

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA7925

Date ISDS Prepared/Updated: 19-Feb-2015

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Uganda	Project ID:	P145037
Project Name:	Agriculture Cluster Development Project (P145037)		
Task Team Leader(s):	David J. Nielson, Joseph Oryokot		
Estimated Appraisal Date:	20-Feb-2015	Estimated Board Date:	07-Apr-2015
Managing Unit:	GFADR	Lending Instrument:	Investment Project Financing
Sector(s):	Crops (50%), Irrigation and drainage (5%), Agro-industry, marketing, and trade (40%), General agriculture, fishing and forestry sector (5%)		
Theme(s):	Trade facilitation and market access (30%), Rural policies and institutions (30%), Rural services and infrastructure (30%), Other rural development (10%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	248.00	Total Bank Financing:	150.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			150.00
LOCAL BENEFICIARIES			98.00
Total			248.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The Project Development Objective is to raise on-farm productivity, production and marketable surpluses of selected agricultural commodities in specified geographic clusters.

3. Project Description

The proposed project would support activities designed to raise both productivity and overall production of maize, beans, cassava, rice, and coffee in 12 selected high potential agricultural areas in Uganda termed “clusters” (see the paragraph below (and Annexes 7 and 8 of the PAD) for additional explanation of the cluster concept). The proposed project would also support the development of plans for rehabilitation and expansion of irrigation schemes for rice, and the development of a national strategic plan for irrigation and water management. The project would support activities to improve the marketing of agricultural commodities. The project would support MAAIF’s capacity to develop, improve, and implement policies and regulatory frameworks for the production and marketing of the 5 selected commodities. Finally, the project would support the development and operation of an ICT-based Agricultural Information Platform within MAAIF. The Components are described in more detail below.

Support from the proposed project would be concentrated on production and marketing of the selected commodities in 12 geographic clusters. A commodity cluster is an area covering on average 3 districts, with proven potential for at least two of the selected commodities. The cluster approach provides opportunities for economies of scale in the delivery of value chain support services, and for the utilization of common marketing infrastructure, input/output bulking and enhanced value addition (grading and processing of produce). The cluster approach will make it possible for actors from several districts to take decisions and actions together for issues that extend across the borders of their respective districts. The proposed project will adopt a phased approach, starting in a small number of clusters with one or two commodities, and then build toward a broader geographic coverage and toward covering all of the 5 selected commodities.

Project components

The activities and investments to be supported under the proposed project are organized into four components:

- Component 1 would support activities related to intensification of production of the selected commodities at the farm level. This would include expanding access to and use of key agricultural inputs and on-farm storage and coupling this with more accessible technical guidance on farm practice and farm management (through ICT methodologies).
- Component 2 would support plans for the rehabilitation and expansion of existing small irrigation schemes for rice, assist formation of water user groups and look at water management and conservation.
- Component 3 would support activities and investments to improve post-harvest handling and marketing of the selected commodities and to improve the efficiency of output markets for these commodities and would also support measures to eliminate bottlenecks and trouble spots in rural access roads and market places.
- Component 4 would support capacity building and operations of the key institutional actors (particularly MAAIF, District governments, farmer organizations, and cluster committees). Component 4 would also support activities to develop, improve, and implement policies and regulatory frameworks for the production and marketing of the five selected commodities, as well as development of new ICT-based knowledge management tools and capacities.

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

The project will support the development of plans to expand and develop selected gravity irrigation schemes in lowlands totaling 6,400 ha of irrigated land in the 10 targeted Districts in cluster 2 (Iganga, Bugiri and Namutamba), cluster 3 (Pallisa, Tororo and Butaleja), cluster 5 (Soroti and Serere), cluster 6 (Amuru and Nwoya), cluster 7 (Lira), and cluster 10 (Hoima). The exact locations for the new irrigation schemes have not yet been selected, though they are expected to fall within the above-listed 10 districts for rice commodity. In some cases, a scheme could lie astride two districts. The project will prioritize expansion of existing schemes (about 1,000 ha) and the development of small (about 3,000 ha) and medium (about 2,000 ha) scale schemes, and will not support construction of large scale irrigation structures in order to minimize extent of environmental and social impacts. It is anticipated that the development of lowland gravity irrigation schemes will be composed of the following infrastructure: diversion weir from the river, main canal from the weir to the irrigated area, distribution network canals, drainage network, internal road, protection dykes (in case of flooding risk), and land leveling. Other amenities/equipment required for the irrigation infrastructure will be part of irrigation infrastructure. Dams are not required because the irrigation schemes will target permanent streams/rivers with enough water for irrigation and downstream use.

If the investment were to be realized after feasibility studies on identified schemes, it is anticipated that there would be some consequences for Uganda's watershed. The initial examination of these issues suggest that water for irrigation will be abstracted from the Nile basin watershed which is shared by 10 countries namely, Burundi, Democratic Republic of Congo, Egypt, Eritrea, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, and Uganda. On the basis of maximum 35,000 M³/ha/yr as gross water requirements for rice production, the impact would represent 210 M³/yr or 0.5% of the total renewable water resources (39 KM³/year). Therefore the water abstraction volume is expected to be minimal.

Some of the associated negative environmental and social impacts include water abstraction on downstream users, loss of wetland habitat as a result of the irrigation infrastructure needed, point and non-point pollution of water sources, soil erosion and siltation, acquisition of land for development of irrigation infrastructure, water and land-use related conflicts. Most of these impacts are minor or of low-intensity, site-specific and thus relatively straight forward to manage, with participation of the Local Governments and WUAs. Infrastructures like dams will not be considered as they could lead to flooding properties, settlement and affect biodiversity ecosystems. In Northern Uganda, where land ownership issues are currently hotly debated, land ownership sensitivity analysis will be required.

The project will support rehabilitation of 1,700 km of farm access roads in total. The project will not support opening up of new roads but rather concentrate on improving existing access roads. The priorities for road investment at district level will be based on the size of agricultural production for respective commodities. Access road works will include reshaping (slight earthworks), provisions for culverts and small bridges and limited lateritic lining to treat critical points as needed. Roads design could include drainage ditches where longitudinal slopes are accentuated. The likely environmental and social impacts are expected to be minor given the low mechanized road works that will be involved, the labor influx during construction will be small and the roads may not be expanded beyond the already existing width.

The market infrastructure under component 3 will include rehabilitation and/or construction of storage facilities/structures (network of warehouses and feeder stores) mainly at the Area

Cooperative Enterprises (ACE) level of 500 metric tons each. At this moment in time, it has not yet been determined whether central warehouses of a larger capacity (5000 tons) may be needed.

The targeted crops are not the traditional cash crops. These crops make the bulk of the food crops and women managed crops in communities where they are produced. It is therefore important that the project recognizes the balance between trade and home consumption as well as the role of women in production of the strategic commodities for export. In addition, 70% of the agricultural labour is by women; however, they are disproportionately disadvantaged in respect to controlling assets of production and productivity in agriculture. Some of the associated negative social impact this project may include increased gender inequality and equity gap. Gender sensitivity analysis in the project will be beneficial to the communities and will be undertaken during the compilation of the ESMF. Designing interventions that bring women on board for equitable empowerment, poverty reduction through affirmative actions, and women's participation and benefit on all project activities is important to address this salient issue.

5. Environmental and Social Safeguards Specialists

Constance Nekessa-Ouma (GSURR)

Herbert Oule (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Component 1 and 3 involves irrigation and infrastructure activities (roads, irrigation related infrastructure, grain storage and processing facilities). These have a potential of causing environmental impacts that require assessment and mitigation recommendations. The specific location/site and scope of all project components are not yet known. Therefore, an Environmental and Social Management Framework (ESMF) for the whole project has been prepared, consulted upon, and disclosed before appraisal. Once there is information specific to individual sub-projects, site/project specific Environmental Management Plans will be prepared during implementation. The ESMF includes an examination of potential cumulative and induced impacts.
Natural Habitats OP/BP 4.04	Yes	The watershed related project activities will be carried out in wetlands, rivers and lakes. These natural habitats may be affected by the proposed project. The project will not support activities that may lead to clearance of any protected ecosystem or critical habitats. Screening of any likely environmental and social impacts on natural habitats has been guided under the ESMF and shall subsequently be assessed under the respective ESIA's and management of any potential impacts included in the respective sub-project EMPs.

Forests OP/BP 4.36	No	By design, the project will not support and/or involve any significant forestry conversion/degradation activities.
Pest Management OP 4.09	Yes	Under the proposed project, improved and increased agricultural activities and production may result in increased use of pesticides and thus the resultant environmental impacts. Therefore, a stand-alone Integrated Pest Management Plan has been prepared, consulted upon, and disclosed prior to appraisal.
Physical Cultural Resources OP/BP 4.11	Yes	This policy is triggered because of the civil works-related activities and thus the procedure of handling chance finds has been included in the ESMF.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project area.
Involuntary Resettlement OP/BP 4.12	Yes	The project may involve land acquisition leading to involuntary resettlement and/or restrictions of access to resources or livelihoods. Since the exact locations and potential adverse localized environmental and social impacts of sub-project activities cannot be determined prior to appraisal, the project has prepared, consulted upon, and disclosed before appraisal a Resettlement Policy Framework (RPF).
Safety of Dams OP/BP 4.37	No	The Safety of Dams (OP/BP 4.37) is not triggered because the project will not involve construction of dams. Dams are not required because the irrigation schemes will target permanent streams/rivers with enough water for irrigation and downstream use. An operation and maintenance manual for each irrigation scheme shall be prepared during technical designs. The O&M manual shall include safety issues among others. FAO Manual on irrigation O&M will be used to ensure scheme sustainability.
Projects on International Waterways OP/BP 7.50	Yes	Projects on International Waterways OP/BP 7.50 is triggered because the project will support expansion and development of irrigation schemes in the Lake Kyoga basin and river tributaries which drain into the Nile, an International Waterway which is shared by 10 countries namely, Burundi, Democratic Republic of Congo, Egypt, Eritrea, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, and Uganda. Notification of the riparian states will be done by GoU before appraisal.
Projects in Disputed Areas OP/BP 7.60	No	The project will not be implemented in disputed areas.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p>
<p>Some of the associated negative environmental and social impacts include water abstraction on downstream users, loss of wetland habitat as a result of the irrigation infrastructure needed, point and non-point pollution of water sources from use of pesticides, fertilizers and other agro-chemicals, soil erosion and siltation, water and land-use related conflicts. Most of these impacts are minor or of low-intensity, site-specific and thus relatively straight forward to manage, with participation of the Local Governments and WUAs. Infrastructures like dams will not be considered as they could lead to flooding properties, settlement and affect biodiversity ecosystems.</p> <p>The project will support rehabilitation of 1,700 km of farm access roads in total. The project will not support opening up of new roads but rather concentrate on improving existing access roads. The priorities for road investment at district level will be based on the size of agricultural production for respective commodities. Access road works will include reshaping (slight earthworks), provisions for culverts and small bridges and limited lateritic lining to treat critical points as needed. Roads design could include drainage ditches where longitudinal slopes are accentuated. The likely environmental impacts are expected to be minor given the low mechanized road works that will be involved. Other impacts associated with the civil works include health and safety of the workers and the general public, dust pollution, and construction waste/debris.</p> <p>There are no potential large scale, significant and/or irreversible impacts expected to arise from this project.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>None</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>Not relevant</p>
<p>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p>
<p>ESMF, RPF and IPMP have been prepared by the borrower and were cleared by the Bank. These will guide the preparation and implementation of site specific plans when the scope of the proposed irrigation schemes expansion or new developments are outlined in the pre-feasibility studies for each location.</p> <p>Water use-related conflicts shall be managed through the Water User Associations and Community Wetland Management Planning, which very much promote community dialogue and harmony. Water abstraction shall be regulated by the Directorate of Water Resources Management. Point and non-point pollution shall be managed by following the guidance provided in the Integrated Pest Management Plan. Health and safety issues shall be addressed by use of appropriate safety gear and following all the recommended safety guidelines.</p> <p>The Ministry of Agriculture, Animal Industry and Fisheries - MAAIF will be the main implementing unit of this project at national level, working in liaison with local governments in the respective districts. The Ministry does not have Environmental and Social management specialists. Given the fact that agricultural activities contribute cumulatively to environmental degradation in Uganda, there should be residential in-house capacity in MAAIF for environmental</p>

management. It is therefore recommended that MAAIF creates in-house positions of Environmental and Social Development Specialists to handle safeguard issues. The Local Governments have District Environment Officers, and District Community Development Officers, some of whom are involved in the current Bank Financed ATAAS and NUSAF-2 Projects. Sub-county extension staff shall also be involved in the implementation of safeguard policies. However, the capacity development of both the National Level Steering Committee and the respective District and Sub County staff shall be strengthened through a hands-on training on safeguard requirements as part of the start-up phase of the project.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Consistent with best practice in developing ESMFs, consultations were held during field visits with the key stakeholders and institutions including: MAAIF, NAADS, NARO, MUK, UNBS, URA, NEMA, Uganda Coffee Development Authority, Local Government Officials especially the DAO, Line Ministries and Lead Agencies including MWE, and NAADS Agricultural Extension Workers. This was to ensure that the ESMF addressed existing challenges as captured on the ground.

The choice of consultation methodologies was based on the type of audience, location and timing. Government institutions were consulted in their respective establishments through focused discussions on the project components, environmental and social impacts. Dialogue and interviews were also held with a sample of smallholder farmers in the different cluster districts to capture the existing pest and pesticides management methods and well as to collect data on the magnitude of pest problems in the country. The local communities and farmers were consulted through ‘barasa’ meetings and focused groups discussions.

Disclosure of project information was done through the local leaders, extension staff at the Districts and Sub-counties, and through local daily newspapers on December 2, 2014 and infoshop on December 11, 2014 .

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	15-Sep-2014
Date of submission to InfoShop	11-Dec-2014
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	////
"In country" Disclosure	
Uganda	02-Dec-2014
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	15-Sep-2014
Date of submission to InfoShop	11-Dec-2014
"In country" Disclosure	
Uganda	02-Dec-2014
<i>Comments:</i>	
Pest Management Plan	

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	15-Sep-2014
Date of submission to InfoShop	11-Dec-2014
"In country" Disclosure	
Uganda	02-Dec-2014
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.04 - Natural Habitats	
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
OP 4.09 - Pest Management	
Does the EA adequately address the pest management issues?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Is a separate PMP required?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

OP 7.50 - Projects on International Waterways			
Have the other riparians been notified of the project?	Yes	No	NA
If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?			
Has the RVP approved such an exception?			
The World Bank Policy on Disclosure of Information			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?			
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?			
All Safeguard Policies			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?			
Have costs related to safeguard policy measures been included in the project cost?			
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?			
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?			

III. APPROVALS

Task Team Leader(s):	Name: David J. Nielson, Joseph Oryokot	
<i>Approved By</i>		
Regional Safeguards Advisor:	Name: Alexandra C. Bezeredi (RSA)	Date: 19-Feb-2015
Practice Manager/Manager:	Name: Tijan M. Sallah (PMGR)	Date: 19-Feb-2015