastructure that will be developed by project (e.g. BSY) to ensure impacts are minimized (e.g. sewage, waste management, safety, consider equipping them with solar energy, other).	5.4. Rapid Environmental and Social Screening.
			18.2	BSYs to be equipped with Fire extinguishers. Capacity building to be provided to BSY staff regarding fire extinction.	5.1 ESHS-MS.
			18.3	Consider construction of BSY's in brown field sites to minimize footprint.	. 5.4. Rapid Environmental and Social Review.

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
	19	Reduced availability of fuelwood for household consumption and disruption of access to fuel wood and timber due to phasing out of Social Cut Program and requirements to purchase from BSYs .	19.1	Mitigation #6.1	As above.
			19.2	Identify locations of Business Service Yards based on community accessibility. To minimize induced access, BSY to be located outside the forest and close to the roads. Government distance requirements to forest and municipalities will also need to be considered.	5.4. Rapid Environmental and Social Screening.
			19.3	Introduction of EE Stoves requiring less fuelwood and support households finance the EE Stoves.	Commitment not specifically mentioned in individual management plans.
			19.4	Consider establishing a pilot fuelwood sales warehouse within the village and managed through a village committee.	5.3 Livelihood Support Program.
Activity 1.4: Enhancement of enabling environment for the nation-wide implementation of ecosystem-based sustainable forest management (SFM)	20	This activity consists of supporting the MoEPA rolling out secondary provisions of the Forest Code, essential for ecosystem based SFM, the establishment of a Steering Committee and Working Groups and knowledge information. Impacts of this activity are related to community disturbance of the development and implementation of the secondary legal act on the commercial use of non-timber forest resources.	20.1	Mitigation 10.4	As above.

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
Activity 1.5: Improvement of monitoring, and measurement, reporting and verification systems for the forest sector	21	This activity is essentially information management and reporting. As such, no adverse or negligible impacts are expected and no mitigations are required.	n/a	Negligible impact. No mitigation required.	n/a
Component 2 - Market Development for Energy Efficiency (EE) and Alternative Fuels (AF)					
Activity 2.1: Establishing Technical Assistance and Investment Support Facility for EE-AF supply chain development	22	Current artisanal and informal suppliers of stoves might lose business due to introduction of EE stoves.	22.1	The project will provide training and capacity building to the current stove suppliers so that they can produce/supply the EE stoves. This activity is planned under the Funding Proposal Report.	5.3 Livelihood Support Program.
	23	Pollution generation, contamination of work sites, lack of proper waste management and overall non compliance with project standards by EE stove producers.	22.2	The project will provide capacity building to the producers of the EE stoves regarding waste minimization and waste management, using environmentally friendly products, minimizing noise and dust, containing spills, and ensuring workers are using appropriate PPE. The ESMP+G Specialist will monitor the suppliers and conduct occasional inspections of the working sites and working conditions.	5.3 Livelihood Support Program.
Activity 2.2: Implementing consumer financing	24	Financial debt of households increase and pressure on HH finance.	23.1	Project will provide oversight of financial intermediaries to ensure full compliance with the requirements of the Central Bank of Georgia on household/individual loans.	Commitment not specifically mentioned in individual management plans.

Activity	Impact ID #	Potential Adverse Impacts	Mitigation ID #	Mitigation	Reference in ESMP
instruments for EE-AF solutions	25	The Project intends to support vulnerable households acquire the EE stoves and briquettes through different schemes (vouchers, grants, etc.).This support could lead to the cancellation of the Social Allowance checks provided by the Government to vulnerable households.	24.1	Obtain list of all households considered vulnerable (for ESIA purposes those receiving social allowance and possibly transient population due to their social status).	Commitment not specifically mentioned in individual management plans.
			24.2	Engage with Ministry of Labour, Health and Social Affairs to ensure allowances of vulnerable people are not impacted and ensure municipalities are aware. Meetings were held in May 2019 with the Ministry and this issue has been resolved, but Project team needs to follow this up during implementation.	Commitment not specifically mentioned in individual management plans.
			24.3	Stakeholder Engagement Plan to include a nation-wide awareness campaign regarding forest sustainability, benefits of stoves and briquettes; including health benefits, ecosystem services of forests and other.	Stakeholder Engagement Plan (Annex 7 to Funding Proposal)
Activity 2.3: Creating consumer awareness and provision of advisory services for fuelwood users	26	Non-expected and no mitigations are required.	n/a	Negligible impact. No mitigation required.	n/a
Activity 2.4: Enabling policies and regulations	27	Impacts are not known at this phase.	26.1	Meaningful consultations of draft regulations, policies, laws with communities and local government that could have an impact on the population.	Stakeholder Engagement Plan (Annex 7 to Funding Proposal)

3. GENERAL MANAGEMENT STRUCTURE AND RESPONSIBILITIES

The project will have five Executing Entities for individual responsibilities per activities:

- National Forest Agency (NFA)
- Department of Environmental Supervision (DES)
- Environmental Information and Education Centre (EIEC)
- Agricultural and Rural Development Agency (ARDA)
- Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)

The project will put in place a **Steering Committee**. The Committee will meet two times a year and members will include department heads/directors from the MoEPA, NFA, DES, ARDA, MESD, Ministry of Finance (MoF), EIEC, National Designated Authority (NDA), Ministry of Regional Development and Infrastructure (MRDI), NGOs and the GIZ. The mandate of the Steering Committee includes:

- Provide overall guidance for the project.
- Provide review and feedback of annual work plans, annual reports and audits.
- Ensure project energy and coherence with the evolution of the international and national context.
- Be informed of project adherence with E&S Safeguards and Gender Action plan objectives.
- Support the coordination of project activities across different line ministries and between private and public sector and civil society.

A Project Implementation Unit, located within different departments of the MoEPA, will be set-up for the entire duration of the project, the structure is presented in Figure 3 1. The mandate of the unit includes:

- Enhance common understanding among Executing Entities on the theory of change and how transformation in both sectors shall evolve.
- Discuss, monitor, and promote best possible synchronisation of implementation between the Executing Entities.
- Define, monitor and coordinate work plans.
- Ensure that budgets and work plans are on track and monitor project progress.
- Identify and resolve bottlenecks and implementation challenges relevant on project level.
- Monitor adherence to environmental, social and fiduciary safeguards; monitor implementation of the Project's Environmental and Social Management Plan (ESMP) and Gender Action Plan, and steer review of these plans if needed.
- Identify issues required to be brought to the attention of the steering committee and/or political decision makers.
- Provide for information exchange and synergies between project outputs.
- Agree on terms of reference, recruitment of experts.
- Discuss outcome and impact monitoring processes and results.

- Prepare monitoring reports.

The **GIZ** will be responsible for the following:

- Ensure that the required ESIA assessment and the required management plan(s) are developed, disclosed for public consultation and approved, and management measures are adopted and integrated during project implementation.
- Report, fairly and accurately, on project progress against agreed work plans in accordance with the reporting schedule and required formats.
- Maintain documentation and evidence that describes the proper and prudent use of project resources in conformity to the signed Project Document and in accordance with applicable regulations and procedures.
- Ensure all requirements GCF, GIZ, IFC, and national regulatory/policy frameworks have been addressed.
- Hold responsibility and accountability to the GCF for overall management of the project, including compliance.
- Ensure suitable human and financial resources are in place to manage environmental and social risks.
- Provide oversight on all matters regarding safeguards.
- Initiate a mid-term review (MTR) in year four of the project (or at any time that GIZ or partners consider necessary.

The Project will engage a full-time **ESMP+G** specialist that will be responsible for implementing the ESMP and Gender Management Plan and updating the ESMP on an annual basis or as needed (e.g. the ESMP might require an immediate update following a monitoring and evaluation mission or occurrence of an incident). Additional responsibilities include:

- Liaison with project stakeholders.
- Responsibility for overseeing project communication and stakeholder engagement.
- Dissemination of information about the grievance mechanism to project partners, local communities, NGOs, among others.
- Mediation between the project and the communities.
- Overseeing (implementing, monitoring and reporting) on the grievance resolution system.
- Monitoring project progress, including in achieving the ESMP and GAP, and ensuring adaptive management (as needed).

He/she will be assisted by the following consultants:

- National ESHS-MS Consultant – 3 months in total during project duration.
- Monitoring and Evaluation Specialist – Duration of project for once a year monitoring and evaluation. This specialist will prepare an annual monitoring report that will be presented to the PCU and Steering Committee and the GCF.

- Capacity building consultants (discussed in section 4).
- Community Facilitator (approximately 2 months for year 1 to 3, and one month year 4 to 7). The Community Facilitator will be hired by the Project for the communities. He/she will be selected by the communities and will remain independent throughout the process.
- Community Forest Focal Points. The Project will establish Community Forest Focal-Points to provide awareness to the community members and support monitoring and inventory of trees and build sense of ownership of forest within the communities. The focal points will be appointed on a volunteer basis; however, they will be provided with the required tools to support their role and with per diems for special events such as organization of engagement meetings, and other.

In addition, he/she will be supported by the GIZ Georgia office and the GIZ representatives based at the regional offices.

The MoEPA, through the NFA, will engage two Health and Safety Specialists. These HS specialists will be in charge of weekly monitoring of construction contractors, including loggers and implementing the OHS activities.[1]

4. CAPACITY BUILDING

Capacity building will be provided to the MoEPA, NFA, Department of Environmental Supervision (DES), the Environmental Information and Education Center (EIEC), Contractors, and the Community Forest Focal Points both at the central and local offices. The objective is to build institutional competencies for dialogue and cooperation and increase environmental communication capacities within the MoEPA to build inclusive sustainable development. All of the proposed trainings below will be developed as official modules of the online knowledge management and training platform, hosted by EIEC (see sub-activity 1.4.3. Development of online knowledge management and training platform for the forest sector in the Funding Proposal). This ensures sustainability and institutionalisation of the trainings.

- **Conflict Management, Mediation and Dispute Resolution (MoEPA, DES, NFA):** This training will include cultural specific conflict management models and resolution tools, sources of conflict, resolution styles, interpersonal communication language, learning to explore options, compromising, building consensus, offering solutions for dealing with difficult people, and listening and understanding the source of conflict.

  Approach: 4 sessions will be organized in year 1 in Tbilisi and the 3 concerned Regions and then repeated in year 3. A total of 8 sessions (an option is to combine

[1] Based on the review of the Internal Audit Service NFA will establish a new unit – Division of Inspection and Work Safety. The division includes two experts for work safety and environment.

the trainings from the Region, reducing the amount of sessions). An international specialist will be engaged to provide this training.

- **Communication and Engagement with Communities (MoEPA, DES, NFA):** Community engagement is an important component of modern forest management, the interface between foresters, forest patrollers and the communities is key for establishing sustainability of forests. Practical tools on how to achieve meaningful and participatory consultation, explaining complexities of working with communities, public consultation techniques, understanding perceptions, attitudes and behaviour, understanding the differences between communication, consultation and participation and knowing when to apply them, interpersonal communication skills, providing tools and techniques of establishing a good working relationship with the communities and effective community engagement will be part of this training.

  Approach: 4 sessions will be organized in year 1 in Tbilisi and the 3 concerned Regions and then repeated in year 3 and year 5 (an option is to combine the trainings from the Region, reducing the amount of sessions). A total of 12 sessions. An international specialist will be engaged to provide this training (the Project will consider using an International Association for Public Participation (IAP2) certified practitioner).

- **Occupational Health and Safety (MoEPA, DES, NFA and Contractors and Loggers):** Training will be provided on the ESMS-MS and all the health and safety policies, plans and procedures and all environmental and social requirements of the ESMS-MS. This training will be provided by the GIZ ESMP+G and the two NFA HS Specialists throughout the duration of the project.

- Environmental Communication (DES, NFA, Environmental Information and Education Center (EIEC) and the Community Forest Focal Points): The informal definition of Environmental Communication is “a study of the ways in which we communicate about the environment, the effects of this communication on our perceptions of both the environment and ourselves, and therefore on our relationship with the natural world” (Cox 2006). The modules will include: communication strategies with different audiences and how to move from “knowing about the environment and perceptions to changing behaviour”, using different channels of communication and knowing when to apply them, visual aids, target communications, understanding environmental and sustainability communication, psychology and the environmental communication mix, message framing, environmental stories, visualizing climate change, media and social media and the environment, persuasion, and others. The overall goal of this training is to promote good environmental practices within the communities through the MoEPA communication system.

  Approach: 4 sessions will be organized in year 2 in Tbilisi and the three concerned Regions and then repeated in year 4 and 6 in Tbilisi, specifically for the EIEC. A total of six sessions will be organized (if preferred, the regional trainings can be combined in one Region). An international specialist will be engaged to provide this training (options for training specialists include the International Environmental Communication Association (IECA).

- **Flora and Fauna Guide and Biodiversity (DES, NFA, Contractors, Loggers and Community Forest Focal Points):** This training is targeted for the field people and consists of providing the tools necessary to identify the flora and fauna in the area. This will support the inventories of the forests and minimize impacts during construction, logging and maintenance of the forest roads. This training will be provided by the GIZ ESMP+G expert throughout the duration of the project.

The capacity building will include the preparation of guidelines, guides, best practices and procedures regarding a) conflict management, mediation and dispute resolution; b) communication and engagement with communities; c) OHS; d) environmental communication; and e) fauna and flora guide. These guidelines and other documents will be permanently available via the knowledge management and training platform.

5. SPECIFIC MANAGEMENT PLANS

This section presents the management plans necessary to implement the commitments identified in Table 2-1.

5.1 ESHS Management System

Development and Implementation of the Environmental, Social, Health and Safety Management System (ESHS-MS)
Objectives
The overall goal of the Environment, Social, Health and Safety – Management System (ESHS-MS) is to avoid, mitigate, compensate or offset adverse impacts to workers, the environment and the communities - a systematic approach to manage risks. The Project will implement fit-for-purpose environmental, social, health and safety practices during everyday operations and ongoing long-term activities. The ESHS-MS establishes the framework that guides all health, safety, environmental and community activities for the project. It provides a methodological approach to managing occupational health and safety, environment and social risks and impacts of the project in a structured way and on an ongoing basis. As required by IFC PS1, the ESHS-MS "is a dynamic and continuous process initiated and supported by management, and involves engagement between the client; its workers, local communities directly affected by the project and, where appropriate, other stakeholders".
Actions

- Appoint GIZ ESMP+G Specialist.
- Appoint two NFA Health and Safety (HS) Specialists at NFA.
- Appoint national ESHS Management System Consultant.
- Develop required procedures and plans.
- Provide capacity building of each individual procedure and plan.
- Implement ESHS-MS.

Plans

Within this Management System, the project will implement, at a minimum, the following policies, plans and/or procedures to minimize risks:

- Human Resources Policy: This policy will include reference to compliance with the Georgian Labour Law, the Universal Declaration of Human rights, the Voluntary Principles of Security and Human Rights, and the declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights and Work.

  In addition, the policy will guarantee fair treatment, equal opportunities without discrimination based on political affiliations, age, sex, race, ethnicity and sexual orientation. Including, treating the project workforce with respect and no tolerance for any form of sexual harassment, discrimination, bullying or violence. In addition, specific measures will be included in the HR Policy concerning prioritization for community employment and procurement of goods and services and ensuring that all job announcements are gender sensitive.

- Emergency Response Plan: The Emergency Response Plan (ERP) will explain the approach the Project will use to protect people, project infrastructure and equipment. This plan will include natural hazards such as floods, avalanches, landslides and other.

- Stakeholder Engagement Plan: The Stakeholder Engagement Plan (SEP) is presented in Volume 1. The purpose of the plan is to recognize the importance of setting up meaningful consultations and communication with stakeholders, foster two-way communication, and ensure a relationship based on mutual cooperation and trust is established. The SEP includes a Grievance Mechanism Procedure to manage grievances from stakeholders, which include community members, local and central government and NGOs.

- Hazardous Substance Handling and Storage Management Plan: This plan will include an approach for managing spills and the requirements to include spill kits in all project vehicles, including contractor's vehicles and availability of Material Safety Data Sheets (MSDS), where relevant.

- Occupational Health and Safety (OHS) Policy and applicable procedures: The project will develop an Occupational Health and Safety Policy, which will include reporting systems, health and safety targets, HS responsibilities, HS training, reporting incidents

and accidents and non-compliances. Priority applicable procedures based on the impact assessment include:

- Incident Management Procedure (and incident report form).
- Application of Non-Compliance reporting system.
- Safety training and reporting.
- Driver Safety Procedure (and driver fatigue management).
- Personal Protective Equipment (PPE) Work Practice (e.g. safety glasses, headgear, safety boots, appropriate gloves for task, hearing protection gear, etc.).
- Tree Removal (or trimming) Safety Procedure.

All project contractors will be required to comply with the Project OHS.

- Waste Management Plan: The objective of the plan is to improve performance regarding waste generation and disposal of waste in an appropriate manner, reporting and accounting of the waste generated by the project and provide awareness regarding reduce, reuse, recycle and recover.
- Procurement Procedure: The purpose is to maximize local purchases and have a consistent and transparent selection process.
- ESHS Construction Contractor Requirements Procedure: The purpose of the procedure is to provide contractors with the minimum ESHS requirements with which they must comply with. The overall goal is to minimize environmental, social, health and safety risks. The Contractor Requirement Procedure will include a Code of Conduct.
- Rapid Vegetation Assessment: The purpose of this assessment is to minimize impacts on flora and fauna. Not more than 2 days prior to removal of topsoil or vegetation, the Project will undertake an assessment to inspect nests, red-listed flora, and assess if there is any wildlife in the area that could be impacted by the activities.
- Chance Find Procedure: Article 10 of the Georgian Cultural Heritage Law specifies that “if a natural or legal person identifies or discovers cultural heritage, or has reasonable grounds to presume that cultural heritage is being identified or discovered during activities which, if continued, may damage, destroy or pose a threat of damaging or destroying cultural heritage, the person conducting the activities shall immediately terminate such activities and inform the Ministry in writing, in not later than 7 days, on the subject of identifying and discovering the said cultural heritage or on the existence of a reasonable presumption that cultural heritage is being identified or discovered, as well as on the termination of the activities”. The project will prepare a Chance Find Procedure in case a cultural site is identified in the forest, during the implementation of the project.
- Land Acquisition process: The land acquisition process will follow a willing-buyer willing-seller (voluntary agreement) approach. Land acquisition is the responsibility of

	the Government. When a potential site has been identified; (i) an ES screening will be undertaken to ensure the site is adequate from and environmental and social perspective, prior to initiating the negotiation of the land with the owner; (ii) the market rates of the land will be determined using the regional land values; (iii) ensure land registry of plot is available regionally (iv) negotiate with the land owner; (v) present value to the Steering Committee; (vi) finalize agreement with landowner using the legal documentation available in Georgia to purchase land (Note: As discussed in the ESIA, IFC PS5 is not triggered since there is no involuntary resettlement).
Timeframe	As soon as the Funded Activity Agreement is signed. Timeframe to prepare management system and provide training is 4 months.
Cost estimates	GIZ ESMP+G Specialist (staff cost) NFA 2 HS Specialists (staff cost). ESHS-MS Local Consultant (20,000 Euros)
Monitoring and Reporting	- Progress reported to PMU - Progress reported to Steering Committee - Annual plans to GCF
Key Performance Indicators	- # of staff recruited for ESHS. - # of plans and procedures prepared and approved. - # of men and women trained, including contractors. - # of procedures and plans included in SFM plans and NFA annual plans.

5.2 ESHS Construction Contractor Requirements Procedure

Implementation of the ESHS Construction Contractor Requirements Procedure
Objectives
The general objectives of the ESHS Construction Contractor Requirements Procedure (contractors in this case are all construction companies that will be employed by the Project (GIZ/MoEPA) to provide civil works related services, including forest road construction, logging, construction of BSYs and other: ➢ Commit to meeting project ESHS requirements; ➢ Ensure the safety of all workers and communities ➢ Minimize the footprint; and ➢ Maximize project socio-economic and environmental performance (for example if it is a contractor from Tbilisi, ensure the company maximizes local employment).
Actions

The procedure includes details about how different construction activities related to ESHS will be implemented. It is the implementation component of the procedures and plans that will be prepared through the ESHS-MS. The Contractor Requirements Procedure covers the following:

- Occupational Health and Safety:
  - PPE requirements.
  - Driver safety, fatigue management, speed limits.
  - Safety awareness.
  - Incident reporting.
- Environmental management:
  - Waste management. Application of the 4 Rs of waste management: Reduce, Reuse, Recycle and Recover. Waste will be segregated by type of waste on-site, using adequate bins and disposed in appropriate landfill locations at each municipality for solid waste and construction waste will be disposed in specific sites. Tracking of waste flows will be established by all contractors.
  - Hazardous Substance Handling and Storage Management. Including spill kits, spill trays, designated refuelling stations with appropriate controls (bunded areas) and disposal of hazardous waste at appropriate locations as indicated in Volume 2.
  - Logging. The Project will apply Reduced Impact Logging (RIL):
    - Pre-harvest forest inventories and the mapping of individual crop trees.
    - The pre-harvest planning of roads, skid trails and landings to minimize soil disturbance and to protect streams and waterways with appropriate crossings.
    - Pre-harvest vine cutting in areas where heavy vines connect tree crowns.
    - The construction of roads, landings and skid trails in accordance with environmentally friendly design principles.
    - The use of appropriate felling and bucking techniques, such as directional felling, cutting stumps low to the ground to avoid waste, and the optimal crosscutting of tree stems into logs in ways that maximize the recovery of useful wood.
    - The winching of logs to planned skid trails, ensuring that skidding machines remain on trails at all times.
    - Where feasible, the use of yarding systems that protect soils and residual vegetation by suspending logs above the ground or by otherwise minimizing soil disturbance.
    - Conducting post-harvest assessments to provide feedback to resource managers and logging crews and to evaluate the degree to which RIL guidelines have been applied.

- Fire prevention. Including equipping all working sites with fire extinguishers.
- River-crossings. Planning of river-crossings during the preliminary design of the Forest Road Construction and optimize locations. The following options will be used to cross streams or rivers: bridges or specially framed culverts. Covering surface water with construction material is forbidden and no changes of the riverbed will be allowed during construction and operations. Requirements for river-crossings include application of international best practices (mentioned below in “Relevant Best Practices that will be applied”).
- Road construction and skidding trails: Key requirements include:
  - To minimize destruction of habitat and footprint, road densities should be kept at a minimum (or as required by Georgian legislation) and use of existing roads and skidding trails should be prioritized.
  - Ensure all earthworks are planned to optimise the management of space to ensure that all cleared surfaces and areas exposed to soil erosion are minimised as much as possible.
  - Side casting of material excavated for the construction of the forest road, skid trails and landing sites is not permitted on slopes.
  - Stabilize slopes and control erosion in key risk areas using vegetation and other natural processes (bioengineering).
  - Before starting timber harvesting in the cutting area, forest roads and skidding roads, loading sites and timber storage areas shall be arranged in the places where the damages to the regeneration, young trees and soil will be minimal.
  - Skidding trails must be rehabilitated against erosion and water runoff immediately after the harvesting operation has been completed.
  - Comply with article 13 of regulation 242: “Taking into consideration the local conditions disposal of the wastes resulting from cutting shall be provided through: a) Placing of the wastes on the skidding tracks after exploitation of the cutting areas, for the purpose of protection from erosion;”
  - Harvesting operations in forests shall not disturb, remove or destroy more than 10 % of the area for the purpose of skidding trails, forest roads and other infrastructure.
  - Requirements for road construction include application of international best practices (mentioned below in “Relevant Best Practices that will be applied”.
- Distance to surface water. At a minimum, the Project will comply with the Georgian Water Code, the following buffers are required for any type of construction:

  a) 10 metres - in the case of a river up to 25 kilometres long
  b) 20 metres - in the case of a river up to 50 kilometres long
  c) 30 metres - in the case of a river up to 75 kilometres long
  d) 50 metres - in the case of a river over 75 kilometres long

In addition, the project will consider slopes to determine the best possible buffer as per the US Department of Agriculture: Landowner Guide to Building Forest Access Roads:

Table 5-1: Recommended buffers (US Department of Agriculture 1998)

Recommended Buffer Width	
Slope of the and between road and stream (percent)	Recommended buffer width in feet (slope distance*)
0-10 11-20 21-40 41-70	50 51-70 71-110 111-150
*For roads, slope distance is measured from the edge of soil disturbance. For fills, slope distance is measured from the bottom of the fill slope.	

- Biodiversity:
  - Rapid Vegetation Assessment prior to any topsoil/vegetation removal or tree harvesting.
- Human Resources:
  - Human Resource policy. The policy will include respect for the Georgian legal obligation regarding employees, guaranteeing fair treatment, equal opportunities without discrimination due to political affiliations, age, sex, race, ethnicity and sexual orientation. Including, treating the project workforce with respect and no tolerance for any form of sexual harassment, discrimination, bullying or violence. In addition, the HR policy will include adherence to the principles recognized by the Universal Declaration of Human rights, the Voluntary Principles of Security and Human Rights, and the declaration of the International Labour Organization on Fundamental Principles and Rights and Work.
  - Code of Conduct: To include attitude with communities, hunting interdictions for all Project staff, littering, interdictions to use natural resources that are not part of the project activities, and communication with media.
- Permitting:
  - Include any permitting that will be required (e.g. construction permit) and establish whether the permit(s) will be obtained by the Project or Contractor.
- Social:
  - Maximizing local recruitment.
  - Maximizing local procurement.

Relevant Best Practices that will be applied	
The following practices apply to the ESHS Construction Contractor Requirements Procedure: ➢ GIZ Construction Procedure. ➢ FAO Guide to Forest Road Engineering in Mountainous Terrain. ➢ US Department of Agriculture: Landowner Guide to Building Forest Access Roads. ➢ 2014 Best Practice Guidelines - Forest Road Planning and Construction for Georgia. ➢ 2009 German Ministry of Agriculture, Conservation and The Environment - Soil Conservation and Forest access - Guide for the practitioners.	
Timeframe	Prior to the preparation of the Construction activities Scope of Work.
Cost estimates	Preparation of the procedure by ESHS-MS Consultant (see ESHS-MS). Euros 20,000. Construction costs related to the implementation of this procedure are not included.
Monitoring and Reporting	- Progress to PMU - Progress to Steering Committee - Annual plans to GCF - Implementation of the procedure: Weekly and random supervision of construction contractors by NFA HS Specialists, monthly by GIZ local representatives established in each Region, and on a quarterly basis by the GIZ ESMP+G Specialist
Key Performance Indicators	- Completion of the procedure. - # of contractors - # of incidents and accidents. - # of non-compliances and corrective actions implemented.

5.3 Livelihood Support Program Plan

Design and Implementation of a Livelihood Support Program Plan
Objectives
The purpose of this plan is to share the benefits of the Project with the communities, maximize employment and procurement opportunities for the communities and minimize the risk related to application of the Forest Code and secondary legislation. There are two main components to this plan: ➢ Local content: This consists of maximizing employment opportunities for men and women and maximizing local purchases of goods and services. The project and especially the SDC-funded Component 3 will address this by developing professional skills on SFM and conservation through vocational education and by developing organizational and business skills related to the production, processing and marketing of forest products. ➢ Livelihood Community Programs: This consists of specific programs aimed at improving the economic livelihoods of the target communities. The program's goal is to provide diversify livelihood opportunities for the local population through forest-related value chain development. Component 3 will cover the livelihood support for rural communities and the strengthening of local self-governance in forest-adjoining communities.
Actions for Local Content
➢ Preparation of a list of all the SMEs in each of the districts that could supply goods and services for the Project. Local procurement can include restoration and revegetation activities, transportation of logs, management of a fuelwood sales warehouse, tree harvesting, supply of briquettes, supply of EE stoves, and other. ➢ Provision of capacity building to current stove suppliers: This capacity building will include training on best environmental practices such as waste reduction at source, waste management, use of adequate PPE, dust suppression techniques, management in case of spills, providing them with awareness regarding use of green products, support in the preparation and implementation of fit-for-purpose procedures, minimizing the use of plastic, good house-keeping techniques, and other. The project is aware that the majority of the producers will not have procedures nor an ESMS in place, however one of the key features of the project is to maximize the use of regional and national companies, therefore it is expected that compliance will be achieved gradually rather than expecting the companies to have these procedures in place from the beginning, otherwise, these companies will not be able to meet the requirements of the project. ➢ Preparation of an inclusive Procurement Policy: The project will maximize procurement and employment opportunities in the project including: loggers, forest inventory surveyors, staff at BSYs, rangers, community conservation focal points, fuelwood sales warehouse, restoration activities, construction of BSYs and others.

- Preparation of an inclusive Human Resource Policy: All job announcements should clearly state that all men and women are encouraged to apply, and that preference will be given to local communities.

Actions for Livelihoods Community Program

- Detailed preparation of the Livelihood Community Program in the course of Component 3 development and obtaining approval by SDC. Activities include:
  - Supply chain development for raw materials for briquettes and wood chips:
    - Development of community-based business models for supply chain development.
    - Development and implementation of raw material collection mechanisms (in forests: support agreements with NFA / in agriculture: support agreements with farmers).
    - Facilitation of contractual arrangements on long-term supply with briquette and wood chips producers.
    - Trainings.
  - Value chain development for NFTP:
    - Implementation of NFTP inventories in the target forest districts to establish the baseline.
    - Integration of sustainable NFTP utilization in Sustainable Forest Management Plans via participatory mechanisms between NFA and local communities (including collection norms, variety of NFTPs allowed for collection etc.).
    - Implementation of value chain analyses and business opportunities analyses.
    - Development of community-based business models for establishment of commercial value chains.
    - Facilitation of contractual arrangements between communities and NFA.
    - Development of the regulative framework for commercial utilization of NFTP.
    - Trainings.
  - Grazing:
    - Implementation of localized grazing problem analysis and establishment of baseline.
    - Facilitation of communities in setting up and negotiating integrated management plans (forests, grazing).
    - Development of grazing mechanisms and pasture management.
    - Implementation of the mechanisms and plans.
    - Trainings and advice.

- Establishment of monitoring.

➢ Requirements:

- Participation of women.
- Participatory consultation during design of concept paper and development of program.
- Alignment with the Regional Plans of Kakheti, Guria, and Mstkheta-Mtianeti and if available, municipal plans.
- Alignment with community interests (to date the information from the communities include agriculture and value added, beekeeping, tea plantations, hazelnut plantations, tourism, general SMEs, briquette making, production of EE stoves, livestock (fencing, pasture management, production of winter forage, water, feed, veterinary care).
- Sustainability factors, i.e. viable handover strategy (exit strategy) and self-sustaining.
- Actions of livelihood programs need to be environmentally sound.
- Operation and maintenance arrangements to avoid creating dependency.
- Benefits are spread equitably among beneficiaries.
- Preparation of ToRs to design and implement the Livelihoods Program. The requirements mentioned above will be included in the ToRs and a requirement to provide a proposal on how the implementing agency will ensure that vulnerable groups are included (as mentioned in the SEP) and the requirement to include an engagement plan aligned with the Project's SEP. Priority will be given to implementing agencies from the applicable regions.

Timeframe	2021-2024 for the Livelihoods Community Program. Entire duration of Project for local content.
Cost estimates	ESMP+G Specialist and GIZ Local Representatives. SDC has committed to provide EUR 4.09 million for Component 3, which will entail the Livelihood Support Program Plan (exact budget figures for activities will be specified beginning of 2021)
Monitoring and Reporting	- Progress to PMU. - Progress to Steering Committee - Annual plans to GCF. - Other reporting as per donor agencies requirements, including a completion report. - Ad-hoc inspections at the location of the EE Stove producers.
Key Performance Indicators	- Procurement policy includes priority for procurement of local goods and services. - Human Resource Policy includes employment priority for local

	men and women. - # of local businesses contracted by the project and value of contracts. - # of men and women hired by local businesses as a result of local contracts. - # of men and women hired directly by the Project. - # and type of training provided to the EE Stove producers. - # of participants in the training provided to the EE stove producers. For the Livelihood Community Program (indicators will be developed with SDC) some potential indicators include: - Rural communities (via cooperatives or other business models) operate supply chains for raw materials for the production of briquettes and wood chips from agricultural and forest residues - Skill development mechanisms for production and instalment of improved stoves, insulation materials and solar water heaters are operational - Ecotourism is implemented in the target villages. - Rural communities operate commercial value chains for NTFP in agreement with the respective Sustainable Forest Management Plans - Community-based grazing plans and mechanisms are implemented in the target municipalities.

5.4 Rapid Environmental and Social Screening

Figure 5-1 below presents the procedure that will be used to screen for project-sub activity impacts. This approach had been adapted from the FAO's environmental and social risk management approach.

Each activity will be screened using the checklist presented below. In order to conduct the screening, the following information will be required:

- Description of the activities to be carried out at all sites.
- Equipment used and duration of activity.

- Footprint.
- Description of the site.
- Location, maps, and GPS coordinates.

Once the construction activities and/or sub-activities and location of activities have been identified the screening checklist will be completed and signed off by the ESMP+G Specialist and the PMU. The screening process will ensure that the activity is aligned with the project's objectives and standards, in line with Georgia's legal framework, and that an adequate environmental review has been conducted.

While the nature, magnitude, reversibility and location of impacts are main elements in the screening of sub-activities, expert judgment will be a central factor in deciding whether a sub-activity should be included and if the entire ESMP and ESMS is sufficient to manage the impacts. The Screening process will also determine if other site-specific management plans are required to manage impacts. The Stakeholder Engagement Plan will be implemented in each of the construction and/or sub-activities.

A specific description and technical details of monitoring measures for each sub-activity will be developed, the methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions.

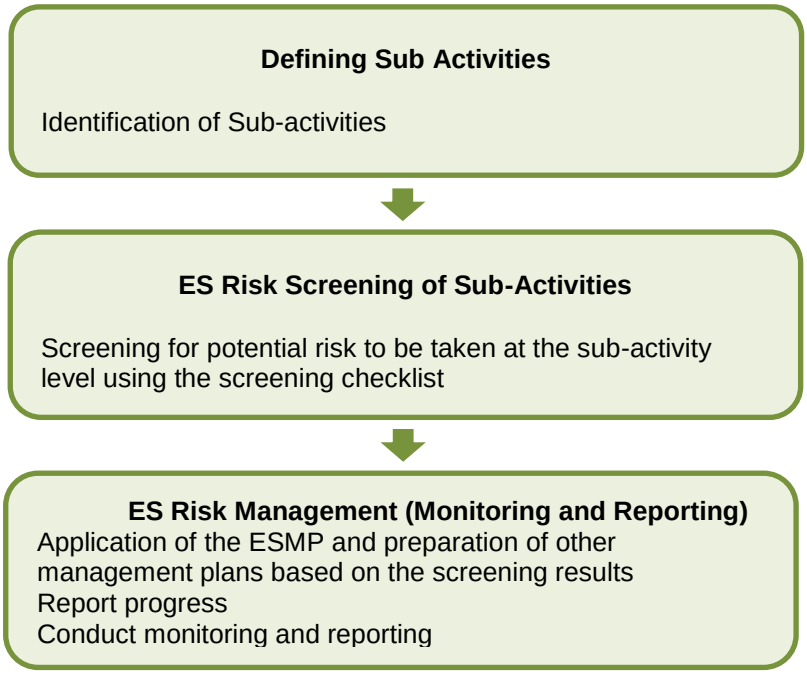

Figure 5-1: Screening Procedure

Applicable safeguard instruments include IFC PS and the GIZ Sustainability Policy and related safeguards.

Design and Implement a site-specific Rapid Environmental and Social Screening Checklist

Objectives

The objective of the Rapid Environmental and social Screening Checklist is to minimize ESHS risks by undertaking site specific investigations prior to starting a construction activity (this includes all civil work activities including BSYs, forest roads and other).

Actions

Prior to undertaking any construction activity and/or sub-activity, the following will be examined:

Risks/Impacts	Yes	No	Comment
Does the activity require government permits (central or local)?			
Are the permits in place?			
Have all options been explored to minimize greenfield sites and instead use brownfield sites (e.g. establishing a BSY in an existing building, maximize the use of existing forest roads, etc.)?			
Has consideration been taken for location of BSYs and community access?			
Type of security and safety measures that are required			
Has a review and clearance been obtained from the GIZ construction department?			
Has PPE been identified and procured?			

	Undertake a rapid assessment of flora and fauna.				
	Are there priority flora and fauna?				
	Are there risks of disturbing fauna?				
	Inspect trees no more than two days prior to felling trees to determine if there are any nests as per the Rapid Vegetation Assessment.				
	Have areas been identified for solid waste and construction material disposal?				
	Will the activity generate hazardous waste and are mitigations in place?				
	Erosion and Sedimentation risks and are control measures in place?				
	Are there potential impacts on surface and ground water?				
	Have areas been identified for temporary storage of topsoil?				
	Are there slopes and have these been taken into account during the design?				
	Are there risks for invasive species and pests spread?				

	Compatibility with urban plan (if relevant).			
	Are there community trees, crops or infrastructure?			
	Identify options to maximize local employment for men and women.			
	Are there any community infrastructure close to site (e.g. schools)?			
	Risks of nuisances (e.g. noise and dust).			
	Will activity result in any community hazard?			
	Is the activity compliant with local regulations?			
	Have communities and local authorities been consulted (both men and women)? Include recommendations from communities.			
	Have communities and local authorities been informed of the start and completion date of the activity?			
	List mitigation measures proposed for site-specific activity (not covered in ESMP).			

Timeframe	Prior to construction.
Cost estimates	ESMP+G Specialist. HS Specialists.
Monitoring and Reporting	- Progress to PMU. - Progress to Steering Committee - Annual plans to GCF.
Key Performance Indicators	- Establishment of Screening system. - # of Screenings undertaken and quality of reviews. - Type of on-site measure proposed and implemented.

5.5 Chance Find Procedure

Prepare a Chance Find Procedure	
Objectives	
The objective of the Chance Find Procedure is to ensure there is a process in place in the unlikely event that a cultural or archaeological site is identified during the implementation of project activities. The IFC defines Chance Find as "Tangible cultural heritage encountered unexpectedly during project construction or operation" (IFC 2012).	
Actions	
Any discovery of a cultural heritage site (or archaeological) during construction (BSYs and forest access roads), during logging or any other project activity, must be communicated immediately to the ESMP+G Specialist. Work in the area must cease immediately, the area marked off and adequate specialists must conduct an inquiry to identify the significance of the site. The following will be carried out: ➢ Stop work in the immediate surrounding area and inform staff working in the area. ➢ Inform the supervisor. ➢ Inform the ESMP+G Specialist, who will then inform the NFA. ➢ Inform the Trustee. ➢ Set up temporary protection measures at the site. ➢ Take a photograph of the site and GPS location. ➢ Following discussions with the MoEPA, engage a specialist to conduct preliminary investigation. ➢ Appropriate strategies of treatment will be developed considering consultation with the concerned stakeholders and the Government.	
Timeframe	Prior to any construction and during lifetime of Project.
Cost estimates	ESMP+G Specialist
Monitoring and Reporting	- Progress to PMU. - Progress to Steering Committee - Annual plans to GCF.
Key Performance Indicators	- # of sites identified. - Type of mitigations implemented.

5.6 Participatory Development of Sustainable Forest Management Plans

Implementation of Participatory Development of Sustainable Forest Management Plans	
Objectives	
The objective of establishing participatory sustainable forest management plans is to ensure there is buy-in, minimize impacts on the communities, minimize conflict and guarantee acceptance and enhanced outcomes of SFM.	
Actions	
➢ Identify specialists to provide capacity building to MoEPA, NFA and Supervision Department and provide capacity building on participatory consultation (see section 4 of this report). ➢ Engage a facilitator to provide awareness to communities regarding communication and negotiation prior to the SFMP consultation process. ➢ Preparation of consultation material. ➢ Hold consultation meetings with communities, youth, women and men (meetings will be held directly in the villages) and establish consensus and agreement regarding objectives of SFM, monitoring, targets, grazing location and targets, NFTP and targets, restrictions and other relevant management conditions of SFM (if required, separate meetings will be organized with women). ➢ Identify with the communities if there are any cultural heritage sites inside the forest and establish usage rights. ➢ Ensure vulnerable people are included in the consultation process (separate meetings might be required, or meetings directly in the households). ➢ Ensure transient population (cattle herders) are included in the consultation process. ➢ Engagement with the Community Forest Focal Points.	
Timeframe	During operations and start of SFM plan process.
Cost estimates	ESMP+G Specialist (staff cost). NFA (staff cost). Community Facilitator (sporadic support for 7 years). EUR 42,000.
Monitoring and Reporting	- Progress to PMU. - Progress to Steering Committee - Annual plans to GCF. - Inclusion in SFM plans and annual plans.
Key Performance Indicators	- # of participatory consultations held. - # of men and women participants. - # of capacity building sessions.

	- # and type of consultation material prepared. - Evidence that community needs and recommendations have been adopted in SFM plans. - # of SFM plans prepared in consultation with communities. - # of grievances, resolution time and satisfaction rating.

5.7 Stakeholder Engagement Plan and Grievance Management Procedure

A Stakeholder Engagement Plan and Grievance Management Procedure is provided in Annex 7 to the Funding Proposal: Stakeholder Engagement and Consultation Plan & Grievance Mechanism.

6. BUDGET

Table 6-1 provides the estimated budget to implement the ESMP. It does not include the construction costs related to application of international best practices.

Table 6-1: Budget

Description	Cost (EUR)
Equipment for ESMP+G Specialist (GPS, camera, computer, access to car, accommodation whilst in the field)	50,000
Community Facilitator	42,000
Organization of public consultation events and communication material	100,000
Health and safety equipment	80,000
Capacity Building	200,000
ESHS-MS Consultant	20,000
Community Forest Focal Points	50,000
Donor agencies	tbd
Total	**542,000**

7. REFERENCES

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