

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC1083

Date ISDS Prepared/Updated: 29-Dec-2014

Date ISDS Approved/Disclosed: 13-Jan-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	India	Project ID:	P151744
Project Name:	Himachal Pradesh Horticulture Development Project (P151744)		
Task Team Leader(s):	Manivannan Pathy		
Estimated Appraisal Date:	16-Nov-2015	Estimated Board Date:	25-Feb-2016
Managing Unit:	GFADR	Lending Instrument:	Investment Project Financing
Sector(s):	Agricultural extension and research (40%), Agro-industry, marketing, and trade (40%), Crops (20%)		
Theme(s):	Rural markets (40%), Rural services and infrastructure (40%), Trade facilitation and market access (20%)		
Financing (In USD Million)			
Total Project Cost:	167.00	Total Bank Financing:	135.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			32.00
International Development Association (IDA)			135.00
Total			167.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The Project Development Objective (PDO) is to “increase the productivity, profitability and market access of selected horticulture commodities in Himachal Pradesh”.

The primary target beneficiaries of the project will be small and marginal horticulture producers in selected production clusters across the state.

C. Project Description

The project will address key well known gaps and deficiencies in the horticulture sector in Himachal Pradesh and transform the sector (and the overall rural economy) to being more productive, efficient and profitable. By doing so, it will contribute to the key aspects of the GoI and the Bank's CPS strategic objectives related to faster and broader agriculture sector growth and inclusive development. The Project Development Objective (PDO) is to "increase the productivity, profitability and market access of selected horticulture commodities in Himachal Pradesh". The project will achieve the PDO by: (i) improving producer's access to knowledge and climate resilient production technologies so that producers are able to respond to climate changes and climate variability and emerging market opportunities; (ii) promoting investments in agribusiness, fostering backward and forward linkages in the value chains for horticulture products, facilitating access to finance for agribusiness entrepreneurs, and, where appropriate, push for process, regulatory and/or policy change; and (iii) supporting the development of an improved platform for market-related information and intelligence, alternative market channels developed outside of regulated markets, piloting negotiable warehouse receipts for horticulture commodities and improved services provided by modernizing the promising traditional wholesale markets.

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

The project location and boundaries are yet to be established. However, it is expected that the project will cover the select fruit and vegetable growing areas in the State. This could be in middle to high Himalayas with gentle to steep slopes and some rocky outcrops that are characteristics of the Himalayan terrain. Locations, particularly for apple orchards could be adjacent to forests. Overall, a good altitudinal gradient is expected with respect to project investment locations. As regard to physical characteristics of project-specific areas relevant to safeguard analysis, a clear understanding would only emerge once areas of project intervention are identified across districts in the State.

E. Borrowers Institutional Capacity for Safeguard Policies

The Government of Himachal Pradesh is well versed with the Bank's safeguard policies as it has over the past several years implemented the HP Roads and Mid-Himalayas Watershed Projects. The Department of Horticulture of the State Government would be the nodal institution responsible for implementing the project in collaboration with its line department. However as regards safeguard policies, the Department of Horticulture has limited capacity and arrangements. To overcome this, it is proposed to co-opt staff from the Environment Department by the Client. Once the staff is in place, their capacity, understanding and experience on safeguard policies will be determined and accordingly technical support will be provided. In addition, the Client has agreed to hire a suitable Consultant/ Agency for addressing the safeguard issues and for undertaking the Environmental and Social Assessment (ESA) and develop an Integrated Environment and Social Framework (ESMF) during project preparation for complying with the Bank safeguard policies.

The safeguards analysis would draw from the experiences of the Agro Economic Research Centre (AERC) based in Shimla, which is a Centre of Himachal Pradesh University, that earlier conducted a few cross-sector environmental and social impact assessment studies. The project would trigger three safeguard policies: Environmental Assessment (OP/BP4.01); Pest Management (OP/BP 4.09); and Indigenous Peoples (OP/BP 4.10). The applicability of any other policies, viz., Natural Habitats (OP/BP 4.04) and Projects on International Waterways (OP/BP 7.50), would be determined during the course of ESA.

F. Environmental and Social Safeguards Specialists on the Team

Anupam Joshi (GENDR)
 Shailendra Kumar Mamgain (GENDR)
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II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The proposed project poses no serious risk in changing the natural environment and landscapes within its boundaries as bulk of the investments will take place in established orchards and farms. However, some of the activities and approaches that Himachal Pradesh Horticulture Developmental Project would finance have the potential to influence both the environmental setting and social fabric within a given landscape and, therefore, an assessment is required triggering this policy. The potential impacts need to be identified and mitigated for ensuring sustainability of investments. The project has provisions of introduction of cultivars of foreign origin and their demonstration trial in the nurseries may have environmental concerns, which may need to be looked upon. The Environmental and Social Assessment and Management Framework will be developed to identify and assess the impacts besides developing the appropriated action to mitigate the potential impacts.
Natural Habitats OP/BP 4.04	TBD	The project investments will take place in middle to high Himalayan regions and moderate to steep terrain. Some of the proposed rural infrastructure and agro-marketing infrastructure could result in impacting the natural habitats, particularly the drainage lines. However, this will be assessed during the course of project preparation. Hence the triggering of this policy is TBD.
Forests OP/BP 4.36	No	Proposed investments are unlikely to result in any changes in forest management practices and will not finance clear felling of forestlands.
Pest Management OP 4.09	Yes	This policy is triggered as the use of chemical fertilizers and pesticides is prevalent at various stages of apple and vegetable cultivation in the State. Under the proposed Himachal Pradesh Horticulture Development Project which is primarily intended to enhance productivity through technological intervention will have further chances of increased use of chemical fertilizer and pesticides resulting in

		significant impact on the local environment including implications for the quality of soil and moisture regime, water environment, public health as well as livestock population. To prevent and control the chances of increased use of pesticides by farmers, there is a need of greater public awareness and understanding in the areas of interventions, besides change in existing practices entailing extensive use of chemical and pesticides. An Integrated Pest Management Plan is to be developed for proposed interventions across various districts. No banned pesticides (formulated products that fall in WHO classes IA and IB, or formulations of products in Class II) would be procured.
Physical Cultural Resources OP/BP 4.11	No	There is no excavation planned and investments will not impact existing Physical Cultural Resources.
Indigenous Peoples OP/BP 4.10	Yes	Project interventions specifically target small and marginal farmers, a category that includes Scheduled Tribe (ST) families, particularly in Kinnaur and Chamba districts. The project will ensure the meaningful participation of ST families, taking into account their special cultural needs.
Involuntary Resettlement OP/BP 4.12	No	Department of Horticulture already owns a network of nurseries that will be used for root stock storage and multiplication. The proposed new marketing yards will also be established on land already owned by the government. No land acquisition would be required.
Safety of Dams OP/BP 4.37	No	There are no investments on new and/or existing dams.
Projects on International Waterways OP/BP 7.50	TBD	The proposed investments under the project, including small and micro irrigation investments, are not at scale that may impact flows in the major rivers. However, this will be assessed during the course of project preparation. Hence the triggering of this policy is TBD.
Projects in Disputed Areas OP/BP 7.60	No	There are no disputed areas in the project areas.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 31-Aug-2015

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:

The detailed timeframe will be provided in the PAD-stage ISDS. The safeguards work will progress along with project preparation.

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.

IV. APPROVALS

Task Team Leader(s):	Name: Manivannan Pathy	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Francis V. Fragano (RSA)	Date: 06-Jan-2015
Practice Manager/ Manager:	Name: Simeon Kacou Ehui (PMGR)	Date: 13-Jan-2015

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