

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC2752

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I. BASIC INFORMATION

A. Basic Project Data

Country:	China	Project ID:	P133261
Project Name:	Guizhou Rural Development and Poverty Alleviation Project (P133261)		
Task Team Leader:	Ulrich K. H. M. Schmitt		
Estimated Appraisal Date:	15-Jan-2014	Estimated Board Date:	20-Aug-2014
Managing Unit:	EASCS	Lending Instrument:	Specific Investment Loan
Sector(s):	Crops (30%), Animal production (20%), Irrigation and drainage (20%), Agro-industry, marketing, and trade (20%), Agricultural extension and research (10%)		
Theme(s):	Rural markets (40%), Rural services and infrastructure (40%), Rural policies and institutions (20%)		
Financing (In USD Million)			
Total Project Cost:	140.00	Total Bank Financing:	100.00
Total Cofinancing:		Financing Gap:	0.00
Financing Source		Amount	
Borrower		40.00	
International Bank for Reconstruction and Development		100.00	
Total		140.00	
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The Project Development Objective would be to develop and test new models for agricultural sector development and for improved institutional arrangements in Guizhou's poverty stricken areas, which increase rural income in an equitable and socially acceptable and in environmentally sustainable way.

C. Project Description

The proposed project seeks to assist Guizhou Province in advancing the agriculture restructuring and modernization agenda. The project aims to achieve the development objective through the implementation of the following components and activities:

- **Component 1: Restructuring of agricultural sub-sectors.** The objective of this component would be to develop more efficient agricultural production systems focusing on 2 to 4 key agricultural pillar industries (or sub-sectors) in each project county. This would be achieved through the restructuring of the current production patterns and by supporting the enabling institutions. This restructuring would aimed at creating or supporting larger, economically more viable and long-term sustainable production units, which are capable to use better technologies and can capture value added in the up-stream processing and marketing value chains.

The component would support socially acceptable models of cooperative development, farmland consolidation, and company-farmer cooperative organizational models using a market and business-driven approach. Project financing would be provided for investments to: (a) develop new and improve existing farmer cooperatives; (b) introduce new or improved production systems, pre-processing/processing technologies for agriculture products, storage and marketing facilities; and (c) strengthen farm-to-market linkages, including up-grading of quality standards, labeling, certification, branding, product tracing, logistics, food safety etc.

The establishment of new farmer cooperatives and strengthening of existing farmer cooperatives would include the financing of: (a) training in management and business operation; (b) management facilities for farmer cooperatives and technical training, and (c) start-up productive/pre-processing investments for new and innovative technologies. Agro-enterprises that can provide public goods would be supported through public-private-partnership investments. Such investments would include (d) activities which are directly supportive to poor farmers, such as the provision of technical services, training, and (e) incremental costs related to sourcing their raw material from targeted poor areas and targeted poor households.

The component would also focus on developing and implementing benefit sharing mechanisms between company and households that would allow households to receive a fair share of the value-added generated through value-chain integration. The development of such benefit sharing mechanisms will require the setting of targets and the monitoring of public-private partnership arrangements with the possibility of applying sanctions in case commitments are not met.

- **Component 2: Public infrastructure and services support.** The objective of this component would be to improve public infrastructure and other public services in order to enable and facilitate restructuring of the agricultural sub-sectors under Component 1. Specifically, the component would support investments in production road infrastructure (for example, tractor roads, field tracks or access to processing and marketing facilities), irrigation, drainage, communications, public market facilities, electricity supply and other infrastructure, which is necessary to facilitate and complement farmer and private sector investment under the first component. In addition, the component would provide investment in other supporting public services, such as food safety testing and control, public extension and training services, marketing systems and agriculture research and technology transfer as well as market studies for business development.
- **Component 3: Training and capacity building.** The objective of this component would be to improve the understanding of the roles and responsibilities of public sector institutions, enterprises,

and farmers in poverty alleviation through the development of value chains, including improved benefit sharing mechanisms. The investment would include analytical studies, policy guidelines, and the development of appraisal guidelines for public sector support in rural areas. Training would be provided for government officials in relevant line agencies, entrepreneurs, and a wide range of public sector institutions.

Component 4: Project management, monitoring and evaluation (M&E). The objective of this component would be to establish an effective project management and M&E system, to ensure that coordination between project implementation agencies at all levels as well as coordination with other government programs and institutions in the sector, and to capture of implementation lessons from the project. This component would provide support to the project management offices at all implementing levels, including office equipment, transportation and technical assistance services. It would also include support to establishing and operating the project's progress and impact M&E system.

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

About 80 percent of land area of Guizhou Province belongs to limestone and karst areas. Rural poverty in these areas is deep and persistent, with poverty rates often above 35 percent. The unique geographic conditions and the limited availability of productive farmland, combined with inaccessibility and underdeveloped infrastructure, pose specific challenges to agricultural development and environmental management.

The project would be implemented in the karst areas of the Wuling and Wumeng Mountains and involve 11 counties of three prefectures, including Bijie, Zunyi, and Tongren, covering a total population of 6.6 million and 2.4 million registered rural poor. Within the selected counties, project areas would cover 122 townships, 547 administrative villages, 256,000 households, 1.02 million people (of which 355,000 are registered as poor), which would directly benefit from project interventions. A significant proportion of the beneficiary population would belong to ethnic minorities.

E. Borrowers Institutional Capacity for Safeguard Policies

The proposed project would be implemented under the overall responsibility of the Guizhou Provincial Leading Group for Poverty Reduction and Development (LGOPAD). LGOPAD has previous experience with Bank supported projects based on long-term cooperation partnership. However, this experience dates back to the mid 1990s with significant staff turn-over since then and some capacity constraints may exist. The LGOPAD is expected to have good capacity to implement social safeguards policies and provisions, since such aspects belongs to core mandate of LGOPAD and are part of the day-to-day work. In terms of environmental safeguards, capacity of the implementing agency at provincial and county levels is expected to be quite weak. In particular, there is little experience with the agricultural production issues as well as a limited understanding of Bank's Environmental Assessment policy requirements and procedures.

F. Environmental and Social Safeguards Specialists on the Team

Chaogang Wang (MNSUS)

Xin Ren (EASCS)

Meixiang Zhou (EASCS)

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II. SAFEGUARD POLICIES THAT MIGHT APPLY

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Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	<p>An Environmental Impact Assessment (EIA) report and Environmental Management Plan (EMP) need to be prepared as part of the EA process. Depending on the project design, an Environmental Management Framework may also be required, if part of the project investments cannot yet be determined by the time of appraisal. The EIA needs to pay particular attention to the following:</p> <p>Livestock. Investments in the expansion of livestock and animal husbandry need to: consider the suitability and carrying capacity of pasture areas as well as fodder and feed stock sources, particularly in mountain areas; be in line with national policies on grazing restrictions and slope-land protection; and include appropriate measures to balance livestock numbers with fodder supply, both at the household and community level.</p> <p>Animal waste management. The EIA needs to analyze issues around animal waste and non-point source pollution, which in combination with improper handling may lead to negative environmental impacts under the project, and devise appropriate management and mitigation measures.</p> <p>Crop production. Erosion may occur as part of traditional slope-land cropping. The EIA need to analyze the availability of appropriate water and land resource for crop production under the project. Potential impacts of monoculture cropping and related possible negative impacts such as pest and disease, soil quality deterioration etc. may need to be addressed.</p> <p>Agricultural processing. For investments in simple primary processing, such as cleaning, cutting or drying of raw produce, environmental impacts are likely to be minimal. More advanced processing, such as starch and beverage production, slaughtering and meat production facilities, however, may cause more significant negative impacts in form of air and water pollution as well as water and energy</p>

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		consumption. Rural Infrastructure. Possible negative impacts form new infrastructure construction as well as rehabilitation of existing infrastructure need to be analyzed and mitigation measures described. Protected area. Proximity of project investment to any protected areas, such as protection zones for natural forest and for drinking water, needs to be taken into account as part of the project site selection criteria to avoid/minimize impacts on the above areas.
Natural Habitats OP/BP 4.04	TBD	OP4.04 may be applicable if project sites are located in or may impact natural habitats. Based on current information, the project is not expected to impact on critical natural habitats. However, further information needs to be provided through the EA process to confirm whether OP4.04 is applicable or not.
Forests OP/BP 4.36	No	
Pest Management OP 4.09	Yes	The project can be expected to involve the application of pesticides in agricultural production as well as pest management issues due to the expansion of agricultural production, intensification and diversification activities. A Pest Management Plan (PMP) needs to be prepared as part of the EA process.
Physical Cultural Resources OP/ BP 4.11	TBD	The occurrence of and proximity of project investments to cultural, historical, religious sites, sacred sites for minority people etc. are yet to be identified during EIA process to confirm whether OP4.11 is applicable or not.
Indigenous Peoples OP/BP 4.10	Yes	Ethnic minority population takes up about 25 percent of total population in the project areas in Guizhou, covering a large number of different groups. Ethnic minority communities may not be part of the mainstream society and in many areas may be marginalized with income levels and living standards below those of the mainstream society. Many prospective project household are potentially vulnerable or disadvantaged and specific means may need to be designed to ensure that these communities and households will benefit from the project. A detailed Social Assessment (SA)/ Social Impact Assessment (SIA) needs to be prepared

		to carefully analyze the issues around ethnic minorities in the project areas. It is expected that an Indigenous People Plan (IPP) or Indigenous People Planning Framework (IPPF) needs to be prepared as well and IPP aspects need to be integrated into the project design.
Involuntary Resettlement OP/BP 4.12	Yes	The project will support infrastructure for the development of agricultural industries. This will include water supply, road, electricity, flood protection, development of farmland at village level. In addition, ecological resettlement and/or agriculture land consolidation may take place in some project areas under government programs, and this may or may not be in anticipation of the project. The SA/SIA needs to carefully analyze ongoing government programs for resettlement, agricultural land consolidation, as well as the amount of land resources needed for infrastructure investments under the project. Based on the findings of the SA/ SIA report, the specific resettlement instruments, either resettlement policy framework or resettlement action plan, will be determined and prepared during preparation.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 31-Dec-2013

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 EIA report, EMP, PMP as well as the SA/ SIA, Resettlement Plan (or Framework), and IPP (or IPPF) will be prepared, drafted, disclosed, and consulted with the project stakeholders before project appraisal, which is expected to take place around February 2014. Site-specific/sub-project EMPs, if determined to be required, will be made available at the project implementation stage, once the individual sub-sector proposals have been prepared, appraised, and approved.

IV. APPROVALS

Task Team Leader:	Name: Ulrich K. H. M. Schmitt
Approved By:	

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.

Regional Safeguards Coordinator:	Name:	Date:
Sector Manager:	Name: Mark R. Lundell (SM)	Date: 03-Jun-2013