

**Draft INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE**

Report No.: AC954

Date ISDS Prepared/Updated: August 24, 2004

I. BASIC INFORMATION

A. Basic Project Data

Country: India	Project ID: P078832
Project Name: Karnataka:Rural Service Delivery and Loc	Task Team Leader: Luis F. Constantino
Estimated Appraisal Date: November 2004	Estimated Board Date: April 2005
Managing Unit: SASAR	Lending Instrument: Specific Investment Loan
Sector: General agriculture, fishing and forestry sector (50%);Sub-national government administration (25%);Other social services (25%)	Theme: Rural policies and institutions (P);Rural services and infrastructure (P);Environmental policies and institutions (S)
Safeguard Policies Specialists in the task team: Warren Waters	
Loan/Credit amount (\$m.): IDA: 150	
Other financing amounts by source:	(\$m)

B. Project Objectives [from section 2 of PCN]

The project's development objective is to improve the capacity of rural governments to manage public resources for the benefit of the rural poor. This would be accomplished through a two pronged approach:

- (i) *Capacity building at the level of the state, the gram panchayats, and constituents*
 - *At the state level, increase the capacity to manage the process of decentralization and monitor local governments.*
 - *At the gram panchayat level, improve the process of planning, budgeting and expenditure management, information systems, and participatory and consultative decision making.*
 - *At the community level, support public education and capacity building to build awareness and confidence at the community level and capacity to effectively participate in planning and budgeting.*

- (ii) Grants for village plans including rural infrastructure to most disadvantaged Gram Panchayats

C. Project Description [from section 3 of PCN]

India and Indian states spend a larger share of GDP on rural development and poverty alleviation than most other countries in the world. Bank projects have little impact unless they can influence mainstream programs. Therefore, the proposed project intends to assist the Government of Karnataka in improving the institutional environment for public rural poverty and development programs, including through policy reform, positive incentives and improved capacity of both local governments and rural constituents, particularly the poor. The project would raise the capacity of the decentralized arm of the rural public sector, specially the level closest to the people, and by improving their capacity leverage various rural programs of the state and central governments implemented through them. The project also intends to address the geographical dimensions of poverty. In Karnataka transfers to rural jurisdictions are non-equalizing and one of the consequences has been an increasing gap between richer (urbanized and irrigated) and poorer regions. The project would address this issue by : (1) assisting the state in redesigning the transfer system to make it equalizing in terms of fiscal disabilities and expenditure needs; and (2) providing grants for small rural infrastructure in disadvantaged areas to allow these to catch up. The project gives priority to “poor villages” rather than to “the poor within the villages” although the later aspect would also be addressed.

The project components would be:

- *Establishment of a decentralization cell at the state level and an information system on local finances and performance;*
- *Capacity building of rural governments in financial management, participatory budgeting and planning for poverty reduction;*
- *Equalizing grants for rural infrastructure; and*
- *Organization and human development and information for poor constituents*

D. Project location (if known)

[Guideline: If the location is not yet identified, please indicate if there are alternative locations under consideration or how the location is to be determined during project preparation]

E. Borrower’s Institutional Capacity for Safeguard Policies [from PCN]

[Guideline: Based on past experience and other available information]

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Applicable?	Safeguard Policy If Applicable, How Might It Apply?
[X]	<u>Environmental Assessment (OP/BP 4.01)</u>

	<p>The infrastructure grant component of the project will support multiple small investments / sub-projects and it is expected that these small investments will not have sensitive, diverse or unprecedented environmental impacts. Moreover, the impacts are likely to be site-specific and are not expected to be irreversible. Mitigation measures can be designed locally if necessary to address these impacts. Importantly, the main objectives and the principles of OP/BP 4.01 would be disseminated as part of the capacity building/ training of rural government staff in order that the project would be better able to address specific environment issues that may arise. Furthermore, an environment assessment is being prepared which will include an overall baseline analysis, review of the legislative system, an assessment of the impacts of the likely sub-projects & the mitigation measures that may be required.</p>
<input type="checkbox"/>	<u>Natural Habitats (OP/BP 4.04)</u>
<input type="checkbox"/>	<u>Pest Management (OP 4.09)</u>
<input type="checkbox"/>	<u>Involuntary Resettlement (OP/BP 4.12)</u>
<input checked="" type="checkbox"/>	<p><u>Indigenous Peoples (OD 4.20)</u></p> <p>The project will be active in areas which feature population groups that exhibit characteristics laid out in OD 4.20 to identify Indigenous Peoples and hence this policy is triggered. Although these populations would be the main beneficiaries of this project being resident in Karnataka's poorer Panchayat districts, a brief section of the PAD would be devoted to addressing some of the specific development issues of these populations, which is a requirement of OD 4.20. This section would contain a brief development plan to further enhance the participation of such populations in the project.</p> <p>The populations which would qualify under OD 4.20 would include all Scheduled Tribes as well as other groups who fulfill the OD criteria for Indigenous Peoples. Some of these may belong to the Scheduled Castes, Other Backward Classes and the Backward Castes. It will also include other vulnerable groups who may not fall into any of these Government categories but fulfill the criteria of Indigenous Peoples as per OD 4.20.</p>
<input type="checkbox"/>	<u>Forests (OP/BP 4.36)</u>
<input type="checkbox"/>	<u>Safety of Dams (OP/BP 4.37)</u>
<input type="checkbox"/>	<u>Cultural Property (draft OP 4.11 - OPN 11.03)</u>
<input type="checkbox"/>	<u>Projects in Disputed Areas (OP/BP/GP 7.60)*</u>
<input type="checkbox"/>	<u>Projects on International Waterways (OP/BP/GP 7.50)</u>

Environmental Assessment Category:

A B C FI TBD (to be determined)

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

If TBD, explain determinants of classification and give steps that will be taken to determine that EA category (mandatory):

III. SAFEGUARD PREPARATION PLAN

- A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared.
- B. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS
- C. 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.

IV. APPROVALS

<i>Signed and submitted by:</i>		
Task Team Leader:	Luis F. Constantino	Date
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Name	Date
Comments		
Sector Manager:	Name	Date
Comments		

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.

