

INTEGRATED SAFEGUARDS DATA SHEET

CONCEPT STAGE

Report No.: ISDSC9071

Date ISDS Prepared/Updated: 19-Jun-2014

Date ISDS Approved/Disclosed: 23-Jul-2014

I. BASIC INFORMATION

A. Basic Project Data

Country:	Bangladesh	Project ID:	P149605
Project Name:	Nuton Jibon Livelihood Improvement Project (P149605)		
Task Team Leader:	Frauke Jungbluth		
Estimated Appraisal Date:	27-Oct-2014	Estimated Board Date:	26-Mar-2015
Managing Unit:	GSURR	Lending Instrument:	Investment Project Financing
Sector(s):	General agriculture, fishing and forestry sector (40%), Other social services (30%), Public administration- Other social services (2 0%), Agro-industry, marketing, and trade (10%)		
Theme(s):	Rural services and infrastructure (40%), Participation and civic engagement (25%), Rural non-farm income generation (15%), Nutrition and food security (10%), Other rural development (10%)		
Financing (In USD Million)			
Total Project Cost:	225.00	Total Bank Financing:	200.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			25.00
International Development Association (IDA)			200.00
Total			225.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	Yes		

B. Project Objectives

The proposed Project Development Objective is to empower the poor and extreme poor, and improve their livelihoods and living conditions in the project areas.

C. Project Description

The proposed project would seek to build on the successful implementation aspects of the Social Investment Program Project-II (Nuton Jibon Project-SIPP-II), while aiming to simplify the project design, strengthen the support for sustainable institutions, and expand its reach into other upazilas and districts, based on recent poverty data and other selection criteria. The proposed project would consist of three components over six years with a currently proposed funding envelop of US\$ 200 million: (a) Community and Livelihood Development; (b) Business Partnerships and Market Linkages; and (c) Capacity Building, Monitoring and Learning, and Project Management.

An initial review of poverty data indicate that the above selection criteria would result into (i) deepening of intervention in districts in which the project is already active, by adding additional upazilas (new upazilas), that are among those with the highest percentage of poor according to the 2010 HIES but have not yet been covered; and (ii) expanding into upazilas in districts where the project is not yet active - about an additional 5 -6 districts would likely be included

Component A – Community and Livelihood Development

Objective. The objective of this component would be to: (i) mobilize and empower the poor and hard-core poor in rural communities, as well as build and strengthen pro-poor institutions; and (ii) fund village development and livelihood-related investments for project beneficiaries. The project would continue to work with SIPP-II beneficiaries to help them implement an exit strategy from project dependence and, at the same time, provide support to new villages and community institutions. The component would also seek to integrate nutrition related messages and actions as well as increase knowledge on good agricultural practices.

Community Planning and Empowerment. The project would largely keep the procedures of organization, empowerment, planning and implementation of sub-projects under this component intact as per the procedures under SIPP-II. It is suggested that the initial community planning process would be broadened such as to include disaster risk and climate change concerns at that level to feed into the overall investment planning, particularly for infrastructure investments. It is expected that the current funding windows for institutional development, community infrastructure and village development funds would remain. However, further review and discussions will be held as to the share of these funds within a village allocation.

Village Development Fund. Among current SIPP-II villages, the component would primarily focus on strengthening sustainability mechanisms for the infrastructure and village-level institutions built so far under the program. With respect to the community infrastructure, the project would particularly aim at strengthening mechanisms for ensuring its adequate maintenance, including effective collection, management, and use of infrastructure maintenance funds. Regarding community financing, the project would particularly aim at improving the operational efficiency and sustainability of the Village Credit Organizations (VCOs).

VCOs continue to be an important resource in promoting economic opportunities among the poor in SIPP villages. As of December 31, 2014, some US\$ 54 million of revolving funds had been cumulatively disbursed to about 430,000 borrowers. Activities financed have ranged from production (livestock, vegetables, etc.) to services (tailoring, rickshaw transportation, etc.). As SDF starts to progressively scale down its presence in “maturing” communities, it will be important to leave these community financing institutions in a financially sustainable position. This will entail, among other things: (i) strengthening their loan portfolio quality; (ii) professionalizing their operations; (iii) simplifying their processes; (iv) facilitating their legal registration; and (v) strengthening their second-tier institutions.

Among the new villages, the component would: (i) help mobilize, develop, and strengthen self-reliant and self-managed community organizations; and (ii) establish a Village Development Fund to

finance activities for income generation, small-scale local infrastructure development, and other activities at the village level which are prioritized, managed and maintained by the communities. The component would: (i) institute mechanisms to ensure more equitable allocation of funds and their efficient utilization and (ii) strengthen collaborative arrangements with other initiatives and entities, including government line ministries in order to maximize synergy.

Nutrition. The project would use information from the national nutrition mapping exercise to work in synergy with concerned stakeholders for mainstreaming nutrition sensitive activities in its geographic areas. In areas where other stakeholders are already actively pursuing nutrition related programs, the project would seek cooperative arrangements. In areas where no other stakeholder is active, the project would seek to contract support. The project would aim to address nutrition by (i) raising awareness; (ii) mainstreaming nutrition-sensitive actions across project interventions; (c) improving hygiene/hand-washing practices; and (d) enhancing access to safe and nutritious food.

The project would seek to provide longer term training to targeted beneficiaries for (i) development of privately operated community-level nurseries to provide quality seeds and saplings tolerant to climate variability; (ii) improved technologies for poultry rearing to increase egg production and local production of poultry feed; (iii) vegetable homestead gardening practices; (iv) small fish ponds; and (v) improved agricultural practices and technologies. For agricultural related activities, arrangements would be made with support from the Local Government and extension services for the provision of adequate technical assistance to the beneficiary households. Given the shortfall of extension workers in livestock and fisheries, skilled community professionals would be selected and additional training provided for quality day-to-day support to the concerned households, under the overall supervision of the Upazila extension officer. A farmer field school approach could be adopted based on models already introduced by other organizations that integrate basic nutrition and agricultural messages.

Component B – Business Partnership Development and Market Linkages

Objective. This component would aim to increase livelihood opportunities of poor and hardcore poor by organizing them in producer groups, cooperatives or federations and improving their market and business orientation and forward and backward linkages in the market systems. Various empowerment models of joint actions of small-scale individual producers working as organized producer groups would aim to raise the attractiveness of poor and hardcore poor as market partners, reduce market transaction costs and align their production decisions with business and market opportunities. Such empowered producer organizations would also facilitate services provisions to their members and act as economic entities and business partners in the down- and up-stream value chains and create additional opportunities for added value to their products. Specific objectives would be to (i) build and strengthen producer organizations as market partners and commercially oriented entities; (ii) organize and align skill development and training in response to the specific labor market requirements; (iii) facilitate interaction between producers and traders/processors of products in the down- and up-stream value chains; and (iv) support market/business oriented investment to solve bottlenecks in the market chains and/or adding value to the products (e.g. poor and hardcore poor capturing a higher share in the value chain). The design of the component would built on and further develop the approaches started under the on-going SIPP-II project.

The component would aim to address several issues: (i) limited marketing and commercial experiences of most project beneficiaries; many of them only used to sell small surplus production above subsistence needs, others with no experience as in the case of many landless or newly trained youth, who never promoted their skills on the labor market; (ii) production decisions are not market driven; traditionally agricultural production decisions are based on subsistence food production, where the surplus is sold on the market. This surplus, which is pushed on the markets rather than demanded by the market, generally yields sub-optimal returns. Low seasonal prices, difficulties to

sell, weak negotiation power are generally associated with such surplus selling; (c) small-scale, scattered and non-standardized production units and products; individual producers offer small amounts of products, that are not attractive for traders, wholesalers or processors; and (d) limited added value; small producers offer mainly raw material, which is not graded, packaged or further processed and, thus, capture only a limited share of the value in the existing value chains.

Possible activities to be supported under the component would include: (i) capacity building for producer organizations created under the project including registration, management facilities and management training; (ii) regular stakeholder workshops, which would bring producer groups, traders, processors and other value chain actors together for forward and backward information exchange and facilitating business relationship building; (iii) youth employment support (e.g. employment promotion facilities such as web-sites, job centers, job fairs, etc.); and (iv) a fund for market facilitation and value addition available for registered producer groups/ federations/ cooperatives for investments in joint facilities supporting their market access and adding value to their produce (e.g. product storage facilities, product collection points, pre-processing, packaging, transport facilities, quality assurance and food safety improvement investments, etc.).

The formation of producer organizations and development of economic entities envisaged under Component B would follow a successful grassroots level empowerment and livelihood development, which has been already been achieved in many of the project villages supported under SIPP-II and is envisaged to be achieved under the proposed project (Component A) after year two. It is therefore suggested that the implementation of this component would start in the villages of SIPP-II and would gradually cover all project villages under the proposed new project starting after year two. The component would provide support for a range of mutually supportive activities addressing the above described issues such as:

Component C – Capacity Building, Monitoring, Learning and Project Management

This component would aim to continue building SDF's capacity to provide comprehensive support to the poor. The component would enable the provision specialized technical advice on a needs basis and would aim to develop SDF's strategic and institutional vision further. The component would also continue supporting third party monitoring and impact evaluation activities as well as built and expand on communication/presentation aspects that SIPP-II started working on. Information and communication technology supported feed-back mechanisms may be piloted under the proposed project to simplify and feed into existing feedback and monitoring tools. SIPP-II has established a well-functioning Monitoring and Information System that would be built on and expanded.

Impact Evaluation. The project would continue building on the impact evaluation process that has been started in SIPP-II and would include a second follow-up survey for communities that the program had been active for some time and a baseline and follow-up survey for the new areas to be intervened in.

Third Party Monitoring. SIPP-II has established a third party monitoring process that looks at processes and activities on a monthly basis and feeds into quarterly monitoring meetings held per region. The project would continue to use the successful process monitoring mechanisms that have been built under SIPP-II. The same methodology would be continued, though SDF suggests to lower the number of communities visited per month.

Innovation. SDF would like to maintain funds for innovation activities as under SIPP-II. This would be used to establish a platform to generate new ideas/ proven experiences and encourage innovative proposals from individuals/organizations/societies etc. which would create opportunities to piloting ideas. This activity was not very successful in SIPP-II and just one contract has been started now.

The preparation process will further explore how one could improve on the experience of SIPP-II in this area and thus, whether an inclusion of funds for separate innovative activities is warranted.

Program Management. The component would also cover part of the operating costs of SDF. Within

the new project period, the endowment fund established by the Government for SDF would likely become accessible and would be used to cover SDF's operating costs. During SIPP-II the GoB committed to provide a total of US\$ 21.5 million as endowment fund to SDF for its sustainability to meet its operating cost partially or fully. As to date, SDF received a total of US\$ 15 million with the reminder to be provided in two equal installments in FY 2014-15 and FY 2015-16. Guidelines for its use are currently being prepared by SDF. Estimates prepared last year indicate that the current endowment fund would be sufficient to cover SDF's operating costs within the currently served districts and structures. It is therefore proposed that only about US\$ 5 million are earmarked for operating costs from IDA funds.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The ongoing project is working in a total of 16 districts (Kurigram, Rangpur, Nilphamari, Dinajpur, Gaibandha, Naogaon, Sirajganj, Sherpur, Mymensing, Sylhet, Barisal, Patuakhali, Borguna, Bagerhat, Pirojpur) and within these districts in 51 Upazilas, 252 unions, 3262 villages. The proposed project will continue to work in these 16 districts and is likely to expand to additional 5-6 districts (to be selected). An additional 2,000 villages would be covered by expanding into other unions of districts in which the project is already active and entering into other unions in newly selected districts. The new districts and upazilas to be covered under the project will be determined based on poverty indicators as derived from the recent Bangladesh household income survey and potentially on food security and risk data.

E. Borrowers Institutional Capacity for Safeguard Policies

Project management would continue to be the responsibility of the existing implementation agency, the Social Development Foundation (SDF). Because of prior experience of working with Bank financed project, SDF is familiar with the Bank's safeguard policies. However, SDF still needs capacity improvement with regard to environmental management and to comply with Bank's safeguards requirements since the new project would incorporate new activities that are concentrated more on nutrition, market facilitation and value addition for sustainability.

F. Environmental and Social Safeguards Specialists on the Team

Sabah Moyeen (GURDR)

Farhat Jahan Chowdhury (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	While the project designed to improve livelihood and living conditions of rural poor and extreme poor, it may have some minor impacts from small-scale local infrastructures, agriculture based livelihoods, and market facilitation. Therefore, the project is classified as a "Category B" under OP/BP 4.01 with a partial assessment as the impacts are likely to be very minor, site specific with no irreversible impacts and mitigation measures can be designed more readily.

		The implementing agency will update the Environmental Management Framework (EMF) prepared for the SIPP-II. The updated EMF will ensure environmental management of newly incorporated interventions as well as compliance with Bank's Safeguard policies. It will provide checklist as well as guidelines to carry-out sub-project specific environmental assessment and EMPs, consultations, costing, implementation, and guidelines for construction and post-construction monitoring. In addition, the EMF will provide a negative list of attributes and interventions so that no natural habitats or physical cultural resources will be affected during the implementation of sub-projects.
Natural Habitats OP/BP 4.04	Yes	The project will not implement any activities inside Protected Areas (wildlife sanctuaries, national parks, etc.). It is also highly unlikely that any natural habitats formed largely by native plant and animal species would undergo transformation of use or would be affected or modified by project activities. However, as a precautionary measure, the Natural Habitat OP has been triggered. The presence of natural habitats will be assessed during the environmental screening of sub-projects. The EMF will also include an environmental code of practices to follow if unforeseen issues arise.
Forests OP/BP 4.36	No	No activities will be implemented inside forest areas nor will be forest planting undertaken.
Pest Management OP 4.09	Yes	Although, the project will work on soil health improvement and promote IPM technologies in the small-scale home gardening program, project beneficiaries may use pesticides on a small scale. Therefore, the pest management OP has been triggered. The EMF will incorporate pest management guidelines and provide a negative list of pesticides.
Physical Cultural Resources OP/ BP 4.11	No	It is not expected that any sub-projects to be designed and implemented by the project will affect, modify, or reverse any designated physical cultural resources.
Indigenous Peoples OP/BP 4.10	Yes	The project will likely work in areas where indigenous people live and will engage with them for the improvement of their livelihoods.

		SIPP-II did not trigger OP 4.10, therefore the existing Social Management Framework (SMF) will be updated to include and Indigenous People's Development Framework (IPDF) based on which specific sites will be screened and where relevant site specific Indigenous Peoples Development Plans (IPDP) will be prepared and implemented. The SMF will also update the Communication and Inclusion components and address gender issues and those of very vulnerable people in a more focused manner. The SMF will also include a Grievance Redress Mechanism that is easily understandable and accessible at local levels.
Involuntary Resettlement OP/BP 4.12	No	No land acquisition or displacement of people from public or private lands is permissible under the project. This will be explicitly mentioned in the updated SMF, as it was done for SIPP-II. The project undertakes small scale infrastructure development on vacant public lands or existing office sites; small earthen roads, culverts, tube-wells, latrines, repairs to school buildings etc. have been undertaken previously. The nature and scale of infrastructure development will largely remain the same for the proposed project. However, the updated SMF will include additional documentation requirements for infrastructure development sub-components to demonstrate that the works are on vacant public lands and no displacement or negative impacts on livelihoods are caused due to the interventions. If lands are contributed by private parties or purchased on a willing buyer/willing seller basis, adequate documentation and consultation will have to be demonstrated via required reporting guidelines which will be included in the updated SMF.
Safety of Dams OP/BP 4.37	No	The project will not construct or rehabilitate dams larger than 10 meters in height.
Projects on International Waterways OP/BP 7.50	No	The OP on International Waterways has not been triggered. Being implemented in the lowest riparian country in the Ganges-Brahmaputra watershed, the project will not carry out any interventions that affect the use or pollute international waterways, particularly river or body of surface water that flows through two or more states.

Projects in Disputed Areas OP/BP 7.60	No	No activities will be implemented in disputed areas.
------------------------------------------	----	------------------------------------------------------

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 15-Oct-2014

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

The Environmental and Social Management Framework (ESMF) will be updated to adequately address potential safeguards issues in the Nuton Jibon interventions. The target date for finalizing the update EMF and the SMF would be September 30, 2014.

IV. APPROVALS

Task Team Leader:	Name: Frauke Jungbluth	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Francis V. Fragano (RSA)	Date: 24-Jun-2014
Sector Manager:	Name: Shobha Shetty (SM)	Date: 23-Jul-2014

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.