

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC12036

Date ISDS Prepared/Updated: 18-Sep-2015

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Uzbekistan	Project ID:	P149610
Project Name:	Ferghana Valley Water Resources Management - Phase II (P149610)		
Task Team Leader(s):	IJsbrand Harko de Jong		
Estimated Appraisal Date:	05-Feb-2016	Estimated Board Date:	05-Jul-2016
Managing Unit:	GWA03	Lending Instrument:	Investment Project Financing
Sector(s):	Irrigation and drainage (75%), General water, sanitation and flood protection sector (25%)		
Theme(s):	Water resource management (100%)		
Financing (In USD Million)			
Total Project Cost:	211.00	Total Bank Financing:	211.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
International Bank for Reconstruction and Development			211.00
Total			211.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The project development objective is to improve water productivity in the project area.

C. Project Description

The project will contain the following components:

Component A: Irrigation Modernization. This component aims at addressing the problems of water

shortage in the project areas by financing the following five main activities: (a) Rehabilitation of Surface Irrigation System; (b) Modernization of Pump Stations; (c) Rehabilitation and Construction of Groundwater Boreholes; (d) Enhancing Storage Capacity; and (e) Flood Control and Bank Protection. To enhance the accountability of irrigation management to water users and improve the quality of irrigation service delivery, the project will pilot volumetric O&M charges, expand the existing SCADA system in the project area, and promote managed aquifer recharge.

Component B: Agricultural Modernization. To take full advantage of the improvements in irrigation modernization, this component will support the GOU's efforts to modernize agriculture, promote agricultural diversification and intensification, invest in cotton harvest mechanization and conduct outreach and information dissemination. All training under this component will be conducted in an iterative manner, including needs assessment, implementation and feedback/evaluation.

Subcomponents include (i) strengthening capacities of local water management institutions and WCAs, (ii) crop intensification and diversification through capacity strengthening, demonstrations, and Farmer Field School (FFS), (iii) assistance to farmers to access lines of credit (including assistance in the preparation of business plans), and (iv) provision of modern tools and maintenance equipment to WCAs to undertake on-farm maintenance activities. Cotton harvest mechanization will be financed as part of the GOU contribution.

Component C: Project Management, Audit, Monitoring and Evaluation, and Technical Assistance. This component would (i) support the operation of the Project Implementation Unit (PIU), and finance overall project management, as well as technical assistance in such areas as detailed design, contract administration and construction supervision, procurement, financial management, and capacity strengthening; (ii) establish a Monitoring and Evaluation (M&E) system and arrange for data collection and reporting on key performance output and impact indicators through baseline surveys, participatory assessments and mid-term review and final evaluation; (iii) finance services of independent auditors for auditing of project accounts and overall project management; and (iv) prepare a feasibility study and bidding documents for a follow-on investment operation.

Cotton Harvesting and Child and/or Forced Labor. Cotton is harvested during the months of September and October. It is sensitive to weather conditions, and must be harvested as quickly as possible. Although mechanized harvesting was used more extensively during the Soviet times, the subsequent farm restructuring and institutional changes in the state cotton system during the transition led to the deterioration of the large mechanical cotton harvester combines, which were not replaced. Additionally, the size, layout and sowing practices reflected the changes in the farming and, as such, had impact on labor practices. A large workforce is needed when cotton is harvested by hand. Women are largely involved in manual cotton picking. High peak labor demand during the cotton harvest period, in combination with labor shortages due to outmigration to the urban areas and abroad and below market value cotton picking fees resulting from the state procurement system – created conditions where government sponsors mobilization of labor (adult and previously child) for cotton picking, participation in which is often involuntary. While reportedly the use of child labor (children under 18) has declined significantly, the need for labor to pick cotton remains and has resulted in greater state-organized mobilization of adult labor during the cotton harvest. The 2013 ILO observation mission concluded that there is no systematic use of child labor in cotton harvesting in Uzbekistan.

The government of Uzbekistan is a signatory of several International Labor Organization (ILO) conventions related to child and/or forced labor, but the enforcement of these conventions, as well as of existing national laws reflecting international agreements, has remained challenging, especially

during the cotton harvest. Recognizing the need to change the system, the government of Uzbekistan has announced its plans to mechanize 70% of cotton harvesting by 2016. The Asian Development Bank, with full engagement from the World Bank, is working with the government to formulate a strategy to mechanize agriculture, with a particular emphasis on cotton production.

The World Bank, in consultation with the government and development partners, has adopted a multi-pronged approach to address child and/or forced labor issues in Uzbekistan. These include (i) pursuing continuous country dialogue and collaboration with international/multilateral agencies and donors to address these issues; (ii) performing sector analytic work and policy dialogue to promote diversification away from cotton and mechanization of cotton harvesting; (iii) strengthening project-level mitigation measures and binding provisions, including implementing a Third Party Monitoring (TPM) and Feedback Mechanism (FBM) to help address child and/or forced labor issues in connection with the project activities or within the project area; and (iv) promoting crop diversification and intensification, and supporting agricultural mechanization through a number of investment operations.

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

The project area of over 120 thousand ha is entirely located in the Ferghana Valley (FV), encompassing three regions: Andijan, Fergana and Namangan. Administratively, the project area is part of Kurgantepa, Jalalkuduk, and Hujaobod and Bulokboshi districts of Andijan region and located on the left bank of Karadarya River. The FV is one of the most populated and agriculturally developed regions in Uzbekistan. The main sources of irrigation supplies in the valley are natural waterways (mountain streams) - tributaries of the main Syr Darya River, and irrigation supplies divert from the river through a system of main canals. The yield levels for the various crops in the project area is significantly lower than yield levels elsewhere in the FV, which suggests a significant degradation of the irrigation infrastructure and consequent lack of availability of irrigation water compared to the irrigation requirement.

E. Borrowers Institutional Capacity for Safeguard Policies

MAWR will have the overall responsibility for project implementation. In view of good experience during implementation of the current FVWRMP Phase I, the project will support MAWR in implementing the project through establishment of a Project Implementation Unit (PIU) that is adequately staffed with irrigation, agricultural, capacity strengthening and fiduciary specialists, and in addition will engage a full time environmental specialist. Close involvement of I&D management staff at Region, District and WCA level will be ensured, as well as of regional governments. The PIU will maintain a main office in the FV under the supervision of a Deputy Director. The PIU will be assisted by national and international consultants for all aspects of project management and implementation, including contract administration, management, supervision and safeguards compliance; M&E; preparation of follow-on investment operations; and institutional development. Project implementation is anticipated to take about six years from July 2016 to March 2022.

F. Environmental and Social Safeguards Specialists on the Team

Ekaterina Romanova (GSURR)

Gulana Enar Hajiyeva (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
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Environmental Assessment OP/BP 4.01	Yes	This policy is triggered because the implementation of Component A and some activities of Component B is associated with certain environmental concerns. The anticipated impacts are those caused by the civil works on the rehabilitation and modernization of the existing irrigation network, and on the flood control and bank protection. These impacts may include excessive dust and noise generation; damage to soil and loss of the fertile layer due to excavations; excessive fumes due to the use of heavy construction machinery; generation of construction and domestic wastes on the construction sites and on the affiliated facilities (e.g. construction camps); impacts on natural waterways which are the source of irrigation supplies to be improved as a result of the project, and on the riverine ecosystems which might be impacted as a result of flood control activities. Crop intensification and diversification activities, if not properly managed, may represent a risk of replacement of local species with newly introduced varieties. The project will provide support to farmers in accessing the credit lines and, thus, will stimulate various types of agricultural activities which may also represent a range of environmental concerns to be properly assessed and mitigated. The Environmental Assessment and Management Plan will be prepared by the Borrower to address the potential environmental risks and determine the mitigation and monitoring programs to be implemented by the Borrower.
Natural Habitats OP/BP 4.04	TBD	This is TBD for the present as further investigation will need to be done through the ESIA to determine whether any habitats or species of conservation interest may be affected.
Forests OP/BP 4.36	No	
Pest Management OP 4.09	Yes	This policy is triggered because of the potential change/increase in pest management needs associated with the agricultural diversification and intensification. Because the project will directly support these agricultural modernization activities, and because the crops involved are likely to be of types that are typically heavily treated with pesticides. The project will not finance the purchase of pesticides but improved irrigation network and access to credit lines may cause increased use of

		pesticides by beneficiary farmers. These impacts will be duly considered by the EAMP. Also, training will be provided to farmers to raise awareness to the IPM principles.
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	This policy is triggered due to the potential impact of rehabilitation and construction works under Comp.1 The assessment of extent of resettlement, temporary and permanent land acquisition is currently ongoing. The Resettlement Policy Framework and Resettlement Action Plan(s) will be prepared for the Project.
Safety of Dams OP/BP 4.37	TBD	This policy is TBD for now, likely to become “No” as the dam/reservoir supplying water to the project area is on tributaries located at higher elevations that are not affected by any catastrophic events associated with dam safety (no direct impact of dam failure on project performance). The team will consult the WB focal point on the dam safety policy to confirm.
Projects on International Waterways OP/BP 7.50	Yes	This policy is triggered because the main source of irrigation supplies are mountain streams – tributaries to the Syr Darya River, which is defined as the international waterway by OP 7.50.
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 20-Sep-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:

May 15, 2015 till August 31, 2015

IV. APPROVALS

Task Team Leader(s):	Name: IJsbrand Harko de Jong	
Approved By:		
Safeguards Advisor:	Name: Agnes I. Kiss (SA)	Date: 18-Sep-2015
Practice Manager/ Manager:	Name: Steven N. Schonberger (PMGR)	Date: 18-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.