

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC13249

Date ISDS Prepared/Updated: 12-Dec-2016

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Uzbekistan	Project ID:	P153613
Project Name:	Livestock Sector Development Project (P153613)		
Task Team Leader(s):	Olivier Durand, Peter Goodman		
Estimated Appraisal Date:	21-Feb-2017	Estimated Board Date:	25-May-2017
Managing Unit:	GFA03	Lending Instrument:	Investment Project Financing
Financing (In USD Million)			
Total Project Cost:	170.00	Total Bank Financing:	150.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			20.00
International Development Association (IDA)			150.00
Total			170.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The Project Development Objective (PDO) would be to improve livestock production and supply chain management in target oblasts by improving access to finance, nutrition and support services.

C. Project Description

1. The project will have three components: (i) Component 1 Livestock Services and Supply Chain Development; (ii) Component 2 Access to Finance; and (iii) Component 3 Project Management. The Project IDA/ IBRD funding for the Project will be US\$150 million.

2. Component 1 Livestock Services and Supply Chain Development will comprise of the three sub-components described below. The information in brackets shows whether the activities involve

national level capacity building or target oblast / target raion level field activities.

3. Sub-Component 1.1 Livestock Supply Chain Development (Target Raions): This Sub-Component would help to improve the competitiveness of dairy and beef supply chains by building productive partnerships between small farmers, processors, feed suppliers, and other actors in the value chains. Productive partnerships would in most cases be built around a processor wishing to participate in the Project to improve the consistency and quality of its supplies from farmers. The project would finance sub-projects, which would include a comprehensive set of investments to address all key constraints along each value chain, including: (a) technical assistance for the establishment, supervision and monitoring of productive partnerships and preparation of sub-project proposals; (b) all types of farm-level investment indicated under the Livestock Farm Support Program above; (c) works for construction or improvement of communally utilized storage and distribution infrastructure such as cooling tanks; (d) training and works for farm and agribusiness infrastructure/equipment improvement to help ensure that farms and agribusinesses comply with food safety standards; and (e) technical assistance and studies to provide business and technical advice to agribusinesses and processors.

4. Sub-Component 1.2 Livestock Nutrition, Husbandry and Breeding (National/ Target Oblasts):

This Sub-Component would include: (i) Fodder Crop Seed Improvement; (ii) Pasture Improvement; (iii) Breed Improvement; and (iv) a Livestock Production Farm Support Program.

(i) Fodder Crop Seed Improvement - would improve the availability of high quality fodder crop seed to farmers. It would finance rehabilitation, equipment, training and technical assistance to strengthen national-level agencies and state seeds farms producing elite seed, as well as training and technical assistance to private seed farms producing certified seed for distribution to farmers, to undertake: plant breeding selection and maintenance; variety testing and listing; seed inspection, testing and certification; seed multiplication and distribution, serving target project locations.

(ii) Pasture Improvement - would finance improved access to pastures, pasture management planning and improvement. It would finance: (a) infrastructure rehabilitation (watering points, pasture track and bridges) to improve access to pastures in non-arid areas; (b) technical assistance and training to local government to improve the administrative arrangements for allocation of pasture rights, pasture management planning at both national, district level and field level; and (c) research, demonstrations and advisory services on pasture improvement, through public research institutes.

(iii) Breed Improvement - would improve arrangements for production and /or importation of semen and the artificial insemination services. Based on an assessment to be undertaken during project preparation this would finance: (a) technical assistance to support the transformation of the national cattle breeding company which produces and distributes semen (privatization or improved state management) and /or development of arrangements for importation of semen; (b) upgrading the distribution network for semen from national level to veterinarians. These investments would be complemented by investments in training and advice to veterinarians and farmers on artificial insemination provided under the Veterinary Services Improvement activities and the Livestock Farm Support Program activities.

(iv) Livestock Farm Support Program - would provide a package of support to farmers groups (Note: Primarily small farmers that would otherwise have limited access to services - selection criteria to be defined during preparation. The detailed flow of funds and the legal form of the grant recipient has yet to be determined. This might involve either grants to individuals within an informal group or grants to legally established groups) as a full or partial matching grant with credit line co-financing, to improve the productivity of livestock and poultry production. The project would finance: (a) advisory services including farmer field schools on all aspects of animal health, husbandry and marketing including demonstrations on the use of improved seed and animal breeds; (b) farm

infrastructure improvement including housing, handling and storage, waste management and biogas facilities.

5. Sub-Component 1.3 Animal Health and Food Safety (National/ Target Oblasts): This Sub-Component would include investments to improve veterinary services and limited investments in food safety improvement. It would strengthen the capacity of the public veterinary services under the Ministry of Agriculture and Water Resources to prevent and control zoonotic, trans-boundary and production diseases, which variously constrain productivity and cross-border trade and are a risk to human health. It would finance: (a) technical assistance to support improving the legal framework and strategy for development of the veterinary services in Uzbekistan; and (b) technical assistance, training and equipment to selected public veterinary agencies to improve disease surveillance and reporting systems, veterinary diagnostics laboratories and standard operating procedures, vaccine storage and distribution facilities, public awareness, rapid response capacity; and (c) civil works for selected laboratories for improving laboratory facilities. The project would also finance technical assistance for studies on border control and quarantine, veterinary drug regulation and animal identification, registration and movement control. The project would build the capacity of private veterinarians through support for professional training and provision of basic field equipment in target oblasts to undertake public service contracts for disease control and to provide improved services to farmers by providing them.

6. The Sub-Component would also undertake some limited training on food safety. It would strengthen compliance of agribusinesses along beef and dairy supply chains with existing food safety legislation. In general, the legislation provides a sufficient basis for compliance with Codex Alimentaris and the principles of Hazard at Critical Control Point (HACCP) but compliance is weak. It would finance food safety training for farmers and agro-processors based on needs assessments to be undertaken during project preparation. This will be complemented by enterprise specific investments in upgrading agro-processing facilities to improve food safety under Sub-Component 1.3 and Component 2.

7. Component 2 Access to Finance (Nationwide) would finance: (i) a credit line to commercial banks for provision of working capital and investment finance to the livestock and poultry sector nationwide; (ii) training and advice for commercial banks on loan product development, loan appraisal and monitoring in the livestock sector; and (iii) conducting environmental assessment of sub-projects.

8. Component 3 Project Management would finance project management, including coordination and supervision of the implementation, financial management, procurement, monitoring and evaluation (including gender disaggregation of results) and progress reporting.

9. Special Issues: (i) Child and Forced Labor. The project design will adopt the same approach as that adopted for the Horticulture Development Project which includes third party monitoring and feedback by the International Labor Organization; (ii) Citizen Engagement will involve a consultation process through focus group discussions and public consultation with beneficiaries during preparation and establishment of a grievance redress mechanism during implementation. Starting from FY16, five World Bank-financed projects (four projects in the agriculture and water sectors, and one education project) were covered by additional measures to mitigate the risks of child and forced labor in the cotton harvest. These measures included comprehensive training and awareness raising activities, support to National Feedback Mechanism, as well as Third Party Monitoring. This work is carried out by the World Bank in partnership with the International Labor

Organization (ILO). Following Third Party Monitoring in 2015, the ILO Assessment report has concluded that the systemic use of child labor in the cotton harvest has been eliminated and that "the monitoring has not provided conclusive information that beneficiaries of World Bank projects used child and forced labor during the cotton harvest." The Assessment report for 2016 harvest concludes that forced labor remains a risk for some categories of people, including staff of educational and medical facilities and government employees; but the Government of Uzbekistan continues to make policy improvements aimed at reducing risks of bad labor practices.

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

10. At national level, the project will strengthen government organizations including those related to veterinary services, pasture management, fodder crop seeds and animal genetics and will provide a credit line through commercial banks. Other project activities will be targeted to either to: (i) all oblasts other than Jizzakh Oblast and Qashqadaryo Oblast (Note: Ferghana, Andijan, Namangan, Syrdarya, Tashkent, Surkhandarya, Samarkand, Bukhara, Novoi, Khorezm and Karakalpakstan) where IFAD is making similar investments; or (ii) specific raions (to be selected) where there is greatest potential for diversification into fodder crop production. The project's activities in arid pasture areas will be very limited because of environmental and social constraints to investment in these areas.

E. Borrowers Institutional Capacity for Safeguard Policies

11. The Ministry of Agriculture and Water Resources will implement the project through the Rural Restructuring Agency (RRA). RRA's responsibilities will include overall implementation and monitoring of the credit line. The RRA is a specialized organization that was created for implementing investment projects in the agriculture and rural sector. It implements a number of donor-funded projects, including the Bank-funded Horticulture Development Project, Rural Enterprise Support Project (RESP) II and Global Environment Facility (GEF) Sustainable Agriculture and Climate Change Mitigation project. RRA is staffed by a number of teams with responsibility for implementing specific projects. The RRA has an Environmental Specialist which is fully aware on WB safeguards requirements.

F. Environmental and Social Safeguards Specialists on the Team

Arcadii Capcelea (GEN03)

Ekaterina Romanova (GSU03)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This OP is triggered as a series of proposed project activities under Component 1 (upgrading veterinary and Food Safety analytical laboratories; upgrading agro-processing facilities to improve food safety; infrastructure rehabilitation (watering points, pasture track and bridges) to improve access to pastures in non-arid areas; minor works for rehabilitation of irrigation for forage production; farm infrastructure improvement including housing, handling and storage, waste management and biogas facilities; works for construction or improvement of

	<p>communally utilized storage and distribution infrastructure such as cooling tanks; minor works for improvement of public utilities or roads serving supply chains) as well as sub-projects to be financed under Component 2 (on a credit line to commercial banks for provision of working capital and investment finance to the livestock and poultry sector nationwide) might generate a series of various environmental and social impacts. These impacts would be associated with biodiversity degradation, noise, dust, air and water pollution, health hazards and labor safety issues, etc. All these impacts are expected to be typical for small scale construction/rehabilitation works or for various agricultural and food processing activities, temporary by nature and site specific and can be easily mitigated by applying best construction and/or agro-processing practices and relevant mitigation measures. To address these impacts the client will prepare an Environmental and Social Management Framework (ESMF) which will be aimed at specifying the set of mitigation, monitoring, and institutional responsibility measures to be taken during the project implementation to eliminate adverse environmental and social impacts, offset, or reduce them to acceptable levels. The ESMF will provide a screening mechanism for investments to be supported in particular under Component 2 that would include clear criteria and procedure for determining the sub-projects' environmental category and the type of Environmental Impact Assessment (EIA) to be applied.</p> <p>The document would also suggest a series of environmental issues to be included in the proposed technical assistance (TA) activities: (a) for continuing education of veterinary specialists on managing sector environmental and social impacts; (b) strengthening the national food safety control system with application and effective enforcement of mandatory requirements for domestic and imported food stuff; (c) developing an information campaign reaching various segments of the population with information to avoid food born disease including basic hygiene practices, handling of suspected diseased animals and preventive measures when preparing food; and (d) TA activities for the Participating Financial Intermediaries on conducting</p>
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		Environmental Assessment (EA) of selected sub-projects.
Natural Habitats OP/BP 4.04	Yes	The project might support pasture management activities that can trigger this OP. The ESMF will provide relevant advises on addressing the NHs issues within the sub-projects' EA, assessing also potential for impacts on agro-biodiversity and proposing relevant mitigation and monitoring measures.
Forests OP/BP 4.36	No	The project will be implemented in non-afforested areas and thus no impacts on the forests status are expected.
Pest Management OP 4.09	TBD	The team will look into the possibility of the project financing, or stimulating increased use of, livestock dips (e.g. acaricides) which can present a risk of environmental contamination. If so, the policy will be triggered and the ESMF will provide guidance for mitigation measures (a free-standing Pest Management Plan is not expected to be required).
Physical Cultural Resources OP/BP 4.11	No	The analytical laboratories to be selected for rehabilitation and/or agro-processing enterprises will be screened out and if any such resources will be involved? They will be excluded from the project financing.
Indigenous Peoples OP/BP 4.10	No	N/A
Involuntary Resettlement OP/BP 4.12	TBD	No physical or economic displacement is anticipated, e.g. by the small works to be supported, but the team will explore with the Borrower whether there is potential for restriction of access to pasture areas in the context of pasture management plans. In case it is determined that there is a need to restrict access to pasture areas, OP 4.12 will be triggered and a Process Framework will be prepared, consulted and disclosed by Appraisal.
Safety of Dams OP/BP 4.37	No	N/A
Projects on International Waterways OP/BP 7.50	TBD	The team will work with the Borrower to identify the scope of possible support for small scale irrigation.
Projects in Disputed Areas OP/BP 7.60	No	N/A

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 10-Jan-2017

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.

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:

Before Appraisal, draft ESMF (in Uzbek or Russian) will be disclosed on the RRA website, inviting all interested parties to the public consultation. Furthermore, the hard copies will also be made available to the key stakeholders (Ministry of Agriculture and Water Resources; State Committee for Environmental Protection; Academy of Science; Agricultural University; specialized scientific institutions and large NGOs) -- the details of where and how can be discussed with the Borrower during project preparation. In about two weeks from the ESMF disclosure the RRA will conduct a public briefing.

Due to concerns of child and forced labor in the agriculture sector, which tend to be limited to the cotton sector, in Uzbekistan, an assessment of these risks under this project will be done during project preparation. Labor issues are highly unlikely to concern the Livestock Sector Development Project. The need to include this project under the umbrella of Third Party Monitoring and Feedback Mechanism will be determined during the project preparation in consultation with the CMU.

IV. APPROVALS

Task Team Leader(s):	Name: Olivier Durand, Peter Goodman	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Nina Chee (SA)	Date: 12-Dec-2016
Practice Manager/ Manager:	Name: Julian A. Lampietti (PMGR)	Date: 16-Dec-2016