

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC8369

Date ISDS Prepared/Updated: 08-Jul-2014

Date ISDS Approved/Disclosed: 24-Sep-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	China	Project ID:	P147009
Project Name:	Jiangxi Farm Produce Distribution System Development (P147009)		
Task Team Leader(s):	Xiaolan Wang		
Estimated Appraisal Date:	10-May-2016	Estimated Board Date:	25-Feb-2016
Managing Unit:	GFA02	Lending Instrument:	Investment Project Financing
Sector(s):	General agriculture, fishing and forestry sector (100%)		
Theme(s):	Rural markets (70%), Rural policies and institutions (10%), Rural services and infrastructure (20%)		
Financing (In USD Million)			
Total Project Cost:	280.00	Total Bank Financing:	150.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			130.00
International Bank for Reconstruction and Development			150.00
Total			280.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

10. The Project Development Objective would be to improve benefits to farm households from the increased efficiency of selected food distribution systems in Jiangxi.

C. Project Description

The proposed project would support upgrading and modernizing the agro-food marketing system in Jiangxi to benefit smallholder farmers by increasing the efficiency of specific farm-to-wholesale

market distribution chains. In addition to establishing modern wholesale markets, the project activities would be designed to address key bottlenecks in each of the distribution chains which are resulting on poor remuneration and limited participation of farmers. The project would also enable a higher volume of production from Jiangxi to meet market and official standards for quality and safety. The proposed project would focus on providing infrastructure, developing modern systems (e. g. food safety management, ICT, market management), and capacity building for key stakeholders in the main links of the distribution chain from farm to wholesale markets.

The project would be implemented in up to 12 counties in Jiangxi. The initial set of 12 counties were selected based on the following criteria: (a) the agricultural production system for the commercially traded commodities involve a large number of small producers; (b) preliminary value chain analyses were conducted and major bottlenecks in such chains were identified; (c) key players of the agro-product and market system are mobilized and active in the distribution system from farm to the wholesale markets which could be supported by the project, and (d) there is scope for a clear focus on a small number of products (up to three) in order to bring about transformational changes. The project would support distribution chains for commodities which are commonly sold across most counties of Jiangxi, (e.g. grains, tea, fruit, vegetables, and fish), enabling some synergies in interventions, technical support and learning. The final list of counties would be defined during project preparation based on more detailed socio-economic and value chain analyses.

The project would seek to achieve the development objective through the implementation of the following components and activities:

Component 1. Strengthening of Farmer's Participation in Market Value Chains (approximately 5% of project budget)

The objective of this component is to develop producer groups, including cooperatives, to enable small producers to undertake collective action to improve their product offerings, reduce post-harvest losses, engage in more value-added activities, and improve their bargaining position vis-à-vis downstream marketing entities. The project would build capacity to have reliable transportation, carry out initial processing and grading, develop well-informed marketing plans, and ensure adequate governance.

Examples of such investments and activities are: (i) training and technical assistance to strengthen cooperative management and governance; (ii) provision of small scale equipment for collective processing, grading and packaging, (iii) development of software for market information systems for farmers, (iv) computer and network connections for cooperatives to improve management systems, traceability and manage e-commerce applications and other services (v) vehicles – small trucks for collection of produce from farmers transportation to markets, (vi) sharing the costs associated with establishing (and sometimes gaining certification for) special designations or labels (e.g. 'green' or organic products; geographical indicators).

Component 2. Market Infrastructure Development (approximately 84% of project budget)

The objective of this component is to develop efficient wholesale/retail markets. This includes improved physical structures, equipment, and management systems in order to reduce the waste of produce, improve quality and safety, and cut down distribution costs. Management systems would extend beyond facility maintenance and produce flow coordination to also likely include quality and food safety surveillance, real-time pricing, and the implementation of pilot traceability systems for selected commodities. Specific functions of each market and associated costs would be decided through sound feasibility studies and business plans to be developed during the project preparation

process.

Examples of such associated investments and activities include: (i) civil works linked to the distribution system (e.g. warehouses), (ii) market equipment (e.g. grading, ice-making, refrigeration, forklifts), (iii) web-based e-trading system including investment on computer equipment, software and internet connections, and (iv) introducing risk-based food safety systems, such as HACCP, in the markets to ensure safe storage and sale of produce and fish.

Component 3. Training and Capacity Building for Farmers, Cooperatives and Market Management (approximately 5% of project budget)

The objective of this component is to improve the capacity of key players of the agricultural value chains- farmers, cooperatives/ associations and markets' managers by aligning the roles played by them in public-private partnerships in enhanced distribution system. Thus, they could most effectively use the new infrastructure and systems to be developed by the project. Specific training and capacity building needs would be assessed during project preparation and details of training plans will be worked out accordingly. Special attention would be given to ensure adequate gender balance.

Examples of associated investments and activities include: (i) farmer training on product quality, food safety, e-trading system, (ii) training of managers of farmers' cooperatives on business management and technical aspects, (iii) training market managers on business practices, and (iv) development of marketing strategy / brand development, (iv) training on good agriculture and aquaculture practices.

Component 4. Project Management, Monitoring and Evaluation (approximately 6% of project budget)

The objective of this component is to manage project resources in accordance with the proposed project objectives and World Bank procedures. Examples of associated investments and activities include: (i) project management-training province, municipality, county PMOs (ii) project M&E system and data collection, (iii) management information system (MIS) design and establishment.

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

The proposed project will be located in up to 12 counties/cities in Jiangxi Province, i.e. Jinggangshan City, Le'an County, Jingan County, Guixi City, Pengze County, Lichuan County, Huichang County, Taihe County, Jiujiang City, Anyuan District, Yushan County, and Longnan County.

E. Borrowers Institutional Capacity for Safeguard Policies

Project leading groups comprising key line bureaus (e.g., Environment Protection, Agriculture, Finance and Commerce) have been formed at all government levels. A Provincial Project Management Office (PPMO) has been established under the Jiangxi Agricultural Bureau. At city/county level, 12 County/city PMOs have been established at county/city Agricultural Bureau under the guidance of PPMO. The provincial PMO and local PMO have received safeguards training. The capacity of PPMO and City/county PMOs will be further strengthened to meet the Bank's requirement for project safeguards management during project preparation.

F. Environmental and Social Safeguards Specialists on the Team

Feng Ji (GENDR)

Meixiang Zhou (GSURR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>It is confirmed that Environmental Assessment (OP 4.01) is triggered. The proposed physical investments mainly include the construction of up to 12 farm produce markets in Jiangxi Province (under Component II). All proposed sites for the markets are in existing economic development/industry parks. The markets will include trading buildings, processing workshops (e.g. classification and packaging), and service buildings etc. There will be adverse impacts associated with the markets: (i) general construction-related impacts such as disposal of spoil, nuisance of dust, noise, wastewater, and disturbance to traffic etc.; and (ii) adverse impacts during operation including disposal of waste and wastewater generated at the markets, increased traffic, and fire safety issues etc. As such, Environmental Assessment (OP4.01) is triggered.</p> <p>An EMP will be prepared for the project, including the following:</p> <ul style="list-style-type: none"> • Environmental Code of Practices (ECOPs) to address general construction related impacts; • Specific mitigation measures during design, construction and operation phase, including: (i) provision of treatment facilities for wastewater, and waste generated from the markets; (ii) provision of adequate traffic management facilities and safety measures; (iii) treatment and disposal of wastewater and waste collected from the markets; and (iv) maintenance of safety facilities and emergency plan for accidents. <p>Other mitigation measures will be addressed in Social and Environmental Instruments, such as (i) under OP 4.01, a separate Social Assessment will be conducted; (ii) An Environment and Social Management Framework will be prepared as part of the EMP in case there are activities that will not be known/identified by appraisal.</p>
Natural Habitats OP/BP 4.04	No	<p>The project is mainly in the urban and peri-urban areas which have been disturbed by intensive human activities. The project will not convert, degrade or restore any natural habitats or critical natural habitats. This policy is not triggered.</p>

Forests OP/BP 4.36	No	The project will not have impacts on the health and quality of forests, nor affect the rights and welfare of people and their level of dependence upon or interaction with forests, nor aim to bring about changes in the management, protection, or utilization of natural forest or plantations. This policy is not triggered.
Pest Management OP 4.09	TBD	The current proposal does not include any procurement of pesticides or pesticide application equipment; nor introduce any new pest management practices, or expand/alter existing pest management practices; nor lead to substantially increased pesticide use and subsequent environmental and health risks. However, the preparation will include an assessment of whether the construction and operation of warehouses will lead/not lead to increase usage of pesticides to treat post-harvest pest and diseases. A decision to trigger this OP 4.09 will be subject to findings, final project design, and safeguards document preparation.
Physical Cultural Resources OP/BP 4.11	No	The project will not likely affect sites with archeological, paleontological, historical, religious, or unique natural values. Chance finds during construction might occur and relevant clauses will be included in all construction contracts.
Indigenous Peoples OP/BP 4.10	TBD	The initial social screening was done and found that a small number of She and some other minorities live scattered in villages of Le'an and Longnan counties. These ethnic minorities all speak mandarin Chinese, live in a similar way as the majority Han people do and are socially and economically well integrated with the majority people, and they do not have significant cultural characteristics of their minority. Further screening and investigation will be done to determine whether or not the Bank OP 4.10 IP policy is triggered or not. Necessary measures, such as an IP plan, will be taken if OP 4.10 is eventually triggered.
Involuntary Resettlement OP/BP 4.12	Yes	The Bank's involuntary resettlement policy will be triggered as the project has recently acquired or will acquire land for civil work construction under component 2 of the project. Each of the up to 12 markets will develop civil works. All project sites are located in a local industrial park of each project county or city and the land has been acquired in the past few years. In general, the civil works will

		include construction of up to 12 trade markets for agricultural products. Each market will consist of a comprehensive wholesale market, storage warehouse, logistical hub, quality test lab facilities for agricultural products, information sharing center for product distribution and marketing, affiliated service center such as catering and parking. Due diligence review for recently acquired land will be conducted as required. A RPF and or RAP will be prepared to address additional land acquisition in the project as needed. Social Assessment report (SA) and RPF will be prepared. Other instruments such as DDR and RAP could be prepared as required in any subproject which needs a DDR and a RAP based on legacy issues of DDR findings and additional land acquisition.
Safety of Dams OP/BP 4.37	No	The project will not finance construction or rehabilitation of any dams as defined under this policy.
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 31-Jan-2015

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 safeguards documents (e.g. EMP, RAP) will be submitted to the Bank's team for review in September 2014.

IV. APPROVALS

Task Team Leader(s):	Name: Xiaolan Wang	
Approved By:		
Regional Safeguards Advisor:	Name: Peter Leonard (RSA)	Date: 17-Sep-2015
Sector Manager:	Name: Iain G. Shuker (SM)	Date: 24-Sep-2015

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.