

Integrated Safeguards Data Sheet (ISDS)	
Section I – Basic Information	
Date ISDS Prepared/Updated: September 28, 2004	Report No.:31152
A. Basic Project Data	
A.1. Project Statistics	
Country: Georgia	Project ID: P078544
Project: RURAL DEVELOPMENT PROJECT - GE	TTL: Rapeepun Jaisaard
Total project cost (by component):	
Component 1: Agricultural Supply Chain Development US\$4.38m Component 2: Rural Finance Services US\$27.22m Component 3: Institutional Modernization US\$4.0m Component 4: Project Management US\$2.12m	
Appraisal Date: October 31, 2004	Loan/Credit amount(\$m): IDA: 10 million
Board Date: March 31, 2005	
Other financing amounts by source:	IFAD & Japanese Trust Fund (\$15.3m)
Managing Unit: ECSSD	Sector: Crop (50%);Agricultural marketing and trade (25%);Agro-industry (25%)
Lending Instruments: Specific Investment Loan	Specific Investment Loan (SIL)
Is this project processed under OP 8.50 (Emergency recovery? Yes? [] No? [x]	
Environmental Category: FI	Safeguard Classification: SF
A.2. Project Objectives	
<p>The objective of the project is to develop the productivity and profitability of the private agriculture sector. This would be achieved by facilitating the access of Georgia's mainly small and medium-scale farmers to supply chains, improving the competitiveness of the supply chains and strengthen the capacity of selected agricultural and financial institutions serving private-sector agricultural market activity. This would increase incomes and employment and reduce poverty in rural areas.</p>	
A.3. Project Description	
<p>The proposed project has four components.</p> <p>Component 1: Agricultural Supply Chain Development (Estimated Cost US\$ 4.38 million) With the agriculture supply chain development component, the proposed project aims to support the development of marketing/supply chains for commodities that have a demonstrated market potential, with the view to expand profitable domestic and export market opportunities. The proposed project would also, through a competitively allocated Agricultural Supply Chain Development Fund (ASCDF), work with all agents in selected, potentially profitable agricultural supply chains to develop and implement a holistic strategy for identifying and addressing weaknesses and bottlenecks. The project would also assist farmers and communities to deal with commodity supply chains through linkages to farm community programs.</p>	

Component 2. Rural Finance Services (Estimated Cost US\$ 27.22 million)

This component aims to increase the capacity of participating financial institutions (commercial banks, non bank financial institutions and credit unions) to lend to the farmers, processors, traders and agri-business enterprises involved in the marketing/supply chains of selected agricultural commodities by (a) providing them with additional capital for lending to agriculture, particularly medium- and long-term loans for investment and (b) strengthening their capacity for sustainable rural lending.

Component 3: Institutional Modernization (Estimated Cost US\$ 4.0 million).

This component would focus on specific key legal and institutional reforms that impact directly on the competitiveness of Georgian agriculture and the marketability of its products and enable Georgia to meet its international sanitary and phytosanitary obligations. Project interventions would be strategically focused on (a) modernizing the legal framework, (b) developing strategies and action plans for institutional change, (c) supporting selected programs that fit specific needs of the selected commodity chains and (d) continuing to support the land cadastre and registration.

Component 4: Project Implementation. (Estimated Cost US\$ 2.12 million)

The proposed project would be managed under the umbrella of the existing World Bank Project Coordination Center (PCC) within Ministry of Agriculture. The PCC would be responsible for all aspects of project administration, including program management, TA, goods and materials procurement, and financial control. The day-to-day management of the project would be with the technical Project Implementation Unit (PIU) within the PCC. A Project Steering Committee (PSC) including representatives from government, private sector and donor agencies would provide project oversight and ensure national program integration.

A.4. Project Location and salient physical characteristics relevant to the safeguard analysis:

Countrywide

B. Check Environmental Category A [], B [], C [], FI [x]

Comments: Environmental and safeguard issues are foreseen in the investments in agro-processing and public sector infrastructure (such as storage facilities, collection points, wholesale markets and possibly feeder roads), some of which are likely to be Environmental Category B and others Category C. There would be no Environmental Category A sub-projects financed under the project. Agro-processors would have potential environmental impacts from solid and liquid waste emissions, smoke, airborne particles and gaseous discharges, transport, and machinery noise that would need to be mitigated to National and Bank Standards. Also National safety measures for personnel in the vicinity of operating machinery would have to be incorporated. Some investment may also involve minor environmental issues related to the use and storage of agricultural chemicals, waste management at farms, site preparation for facilities and natural resources management in rural areas, including forests, biodiversity, soil and water.

C. Safeguard Policies Triggered

	Yes	No
Environmental Assessment (OP/BP/GP 4.01)	[x]	[]
Natural Habitats (OP/BP 4.04)	[]	[x]

Pest Management (OP 4.09)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cultural Property (draft OP 4.11 - OPN 11.03 -)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement (OP/BP 4.12)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Indigenous Peoples (OD 4.20)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Forests (OP/BP 4.36)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas (OP/BP/GP 7.60)*	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways (OP/BP/GP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Section II – Key Safeguard Issues and Their Management		
<i>D. Summary of Key Safeguard Issues.</i>		
<p>D.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>The project would not finance any major infrastructure, and sub-projects are unlikely to involve the acquisition of land through eminent domain. The project would not directly finance purchases of fertilizer and chemicals. Farmers are able, of course, to purchase them in the market or through farmer groups. Training would be provided for farmers under the project in appropriate application techniques and timing for fertilizers and pesticides, as well as handling of residues. This would be expected to contribute to reducing the negative impact of increased input use.</p>		
<p>D.2 Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area.</p> <p>None</p>		
<p>D.3. Describe the treatment of alternatives (if relevant)</p> <p>None</p>		
<p>D.4. Describe measures taken by the borrower to address safeguard issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p> <p>Sub-projects financed through project credit lines must be in compliance with the environmental laws and regulations of Georgia and with World Bank safeguard policies. Environmental risk management of sub-loans would become a part of sub-loan appraisal by the participating financial institutions (PFI's). Loan officers should be able to verify that sub-loans are in compliance with Georgian laws and regulations and would not cause enduring harm to the Georgian natural environment. The Bank environmental guidelines require financial institutions to undertake environmental screening of sub-projects. Loan officers (or environmental specialists employed by the PFI) would make decisions on environmental and safeguard compliance, providing that there are no complex environmental issues involved in the proposal. The Environmental Chapter of the OM provides guidelines that would assist PFIs to determine to what extent various project activities would affect the environment and to ensure that sub-loan applicants have incorporated all necessary measures to keep their proposed sub-projects compliant with Bank safeguard policies and Georgian environmental law.</p>		

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

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

“Environmental Management Plan and Environmental Guidelines for Project Loan Activities” has been prepared. The document includes a description of the project, a description of possible activities that the project might finance, potential environmental issues for each type of activity the project could finance, a description of the guidelines the financial institutions would follow in evaluating the impacts of each sub-project, a description of the World Bank and Georgian safeguards and EIA systems, and sample forms to be used in environmental monitoring. The document has been reviewed and cleared by the project environment specialist. It has been translated into Georgian and discussed with the staff of Georgian commercial banks and the Georgian Environmental Department, whose recommendations have been incorporated in the manual. The environmental report has been distributed in Georgia (placed in central and regional libraries and credit union offices) and sent to the Info Shop on July 9, 2004.

E. Safeguards Classification (select one)

[] S1. –The project has significant, cumulative and/or irreversible impacts; where there are significant potential impacts related to several safeguard policies.

[] S₂. – One or more safeguard policies are triggered, but effects are limited to their impact and are technically and institutionally manageable.

[] S₃. – No safeguard issues

[X] S_F. – Financial intermediary projects

F. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Date of receipt by the Bank July 6, 2004

Date of “in-country” disclosure .../.../...

Date of submission to InfoShop July 9, 2004

For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors

Resettlement Action Plan/Framework/Policy Process: NA

Date of receipt by the Bank Not Applicable

Date of “in-country” disclosure	Not Applicable
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Date of submission to InfoShop	Not Applicable
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Indigenous Peoples Development Plan/Framework: NA

Date of receipt by the Bank Not Applicable

Date of “in-country” disclosure	Not Applicable
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Date of submission to InfoShop	Not Applicable
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<i>Pest Management Plan:</i>	NA
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Date of receipt by the Bank Not Applicable

Date of “in-country” disclosure	Not Applicable
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Date of submission to InfoShop	Not Applicable
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<i>Dam Safety Management Plan:</i>	NA
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Date of receipt by the Bank Not Applicable

Date of “in-country” disclosure	Not Applicable
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Date of submission to InfoShop	Not Applicable
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If in-country disclosure of any of the above documents is not expected, please explain why.		
Section III – Compliance Monitoring Indicators at the Corporate Level		
<i>OP/BP 4.01 - Environment Assessment:</i>	<u>Yes</u>	<u>No</u>
Does the project require a stand-alone EA (including EMP) report?	X	
If yes, then did the Regional Environment Unit review and approve the EA report?	X	
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	X	
<i>OP/BP 4.04 - Natural Habitats:</i>	<u>Yes</u>	<u>No</u>
Would the project result in any significant conversion or degradation of critical natural habitats?		X
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?		X
<i>OP 4.09 - Pest Management:</i>	<u>Yes</u>	<u>No</u>
Does the EA adequately address the pest management issues?		X
Is a separate PMP required?		
If yes, are PMP requirements included in project design?		
<i>Draft OP 4.11 (OPN 11.03) - Cultural Property:</i>	<u>Yes</u>	<u>No</u>
Does the EA include adequate measures?		X
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on physical cultural resources?		X
<i>OD 4.20 - Indigenous Peoples:</i>	<u>Yes</u>	<u>No</u>
Has a separate indigenous people development plan been prepared in consultation with the Indigenous People?		X
If yes, then did the Regional Social Development Unit review and approve the plan?		X
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit?		X
<i>OP/BP 4.12 - Involuntary Resettlement:</i>	<u>Yes</u>	<u>No</u>
Has a resettlement action plan, policy framework or policy process been prepared?		X
If yes, then did the Regional Social Development Unit review and approve the plan / policy framework / policy process?		X
<i>OP/BP 4.36 – Forests:</i>	<u>Yes</u>	<u>No</u>
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?		X
Does the project design include satisfactory measures to overcome these constraints?		X
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?		X
<i>OP/BP 4.37 - Safety of Dams:</i>	<u>Yes</u>	<u>No</u>
Have dam safety plans been prepared?		X

Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?		X
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?		X
<i>OP 7.50 - Projects on International Waterways:</i>	<u>Yes</u>	<u>No</u>
Have the other riparians been notified of the project?		X
If the project falls under one of the exceptions to the notification requirement, then has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?		X
What are the reasons for the exception?		X
Please explain:		
Has the RVP approved such an exception?		X
<i>OP 7.60 - Projects in Disputed Areas:</i>	<u>Yes</u>	<u>No</u>
Has the memo conveying all pertinent information on the international aspects of the project, including the procedures to be followed, and the recommendations for dealing with the issue, been prepared, cleared with the Legal Department and sent to the RVP?		X
Does the PAD/MOP include the standard disclaimer referred to in the OP?		X
<i>BP 17.50 - Public Disclosure:</i>	<u>Yes</u>	<u>No</u>
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	X	
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?	X	
<i>All Safeguard Policies:</i>	<u>Yes</u>	<u>No</u>
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of the safeguard measures?	X	
Have safeguard measures costs been included in project cost?	X	
Will the safeguard measures costs be funded as part of project implementation?	X	
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures?	X	
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	X	
<i>Signed and submitted by:</i>	<u>Name</u>	<u>Date</u>
Task Team Leader:	Rapeepun Jaisaard	09/28/2004
Project Safeguards Specialist 1:	Rita Kless	01/26/2004
Project Safeguards Specialist 2:	Shahridan Faiez	08/24/2004
Project Safeguards Specialist 3:		
<i>Approved by:</i>	<u>Name</u>	<u>Date</u>
Regional Safeguards		

Coordinator:

Comments:

Sector Manager:

Juergen Voegele

10/15/2004

Comments: