

INTEGRATED SAFEGUARDS DATA SHEET ADDITIONAL FINANCING

Report No.: ISDSA1197

Date ISDS Prepared/Updated: 04-Mar-2015

Date ISDS Approved/Disclosed: 24-Mar-2015

I. BASIC INFORMATION

1. Basic Project Data

Country:	Moldova	Project ID:	P154238
		Parent Project ID:	P118518
Project Name:	Moldova Agriculture Competitiveness Project Additional Financing (P154238)		
Parent Project Name:	Moldova Agriculture Competitiveness Project (P118518)		
Task Team Leader(s):	Anatol Gobjila		
Estimated Appraisal Date:	23-Feb-2015	Estimated Board Date:	30-Mar-2015
Managing Unit:	GFADR	Lending Instrument:	Investment Project Financing
Sector(s):	Agricultural extension and research (50%), Agro-industry, marketing, and trade (50%)		
Theme(s):	Rural markets (100%)		
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:	12.00	Total Bank Financing:	12.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			12.00
Total			12.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

A. Original Project Development Objectives – Parent

The Project Development Objective is to enhance the competitiveness of the agro-food sector by supporting the modernization of the food safety management system, facilitating market access for farmers, and mainstreaming agro-environmental and sustainable land management practices.

B. Current Project Development Objectives – Parent

C. Proposed Project Development Objectives – Additional Financing (AF)

3. Project Description

Moldovan agricultural and food exports to the Russian Federation have been subject to various trade restrictions through 2013 and 2014. The loss of the Russian Federation market represented a significant blow to horticulture in Moldova as there are few alternative markets for the agro-food produce, especially for apples and plums. These embargoes have the potential to have a major negative impact on fruit growers' competitiveness by stalling, if not reversing, modernization, as a result of deteriorating financial standing and de-capitalization.

The proposed project will add a new component to the Moldova Agriculture Competitiveness Project: Component 5 - Compensatory Sales Support Grants. The new component will finance targeted support to farmers with farms of less than or equal to 15 hectares, who sold apple, plums and grapes domestically for processing in 2014. The grants will compensate the difference between the potential non-embargo price and the domestic sales price, with an aim of avoiding possible de-capitalization and collapse of the horticulture sector, thus giving it a much needed respite for reorientation to new markets and/or amortization of the financial losses.

Approximately US\$5.0 million of the project's funds will be allocated to provide compensations to apple growers, US\$1.0 million to plum growers and US\$5.0 million will go to grapes growers. The remaining amount will be used for project management, establishment of a grievance mechanism, awareness campaign and price/physical contingencies. The remaining US\$1.0 million will be allocated for project management and price/physical contingencies.

The delivery mechanism for the compensatory grants will follow the design and will in part co-finance the implementation of an on-going Government program. On September 8, 2014 the Government of Moldova passed a resolution for approving a support package for apple and plum growers of summer varieties. The targeting mechanism is simply based on documented sales of produce to processors. The country's Agency for Interventions and Payments in Agriculture will play a key role in the implementation of the compensations program, and will be in charge of collection and consolidation of grant application files, including documented proof of ownership or lease of productive orchards/vineyards, bills of quantities, receipts, etc; and in the final defrayment of compensatory payments to farmers. While the Government's program targets the entire spectrum of farm size, the proposed AF will only focus on smaller farmers. Proof of sale will indicate that farmers have engaged in fruit production, as opposed to idle ownership of orchard farms. Such farmers can be properly documented and targeted. The total number of expected beneficiary farmers is in the range of 9-10 thousand farmers.

The project would also support costs associated with project implementation, including operational and consulting costs for fiduciary, component coordination, monitoring and evaluation support to the

Ministry of Agriculture and Food
Industry and the Agency for Interventions and Payments in Agriculture.

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

The project will be implemented countrywide.

5. Environmental and Social Safeguards Specialists

Arcadii Capcelea (GENDR)
Klavdiya Maksymenko (GSURR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This relates to the parent project.
Natural Habitats OP/BP 4.04	No	Not applicable
Forests OP/BP 4.36	No	Not applicable
Pest Management OP 4.09	Yes	This relates to the parent project. The Additional Financing will not support purchasing of pesticides and will not lead to their increased use. Furthermore, the parent project provides an exhaustive framework for addressing pest management issues in the horticulture sector, which will complement the activities of the Additional Financing.
Physical Cultural Resources OP/BP 4.11	Yes	This relates to the parent project.
Indigenous Peoples OP/BP 4.10	No	Not applicable
Involuntary Resettlement OP/BP 4.12	No	The project will support apple, plum and grapes growers which cultivate their own land or land they officially lease under a formal agreement. Thus no land acquisition or resettlement will take place under the project.
Safety of Dams OP/BP 4.37	No	Not applicable
Projects on International Waterways OP/BP 7.50	No	Not applicable
Projects in Disputed Areas OP/BP 7.60	No	Not applicable

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:
The activities of the Additional Financing do not have potential to cause negative environmental

or social impacts, and thus do not trigger any safeguard policies "per se". However, since the Additional Financing inherits the parent project's safeguard category, all the information provided on the safeguards triggered and the mitigation measures put in place are related to the parent project.
2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
Potential long term impacts are positive and relate to increased market diversification for Moldovan fruit producers, and the resulting increase in rural incomes and poverty alleviation.
3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
Not applicable.
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>The parent project has an exhaustive set of arrangements for addressing safeguard issues. The Government of Moldova prepared an EMF which specifies the Environmental Impact Assessment (EIA) requirements for the project activities. This document covers the following: rules and procedures for environmental screening; guidance for preparing sub-projects EIA and/or simple EMPs as well as of EMP Checklist for identified small scale construction and reconstruction activities; possible mitigation measures for different types of sub-projects; requirements for monitoring and supervision of implementing of EIA/EMPs. The EMF contains also a series of measures to raise awareness and educate potential beneficiaries regarding safe pesticide handling and use of Integrated Pest Management (IPM). The IPM agenda is relevant for the Additional Financing and the parent's project measures will be highly complementary to it (without triggering the Pest Management OP 4.09). These measures are targeted at providing a framework for educating farmers on issues related to pesticide handling and promoting IPM and thus, understanding and managing pest problems in the horticultural sector, reducing human and environmental health risks associated with pesticide use, and protecting ecosystems by conserving beneficial agents, such as natural enemies of pests and pollinators to increase productivity. Under the parent project, an NGO with necessary expertise in horticultural crop and IPM capabilities and capacity to deliver training to farmers has been retained to develop and deliver a training program on IPM. The Consolidated Agricultural Project Management Unit (CAPMU) is coordinating the implementation of these activities. The EMF is integrated into the Project's Operational Manual and specifies responsibilities and arrangements for its implementation. The Additional Financing, similarly to the parent project, will be implemented by the Ministry of Agriculture and Food Industry, which has extensive experience in successfully implementing World Bank projects. CAPMU, which has nearly 10 years of experience in implementing World Bank and GEF projects will serve as a fiduciary agent. CAPMU has a highly qualified Environmental Specialist, being responsible for project safeguards issues. CAPMU's environmental and social performance has been consistently qualified as satisfactory. The WB team will continue to monitor closely the EMF implementation, providing, if needed, relevant assistance. The EMF will remain under the direct responsibility of CAPMU.</p>
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
<p>The parent's project EMF was disclosed and consulted in the country. On January 18, 2011, CAPMU has disseminated the draft summary EMF to key project stakeholders (Ministry of Environment; Ministry of Agriculture and Food Industry; State Ecological Inspectorate) for review and comments, also posting it in the same day its full English version along with the EMF</p>

Summary in Romanian for the public at wide on CAPMU's web site (www.capmu.md). On January 26, 2012, CAPMU conducted a public briefing and consultation meeting on the EMF document. The meeting concluded that the draft EMF document covers practically all potential impacts and possible mitigation measures. The draft document was revised after the meeting, taking into account outputs from the consultation. The final version of the EMF (Romanian) and its English version were posted on the CAPMU website and submitted to the World Bank for its disclosure in the Infoshop. The existing EMF will be used by the client during the Additional Financing implementation.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	02-Feb-2012
Date of submission to InfoShop	02-Mar-2012
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	////
"In country" Disclosure	
Moldova	18-Jan-2012
<i>Comments:</i> This relates to the parent project.	
Pest Management Plan	
Was the document disclosed prior to appraisal?	NA
Date of receipt by the Bank	////
Date of submission to InfoShop	////
"In country" Disclosure	
Moldova	//
<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:	
Not applicable.	

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 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 type="checkbox"/>]	No [<input checked="" 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 type="checkbox"/>] No [<input checked="" 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"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
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?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Anatol Gobjila	
Approved By		
Practice Manager/ Manager:	Name:	Date: