

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 04/04/2011

Report No.: AC5735

1. Basic Project Data

Country: Argentina	Project ID: P106685
Project Name: Socio-Economic Inclusion In Rural Areas	
Task Team Leader: Renato Nardello	
Estimated Appraisal Date: March 31, 2011	Estimated Board Date: July 12, 2011
Managing Unit: LCSAR	Lending Instrument: Specific Investment Loan
Sector: General agriculture, fishing and forestry sector (100%)	
Theme: Rural services and infrastructure (30%);Rural markets (25%);Indigenous peoples (25%);Rural non-farm income generation (15%);Other rural development (5%)	
IBRD Amount (US\$m.):	52.50
IDA Amount (US\$m.):	0.00
GEF Amount (US\$m.):	0.00
PCF Amount (US\$m.):	0.00
Other financing amounts by source:	
Borrower	39.50
Local Communities	7.50
	47.00
Environmental Category: B - Partial Assessment	
Repeater <input type="checkbox"/>	
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

2. Project Objectives

The Project Development Objective is to increase the socio-economic inclusion of rural poor (small producers, indigenous people, and rural workers) by: (a) strengthening their organizational, planning and management capacity to achieve poverty-reduction goals; (b) improving their access to community infrastructure and services; and (c) piloting a new model for developing sustainable access to market.

3. Project Description

Component 1: Capacity Development (US\$30.0m, of which US\$2.5m IBRD). This component would finance capacity-building activities (technical assistance, training courses, workshops, studies, applied research, stages, etc.) to strengthen the capacity of targeted rural stakeholders. The component would aim at increasing the impact of development interventions on target groups (small farmers, indigenous people and rural workers), by improving the technical, economic, and organizational capacity of beneficiary communities and the sustainability of subproject proposals. In particular, the component would provide financial and technical assistance for two groups of activities: (i) strengthening rural communities and their organizations to improve their

organizational, planning, and management capacity; and (ii) strengthening rural development activities by supporting the preparation of studies, strategies and other planning instruments at the local level.

Component 2: Rural Livelihoods (US\$47m, of which US\$39m IBRD). This component would finance the design and implementation of demand-driven small-scale investment subprojects identified and prioritized by beneficiary communities, following a participatory process. Subprojects would mostly consist of small-scale community investments (rural infrastructures, food security activities, small-scale water systems, natural resources management, etc.). Community subprojects would aim to improve the living conditions of the beneficiary communities by increasing household access to basic infrastructure, assets and services. Financing would include both on-farm and household investments as well as infrastructure, goods, and services for the community/group. Subprojects would be ranked based on social, environmental and technical evaluations and be prioritized accordingly. Participating communities would be expected to co-finance subprojects in cash, kind or labor for at least 10 percent of their total cost.

Component 3: Access to Markets (US\$15.0m of which US\$11.0m IBRD). This component would co-finance the identification, preparation and implementation of Productive Alliances between producer groups and qualified market agents (buyers). Financing of the alliance subprojects would be tailored at achieving the specifications (quantity, quality, delivery schedule, etc.) agreed between the producer group and the buyer. The focus in this component is on the market opportunities of family producers rather than their needs. Eligible expenses for the producer groups include goods and equipment, civil works, and technical assistance, all of which could be at the individual farm and/or at the group level. Producer groups would be required to co-finance a minimum of 25 percent in cash of the alliance subproject. Because of its pilot nature, Component 3 would be implemented in a limited geographic area (most likely one or two contiguous provinces), selected on the basis of transparent criteria, including the number and density of small family producers and the existence of a diversified range of value chains suitable for the organizational and technical level of this target group.

Component 4: Project Management (US\$7.5m of which US\$0.3m IBRD). This component would finance the operating costs of the technical units responsible for Project Coordination, Administration, Monitoring & Evaluation, including: incremental operational costs; monitoring and evaluation system; technical and financial audits; management and oversight of fiduciary activities; incremental operation, and maintenance of offices; acquisition, operation and maintenance of equipments, vehicles, etc. needed for project activities.

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

The project will have national coverage.

5. Environmental and Social Safeguards Specialists

Mr Ricardo Larrobla (LCSAR)

Ms Lilian Pedersen (LCSSO)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
Natural Habitats (OP/BP 4.04)	X	
Forests (OP/BP 4.36)	X	
Pest Management (OP 4.09)	X	
Physical Cultural Resources (OP/BP 4.11)	X	
Indigenous Peoples (OP/BP 4.10)	X	
Involuntary Resettlement (OP/BP 4.12)	X	
Safety of Dams (OP/BP 4.37)	X	
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

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: Potential environmental impacts can be considered as localized and small-scale, mostly caused by activities financed under Components 2 and 3, community and productive alliance subprojects. Impact may include localized negative impacts in forest ecosystems or wetlands in case that specific mitigation measures are not taken when implementing productive or infrastructure subprojects (such as rehabilitation of rural feeder roads, water catchments, small irrigation schemes, etc.).

Concerning the specific safeguard policies triggered:

OP/BP 4.01 - Environmental Assessment. The physical interventions resulting from the implementation of Components 2 and 3 could have negative, if small-scale and localized, impacts on the environment. Expected subproject investments may include: the rehabilitation of existing roads; irrigation systems; water systems; rural electricity supply; and other small-scale infrastructure. Because these subprojects involve mostly small-scale activities, the incremental environmental impacts are expected to be low. Since the type, scale and localization of specific subprojects was unknown at appraisal, the Borrower prepared an Environmental (and Social) Management Framework (ESMF), detailing the environmental screening process and a negative list that would exclude any sensitive environmental sites from being financed by the Project. The Project will not finance any subproject would be considered as a Category A under the World Bank definition.

OP/BP 4.04 - Natural Habitats. Most project activities would be implemented in areas already under agricultural production. However, the potential impacts on critical natural habitats would be explored as part of the subproject screening process. Subprojects could be located in areas close to critical natural habitats or protected areas but subprojects which imply significant degradation or conversion of natural habitats would not be

financed. Subprojects within protected areas (national and provincial) would not be eligible for funding. Areas with other conservation statuses (Ramsar sites, Birdlife IBAS, etc.) would be considered ineligible unless compatible with the ESMF.

OP 4.09 - Pest Management. Integrated pest management would be a part of subproject activities under Component 2 and Component 3. Any procurement of pesticides would comply with the requirements of OP 4.09 which specifies pesticides ineligible for Bank financing. A positive list has been prepared to identify pesticides that can be used and is included in the ESMF. In addition, the ESMF requires the preparation of Pest Management Plans and includes guidelines for Integrated Pest Management.

OP/BP 4.10 - Indigenous Peoples. The policy is triggered because IP are present in many of the targeted provinces. For this reason, and given that the exact location of subprojects is not known before implementation, the Borrower prepared an Indigenous Peoples Planning Framework (IPPF), including a Social Assessment, which is part of the ESMF.

OP/BP 4.11 - Physical Cultural Resources. The project would not finance any subproject with potential negative impacts of physical cultural resources. However, particularly because of intervention in indigenous people areas <chance finds> of cultural artifacts during implementation is considered possible. To handle such findings, Argentina has a well developed legislative and normative framework which will be applied in such cases. The implementing agency also has proven experience and appropriate procedures to address <chance finds> in line with these procedures and rules.

OP/BP 4.12 - Involuntary Resettlement. Although involuntary resettlement is not foreseen, it is possible that involuntary economic displacement and/or loss of assets may be generated during infrastructure works, including the following: (i) rehabilitation of irrigation or water systems; (ii) rehabilitation of feeder roads; and (iii) rural electrification. For this reason, the Borrower prepared a Resettlement Policy Framework, which is part of the ESMF.

OP 4.36 Forests. The project screening mechanism would identify subprojects with potential impacts on forests. Subprojects impacting forests or involving establishment of plantations would require a deeper environmental analysis.

OP 4.37 Safety of Dams. While the project would not finance building of any large dam, it is possible that irrigation or water supply subprojects financed under components 1 and 3 might depend on the storage and operation of an existing dam for their supply of water and may not function if the dam failed. The ESMF stipulates that financing of such subprojects requires a preliminary specialized safety assessment, including a review and evaluation of the operation and maintenance procedures of the existing dam and the presentation of a written report including findings and recommendations for any remedial work or safety related measures.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

It is anticipated that long term impacts would normally be neutral or slightly positive, with a clear positive impact on the micro-territorial scale (also depending on the quality of technical capacity and absorptive capacity).

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

In order to minimize its impact, the project discarded the alternative of financing medium-scale, provincial-level rural infrastructure and limited eligible investments to small-scale, community-level infrastructure.

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.

Since the exact nature and location of the activities cannot be identified prior to appraisal, to ensure that potential negative environmental and social impacts of future sub-projects are appropriately identified and mitigated the Borrower prepared an Environmental and Social Management Framework (ESMF), a Resettlement Policy Framework (RPF), and an Indigenous People Planning Framework (IPPF).

The ESMF include a Social and Environmental screening as well as a negative list for subprojects. All subprojects that would be consistent with a category A classification would be ineligible for financing.

Institutional and procedural mechanisms to ensure compliance with social and environmental safeguards are described in the relevant documents and in the Project Operation Manual. The Project Coordination Unit (UCAR) already has adequate experience and capacity to plan and implement the measures described in these documents.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. Main stakeholders include rural producers, indigenous people, rural workers, provincial governments, the Ministry of Agriculture, as well as residents of the areas affected by the project and by its subprojects. The ESMF includes identification and analysis of each group of project stakeholders. People potentially affected by a subproject will be first consulted during the environmental and social screening process and subsequent discussions of mitigation measures. If the screening process required carrying out a stand-alone Environmental Impact Assessment, the affected stakeholders would be thoroughly consulted and adequate mitigation measures identified taking into account the feedback received. Access to the results of the consultations would be public.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	03/22/2011
Date of "in-country" disclosure	03/25/2011
Date of submission to InfoShop	03/29/2011
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
Resettlement Action Plan/Framework/Policy Process:	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	03/22/2011
Date of "in-country" disclosure	03/25/2011
Date of submission to InfoShop	03/29/2011
Indigenous Peoples Plan/Planning Framework:	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	03/22/2011
Date of "in-country" disclosure	03/25/2011
Date of submission to InfoShop	03/29/2011
Pest Management Plan:	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	03/22/2011
Date of "in-country" disclosure	03/25/2011
Date of submission to InfoShop	03/29/2011
* If the project triggers the Pest Management and/or Physical Cultural Resources, 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 (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes
OP/BP 4.04 - Natural Habitats	
Would the project result in any significant conversion or degradation of critical natural habitats?	No
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
OP 4.09 - Pest Management	
Does the EA adequately address the pest management issues?	Yes

Is a separate PMP required?	No
If yes, has the PMP been reviewed and approved by a safeguards specialist or SM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	N/A
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes
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
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Sector Manager?	N/A
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes
OP/BP 4.36 - Forests	
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes
Does the project design include satisfactory measures to overcome these constraints?	Yes
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	No
OP/BP 4.37 - Safety of Dams	
Have dam safety plans been prepared?	No
Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?	No
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?	No
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes
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
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes
Have costs related to safeguard policy measures been included in the project cost?	Yes
Does the Monitoring and Evaluation system of the project include the	Yes

monitoring of safeguard impacts and measures related to safeguard policies?
Have satisfactory implementation arrangements been agreed with the
borrower and the same been adequately reflected in the project legal
documents? Yes

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Mr Renato Nardello	04/04/2011
Environmental Specialist:	Mr Ricardo Larrobla	04/04/2011
Social Development Specialist	Ms Lilian Pedersen	04/04/2011
Additional Environmental and/or Social Development Specialist(s):		
<i>Approved by:</i>		
Sector Manager:	Ms Ethel Sennhauser	04/04/2011
Comments:		