

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA16143

Date ISDS Prepared/Updated: 28-Jan-2016

Date ISDS Approved/Disclosed: 29-Jan-2016

I. BASIC INFORMATION

1. 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:	04-Feb-2016	Estimated Board Date:	25-Mar-2016
Managing Unit:	GFA12	Lending Instrument:	Investment Project Financing
Sector(s):	Agricultural extension and research (15%), Crops (15%), Irrigation and drainage (30%), General agriculture, fishing and forestry sector (5%), Agro-industry, marketing, and trade (35%)		
Theme(s):	Trade facilitation and market access (20%), Rural markets (40%), Rural services and infrastructure (40%)		
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:	171.50	Total Bank Financing:	135.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			33.70
International Development Association (IDA)			135.00
LOCAL BENEFICIARIES			2.80
Total			171.50
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The Project Development Objective (PDO) is: "to support small farmers and agro-entrepreneurs to

increase the productivity, quality, and market access of selected horticulture commodities in Himachal Pradesh.”

The project beneficiaries will include farmers and entrepreneurs especially in the micro-small medium enterprises (MSME) segment, farmer producer organizations, and other value chain participants. The project will contribute to inclusive growth by prioritizing support to small and marginal farmers in the state, with specific focus on fruit tree crops. The project will benefit about 150,000 producers. Of these beneficiaries at least 33 percent are expected to be women. Indirect beneficiaries will include those who benefit from technologies demonstrated by the project, farmers whose produce goes through rehabilitated markets, and farmers accessing Negotiable Warehouse Receipt financing, etc. Rules, procedures, and guidelines will be employed to prevent possible elite capture.

3. Project Description

The project will support interventions designed to help the horticulture sector improve productivity and build resilience against weather-related shocks, while improving market access to provide incentives for growers to produce as per the market need. Project activities will focus on resolving the binding constraints on productivity, quality, value-addition and market linkages. In so doing it will contribute to the key aspects of the GoI’s, GoHP’s and the Bank’s CPS strategic objectives related to faster and broader agriculture sector growth and inclusive development. The project will achieve the PDO by: (i) improving producer’s access to knowledge and horticulture production technologies (including climate resilient technologies), and access to financial services so that they are able to better respond to climate variability and emerging market opportunities; (ii) promoting investments in agribusiness, fostering backward and forward linkages in the value chains for horticulture products, piloting negotiable warehouse receipts for horticulture commodities, and facilitating access to financial services for agribusiness enterprises, including collectives such as producer companies; and (iii) supporting the development of an improved platform for market-related information and intelligence, developing new e-market channels outside of regulated markets, and improved services provided by modernizing the promising traditional wholesale markets. All supply chain infrastructure supported under the project would be subject to the provisions under the ESMF.

The project will support gender inclusive strategies especially in the project intervention areas of (i) sustainable increase in productivity of fruit tree crops through technical training on grafting techniques, management of orchards, soil, nutrients, pests and diseases, extension approaches that are designed to target women; and (ii) entrepreneurial development through training, skill development and market linkages with specific focus on fruit processing (on job work to large processors), indigenous beekeeping for managed pollination services, etc. Project will also actively support participation of women in the decision making structure of farmer producer organizations and water user associations.

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

The project would cover the entire state (12 districts), the intensity of activities in each district would depend on the existing production potential. Though, the exact project locations and boundaries are yet to be established as this is a demand driven project, however, it is expected that the project will cover the select fruit and vegetable growing areas in the State, which implies that majority of the project investments would be made on existing orchards and nurseries. Locations, particularly for apple orchards could be adjacent to forests. Overall, a good altitudinal gradient is expected with

respect to project investment locations. The project areas receive moderate rains and experience cold weather that is necessary for a healthy crop of apples and similar fruits. Project areas would include presence of forests (temperate and broad leaved) and sub-alpine pastures. These areas mostly have shallow soils. OP 4.10 on Indigenous Peoples is applicable as several project intervention areas would be covering tribal areas and communities. While tribal communities are dispersed throughout the state, they are particularly concentrated in more remote, backward areas in Kinnaur, Chamba, Lahaul-Spiti and Bharmour districts.

5. Environmental and Social Safeguards Specialists

Anupam Joshi (GEN06)

Varun Singh (GSU06)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Some of the activities and approaches that the 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	Yes	Even though the project will not take up any activities inside critical natural habitats and protected areas, some of the proposed investments, particularly expanding area under horticulture increases the risk of encroachment into natural areas. Other planned infrastructure and agro-marketing infrastructure could be located in the proximity of natural areas and if not developed appropriately, could adversely impact these. The ESMF specifically requires protected areas of National Parks, Wildlife Sanctuaries to be excluded from the project. All infrastructure supported under the project would be subject to the provisions under the ESMF.
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. Since the project is primarily intended to enhance productivity through technological and managerial interventions, there are

		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 Strategy is developed for proposed interventions. No banned pesticides (formulated products that fall in WHO classes IA and IB, or formulations of products in Class II) would be procured under the project.
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, Chamba, Lahaul and Bharmour districts. The project will ensure the meaningful consultations, community support and participation, inclusion of tribal families, taking into account their special socioeconomic and cultural needs.
Involuntary Resettlement OP/BP 4.12	No	OP 4.12 on Involuntary Resettlement is not triggered as the project does not anticipate any private land acquisition for market yards, processing infrastructure, common service centers, nursery development and community water schemes. For market yards and processing infrastructure, land is already available with HPMC or other government departments and all proposed infrastructure is planned to be located on these existing government land. For community irrigation schemes and common service centers, land is expected to be accessed either through voluntary donation, purchase or lease (from private individuals or panchayats) and for which principles, procedures documentation requirements, and the verification approach are detailed in ESMF.
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	Yes	This policy is triggered as the project is supporting development of minor irrigation systems in about 19,500 ha out of a total of 30,000 ha for sustainable increase in productivity of the fruit tree crops. The irrigation activities under the project will cover all the 12 districts of the state, however, the intensity of the irrigation activities in each district will primarily depend on the beneficiary

		demand for improved seedling of the targeted fruit tree crops, and on the production potential of the district. Investments in the development of new minor irrigation systems in all of the 12,608 ha to be supported under the project will fall entirely in the catchments of the Sutlej, Ravi and Beas basins, which as per the Indus river treaty are for India's exclusive use only. The riparian states were notified on January 15, 2016 about the project activities.
Projects in Disputed Areas OP/BP 7.60	No	There are no disputed areas in the project 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>All proposed infrastructure is planned to be sited on existing government land that is available with the project implementing agencies or would be on land taken from communities voluntarily i. e. either on lease or on donation basis. Project interventions in tribal areas - some identified and others to be identified based on demand, will have negligible or no adverse impacts and impacts are anticipated to be wholly positive.</p> <p>No significant adverse or irreversible impacts are foreseen under the project, and impacts are manageable within the existing institutional and technical framework. Expansion of orchard areas onto forestland or felling of trees is unlikely but cannot be ruled out. Improper construction management, discharge and disposal of solid and liquid waste, increase use of chemical pesticides, improper storage of the crop are expected to be the chief environmental impacts.</p> <p>The main social safeguard issues are: (i) ensuring meaningful and beneficial participation of tribal communities in project planning, investment benefits and institutions; and (ii) ensuring that government, panchayat or donated/purchased land needed for small scale water schemes, market yards, nurseries infrastructure does not result in any adverse impacts.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p> <p>Two potentially long term impacts are possible against which adequate mitigation measures have been developed. First, introduction of horticultural cultivars of foreign origin may impact native varieties or species of horticultural values. For this adequate quarantine measures have been put in place. Second, given the low awareness among horticultural practitioners, use of pesticides and other agrochemicals may increase to boost productivity, which could increase overall pollution load. An integrated pest management (IPM) strategy has been prepared to mitigate such impacts.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p> <p>The project considered and accepted the strategy for providing assured irrigation on limited basis as against traditional reliance on only rain-fed irrigation. For this, the project would promote use of efficient irrigation systems as an alternative to traditional irrigation practices. Adoption of this alternative will significantly improve water efficiency in the horticulture sector and result in conservation of water resources.</p>

The project considered and rejected the alternative of land acquisition. Project interventions such as cold storages, market yards would be set up on existing government land.

The project considered and accepted the alternative of introduction of new farm management practices over conventional practices that would improve productivity of orchards without increasing the reliance on use of pesticides and fertilizers. In fact, some of the modern farm management practices could result in reduce use of agrochemicals.

The project considered and accepted the sub-program of indigenous bee breeding and multiplication of bee colonies for improving the pollination efficiency. This would ensure that exotic pollinators are not introduced in the ecosystem.

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.

The Project has prepared an Environment and Social Management Framework (ESMF), Integrated Pest Management Strategy, and Tribal Development Framework (TDF) to address the likely environment and social safeguard impacts, specifically related to indigenous peoples, land, environmental assessment, pest management, natural habitats

As the exact locations of project interventions in tribal areas, the beneficiary profile and technical specifications of project interventions are not yet identified and would happen during project implementation site specific IPP/TDPs would be undertaken during implementation. Also, in order to mainstream gender and participation issues, an Environment and Social Management Framework (ESMF) is prepared. In terms of institutional arrangements, preparation and implementation of social mitigation instruments would be the responsibility of the Social Development Coordinator at the PCU level. In this, s/he would be supported by a Social Development Specialist at the District Implementation Unit (DIU) who in turn would be supported by Horticulture Extension Officer (HEO) and Subject Matter Specialist (SMS) at the Block Implementation Unit (BIU), besides community mobilizers/facilitators.

The ESMF will be used for planning, designing and execution of each sub project. An appropriate site specific environmental management plan (EMP) for each subproject would be incorporated into the bidding documents and construction contracts prior to commencement of works. This measure is expected to be for sub projects with moderate to high impact on the environment (such as market yards, processing plants and cold chain infrastructure). An IPM and nutrient management (NM) strategy has been integrated into the ESMF which seeks to reduce dependence on chemical pesticides through alternative means, and also addresses soil nutrient management.

The PCU and PIUs and the district and block level are new entities requiring additional skills in management of social and environmental aspects, including safeguards management. The PIUs are likely to be HPMC, the university, marketing board and horticulture department; which have limited capacity in safeguards. Hence, the project will support appointment of environmental and social specialists in the PCUs, to monitor implementation of the ESMF and other social and environment related activities. At the sub-project level, the PIUs of HPMC and HPSAPMB will have dedicated environment specialists to ensure that individual ESAs, EMPs, are prepared and implemented, with support from qualified firms. For the Horticulture department, three environmental specialists at the district level will be appointed for implementation of the ESMF activities pertaining to the department. Additionally, two Social Development Coordinators and one Tribal Development Consultant, hired at the PCU level for the entire project duration would be responsible for overall implementation of the SMF and TDF. At the district level, they would be supported by six Social Development Specialists (SDS) who would cover all the project

districts. These SDS, contracted for the entire project duration would be responsible for all safeguard aspects besides institutional development aspects of bodies such as WUAs, and FPOs. They would derive support from Horticulture Extension Officer (HEO) and Subject Matter Specialist (SMS) at the Block Implementation Unit (BIU), besides community facilitators. Additional resource persons and consultants would be contracted as deemed necessary during project implementation. The project will support safeguard training for all the specialists at the state level (PCU, PIUs), district and block level implementation units. The PCU would also provide resource persons and personnel for training on IPNM related activities.

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

The key stakeholders include small and marginal farmers, women and tribal, community mobilizers engaged in formation of Farmer Interest Groups, Water User Associations, existing SHGs, Producer Organizations besides institutional stakeholders such as line departments including Horticulture, Irrigation, University, HPMC and Marketing Board. The project undertook an Environment and Social Assessment (ESA) exercise to identify the key environment and social impacts, risks, opportunities and necessary mitigation strategies related to the proposed project interventions and investments. The ESA involved review of project implementation plan, existing studies and reports, and extensive discussions with the project preparation teams and implementation agencies. Field consultations were held with farmers cooperatives and associations, fruit growers associations, women's groups, government departments (agriculture, horticulture, HPMC, forests, tribal development), as well as local NGOs. The consultations included institutional stakeholder such as: Directorate of Horticulture, Regional Horticulture Research and Training Station at Mashobara, HPMC center at Jarol Tikkar, Shimla district, etc. Stakeholder consultations organized at field level (Block and Village) included representatives such as Horticulture Development Officer (HDO), Horticulture Extension Officer (HEO), Subject Matter Specialist (SMS), Block Development Officer (BDO), besides Farmers Producer Organization (FPOs), Non-Government Organization (NGOs), women members of Self Help Groups (SHGs), tribal farmers, elected PRI leaders, members of Water User Associations (WUA), Farmer Interest Groups (FIG), cooperative societies. The purpose of these interactions were to ascertain likely social and environmental issues that need to be addressed during project preparation; understand current practices from production to marketing, validate findings from desk reviews, understand perceived benefits of the various interventions, awareness regarding government schemes, constraints faced, prevalent government schemes, etc. The borrower disclosed the completed ESMF and translated version of the executive summary on its website on January 11, 2016, besides disclosing at district level. The document as requested by the borrower was also disclosed at the Bank's Infoshop on January 18, 2016. Further an in-country disclosure workshop with representatives from relevant departments, NGOs, FPOs, WUAs and PRIs etc., was held on January 21, 2016 in project area.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	06-Jan-2016
Date of submission to InfoShop	18-Jan-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	00000000

"In country" Disclosure	
India	11-Jan-2016
<i>Comments:</i>	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	06-Jan-2016
Date of submission to InfoShop	18-Jan-2016
"In country" Disclosure	
India	11-Jan-2016
<i>Comments:</i>	
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	
<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 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 [] No [] NA [×]
OP/BP 4.10 - Indigenous Peoples	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [×] No [] NA []
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [×] No [] NA []
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes [] No [] NA [×]
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?	Yes [] No [] NA [×]
Has the RVP approved such an exception?	Yes [] No [] NA [×]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [×] No [] NA []
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 [×] No [] NA []
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [×] No [] NA []
Have costs related to safeguard policy measures been included in the project cost?	Yes [×] No [] NA []
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [×] No [] NA []
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [×] No [] NA []

III. APPROVALS

Task Team Leader(s):	Name: Manivannan Pathy
<i>Approved By</i>	

Practice Manager/ Manager:	Name: Martien Van Nieuwkoop (PMGR)	Date: 29-Jan-2016
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