



Integrated Safeguards Data Sheet Restructuring Stage

Restructuring Stage | Date ISDS Prepared/Updated: 18-May-2023 | Report No: ISDSR34965

Regional Vice President:	Manuela V. Ferro
Country Director:	Mara K. Warwick
Regional Director:	Benoit Bosquet
Practice Manager/Manager:	Dina Umali-Deininger
Task Team Leader(s):	Sandra Broka



I. BASIC INFORMATION

1. BASIC PROJECT DATA

Project ID	Project Name
P147009	Jiangxi Farm Produce Distribution System Development
Task Team Leader(s)	Country
Sandra Broka	China
Approval Date	Environmental Category
15-Dec-2017	Partial Assessment (B)
Managing Unit	
SEAAG	

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	198.28
Total Financing	198.28
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	150.00
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Non-World Bank Group Financing

Counterpart Funding	48.28
Borrower/Recipient	48.28

2. PROJECT INFORMATION



Current Program Development Objective

The Project Development Objective (PDO) is to improve the distribution systems of selected farm products in participating counties of Jiangxi.

Proposed New PDO

The Project Development Objective (PDO) is to improve the production and distribution systems of selected farm products in participating counties of Jiangxi.

3. PROJECT DESCRIPTION

The Project is financed by a US\$150 million International Bank of Reconstruction and Development (IBRD) loan (Loan no. 8800-CN). It was approved by the Board of World Bank on December 15, 2017, and became effective on March 5, 2018.

The Project comprises four components:

Component 1: Strengthening agricultural production and production logistics (Total cost: US\$ 26.09 million, all IBRD). This component aims to increase efficiency and productivity of production logistics and farm systems, including the integration of systems to collect, sort, package, and store agricultural products. It aims to enhance farmer coordination through supporting farmer cooperatives and help expanding the scale of operation to better coordinate the flow of goods. It also improves post-harvest handling of farm products to improve efficiency, add value and minimize handling exposure of products to avoid damage and loss. Activities financed under this component include (a) small sub-grants to farmer cooperatives for purchase of trading booth equipment/tools (i.e., computers, printers, office furniture) to do business in the newly constructed/rehabilitated markets/distribution centers; technical assistance to address emerging issues constraining farmer cooperatives access to markets; supporting farm produce certification, trademark registrations and geographic identification producing marks; supporting E-commerce development and Village Farmer Information Hub (VFIH) establishment; and training to improve the business competency of farmer cooperatives; and (b) a Partial Credit Guarantee (PCG) program to back sub-loans to farmer cooperatives for improved agricultural production and post-harvest handling facilities at producer level (product collection, sorting/grading, storage, washing, labeling, and packing/packaging) to improve efficiency and reduce post harvesting loss.

Component 2: Improving Distribution Logistics (Total cost: US\$152.60 million, including IBRD: US\$118.28 million). This component improves the physical structures, services and management systems of the farm produce markets/distribution centers to increase their efficiency, provide value added benefits and reduce waste of farm produce. Activities financed under this component include (a) development of market infrastructure to rehabilitate existing market infrastructure and build new market/distribution infrastructure including trading stores, halls, and sheds; processing workshops and warehouses; cold/cool chain storage; service and trading buildings; logistics and office equipment; equipment for processing, sorting, packaging, testing product quality and safety; weighbridges, forklifts and vehicles to transport farm produce; electronic settlement devices and a farm product traceability system; and (b) setting up a market information system consisting of market/distribution center monitoring, operating and management; information collection and disclosure; food safety tracing; and transaction management. The market information system would also include a County Operations and Service Center (COSC) for E-commerce at each market/distribution center. This COSC is the connecting point of the e-commerce households, VFIHs, the e-trading/electronic settlement system, and the provincial information platform.



Component 3: Support Services for the Whole Distribution System (Total cost: US\$0.45 million, all IBRD). This component provides support services to the whole agricultural product distribution system. Activities to be financed under this component include technical assistance to (a) provide technical and analytical support for research on the provincial farm product distribution system and the development of provincial strategic planning for the provincial farm product distribution system; and (b) train traders, vendors, processors, e-commerce operators, staff and management of the markets/distribution centers.

Component 4: Project Management, Monitoring and Evaluation (Total cost: US\$5.18 million, including IBRD: US\$1.08 million and counterpart funding: US\$4.10 million). The component supports the Project implementing units (PIUs) at both provincial (PPMO) and county (CPMO) levels to manage, implement, supervise and monitor Project activities and progress. Activities to be financed under this component include: (a) Project management and capacity building (training and study tours) for Project Management Office (PMO) staff and support for consultant services; and (b) monitoring and evaluation (M&E) of Project physical and financial progress, Project impacts, and environmental and social safeguards compliance.

4. PROJECT LOCATION AND SALIENT PHYSICAL CHARACTERISTICS RELEVANT TO THE SAFEGUARD ANALYSIS (IF KNOWN)

The proposed project will be located in up to 8 counties/cities in Jiangxi Province, i.e. Taihe County, Huichang County, Longnan County, Economic Development District of Jiujiang Municipality, Pengze County, Anyuan District, Jingan County, and Yushan County. The proposed physical investments mainly include the improvement or construction of eight farm produce markets/distribution centers in Jiangxi Province. These markets/centers are located in peri-urban areas close to roads which have been heavily influenced by human activities. The sites will be in the construction land which has been leveled (See more detail in EMP).

5. ENVIRONMENTAL AND SOCIAL SAFEGUARDS SPECIALISTS ON THE TEAM

Aimin Hao, Social Specialist
Bin Xu, Environmental Specialist

6. SAFEGUARD POLICIES TRIGGERED

Safeguard Policies	Triggered	Explanation
Environmental Assessment (OP) (BP 4.01)	Yes	The proposed physical investments mainly include the improvement or construction of 8 farm produce markets/distribution centers in Jiangxi Province (under Component II). The markets will include trading buildings, processing workshops (e.g. classification and packaging), and service buildings etc. There will be adverse impacts associated with the markets: (i) general construction-related impacts such as disposal of spoil, nuisance of dust, noise, wastewater, and disturbance to traffic etc.; and (ii) adverse impacts during operation including



disposal of waste and wastewater generated at the markets, increased traffic, and fire safety issues etc. As such, Environmental Assessment (OP4.01) is triggered.

An EMP has been prepared for these produce markets/distribution centers. In addition, the project may include some small investments (such as post-harvest handling through provisions of investments for farmer cooperatives to collect, sort, store, package, label farm produce, and for farm produce processing) which are not known during project preparation. These activities may involve small scale civil work. As such, an EMF and RPF have been prepared for these activities to be identified during implementation. In addition, a social assessment report has been prepared for the project (see Section II.A (4) for detail).

The new activities proposed through the restructuring are selected crops production under the Partial Credit Guarantees (PCG) subcomponent, including planting of grain & oil crop, vegetables except aquatic vegetables, fruits and tea as well as construction or improvement of on-farm facilities for above-mentioned crops production, such as on-farm access roads, greenhouses, on-farm irrigation and drainage facilities, and water-saving facilities, which are small scale civil works. No new safeguards policy will be triggered, and the EA category of the project will remain B. The new activities will cause short-term construction nuisance associated with the construction/rehabilitation/upgrading of basic on-farm facilities. During operation, planting activities would generate potential soil degradation and soil erosion, planting waste and wastewater, etc. However, these impacts are not expected to be significant given that these investments are of small scale and scattered in the project counties. The ESMF has been revised to include the new activities by PPMO. The revised ESMF has been disclosed at PPMO website on May 10, 2023 and the English version has been disclosed at World Bank's website on May 15, 2023.



Natural Habitats (OP) (BP 4.04)	No	The project is mainly in the urban and peri-urban areas which have been disturbed by intensive human activities. The project will not convert, degrade or restore any natural habitats or critical natural habitats. This policy is not triggered.
Forests (OP) (BP 4.36)	No	The project will not have impacts on the health and quality of forests, nor affect the rights and welfare of people and their level of dependence upon or interaction with forests, nor aim to bring about changes in the management, protection, or utilization of natural forest or plantations. This policy is not triggered.
Pest Management (OP 4.09)	Yes	The original project did not intend to support any production activity other than the cost of obtaining certification for the pollution free, green, and organic produces (i.e. approximately RMB15,000 for green certification, and RMB20,000 for organic produce certification), which would lead to reduction of pesticide use in the project area during preparation. As such, this policy is triggered. However, given the absence of significant pest management issues under the project during project preparation, a stand-alone PMP was not required. EMP included training for cooperatives to improve agricultural produce quality which likely leads to the reduction of pesticide use. However, the restructuring will support selected crops production activities under the Partial Credit Guarantees (PCG) subcomponent of the project, which likely lead to the limited use of pesticide or herbicides. A standalone Pest Management Plan (PMP) has been prepared by PPMO centering around the principles of Integrated Pest Management.
Physical Cultural Resources (OP) (BP 4.11)	No	The project will not likely affect sites with archeological, paleontological, historical, religious, or unique natural values. Chance finds during construction might occur and relevant clauses will be included in all construction contracts.
Indigenous Peoples (OP) (BP 4.10)	No	Social screening has been done and found that only 1698 of She and Hui minorities live scattered in villages of Anyuan, Huichang, and Taihe counties, accounting for 0.15% of the local total population. These ethnic minorities all speak mandarin Chinese. They live in a similar way as local majority Han people do. Socially and economically they are well integrated with the majority people. And these



		<p>minorities do not have significant cultural characteristics of their minority. The task team comes to a conclusion that the Bank OP 4.10 IP policy is not triggered in this project.</p>
Involuntary Resettlement (OP) (BP 4.12)	Yes	<p>The Bank involuntary resettlement policy is triggered although all the confirmed civil works of the project will be constructed on existing public land. There may be changes to locations and scopes during project implementation. The project will construct a number of civil works in each project county under component 2. Main civil works are rehabilitation and expansion of existing wholesale markets and establishing new logistic distribution centers/markets for selected farm products, trading space; processing and storage facilities; food safety testing labs; and other complementary facilities. The markets/centers will consist of wholesale market, storage warehouse, logistical hub, sample testing lab facilities for agricultural products, information sharing platform for product distribution and marketing, affiliated service center such as catering and parking. The PMOs have confirmed that the currently identified pieces of land to be used by the project are existing public land since July 2011. Nevertheless a RPF has been prepared in order to address additional land acquisition emerging during project implementation. Other measures to address social impacts and risks are included in the action plan of the social assessment. The additional activities proposed following the restructure will include small-scale civil works, which will be implemented on village owned land and do not require land acquisition. Planting of crops will be on existing farm land that do not need land acquisition. The existing RPF will be used to manage the additional activities. The existing checklist for E&S impact assessment included in the ESMF will continue to be used for PCGs to screen new activities for potential livelihoods impacts. Activities that require land acquisition or resettlement will not be supported.</p>
Safety of Dams (OP) (BP 4.37)	No	<p>The project will not finance construction or rehabilitation of any dams as defined under this policy.</p>
Projects on International Waterways (OP) (BP 7.50)	No	<p>The project will not involve international waterways as defined under this policy.</p>



Projects in Disputed Areas (OP) (BP 7.60) No The proposed project will not be in a disputed area.

II. KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. SUMMARY OF KEY SAFEGUARD ISSUES

1. Describe any safeguard issues and impacts associated with the Restructured project. Identify and describe any potential large scale, significant and/or irreversible impacts.

Environmental Assessment (OP4.01): The principal negative environmental impacts are mainly associated with Component 2 which finances the rehabilitation and expanding existing wholesale markets and establishing new logistic distribution centers. The project will support 8 wholesale markets and logistical distribution centers in Jiangxi Province. The centers/whole sale markets will include trading buildings, processing workshops (e.g. produce classification and packaging) and produce storage facilities, and service buildings etc. The market/center would have an average area of about 50,000m². All the center and markets are located in peri-urban areas next to major roads which have been heavily influenced by human activities. The project will cause general construction nuisance (e.g. disposal of spoil, nuisance of dust, noise, wastewater, and disturbance to traffic etc.) during construction phase. During operation the markets will have adverse impacts including disposal of waste and wastewater generated at the markets, increased traffic, and fire safety issues etc.. But none of these impacts is expected to be significant. Adverse impact would be site specific, and limited in nature, and mitigation measures can be designed readily. As such, the project is classified as Category B project.

The environmental performance of this project during implementation is satisfactory according to the external environmental monitoring reports and mission field visits. The environmental monitoring has been well implemented as per EMP. PPMO and county PMOs have designated staff to manage environmental safeguards work supported with external consultants. Capacity building activities have been carried out to PMOs, PIUs and contractors as per the existing EMF and EMP.

The proposed new activities for the restructuring are selected crops production under the Partial Credit Guarantees (PCG) subcomponent, including planting of grain & oil crop, vegetables except aquatic vegetables, fruits and tea as well as construction or improvement of on-farm facilities for above-mentioned crops production, such as on-farm access roads, greenhouses, on-farm irrigation and drainage facilities, and water-saving facilities, which are small scale civil works. The new activities will cause short-term construction nuisance associated with the construction/rehabilitation/upgrading of basic on-farm facilities. During operation, planting activities would generate potential soil degradation and soil erosion, planting waste and wastewater, etc. However, these impacts are not expected to be significant given that these investments are of small scale and scattered in the project counties. No new safeguards policy will be triggered, and the EA category of the project will remain B.

Pest Management (OP4.09): The proposed project would not intend to support any production activity other than the cost of obtaining the certification for the pollution free, green and organic produce (i.e. approximately RMB15,000 for green certification, and RMB20,000 for organic certification) during preparation, which would lead to reduction of pesticide use in the project area. As such OP4.09 is triggered. Given that absence of significant pest management issues under the project, a stand-alone PMP was not required during preparation. EMP includes training for cooperatives to improve agricultural produce quality which likely leads to the reduction of pesticide use. The restructuring will support selected crops production activities under the Partial Credit Guarantees (PCG) subcomponent of the project, which likely lead to the limited use of pesticide or herbicides. But the environmental



and health risks are minor. A standalone Pest Management Plan (PMP) has been prepared by PPMO focusing on the principles of Integrated Pest Management.

Social:

A social assessment has been done for all the Project localities with a comprehensive report. The assessment was done with public consultation in all the confirmed project counties by a professional consulting team. The social assessment findings have confirmed that there is no presence of ethnic minorities meeting the definition of the World Bank IP term and the Bank OP 4.10 is therefore not triggered. The SA suggests that by Project appraisal stage, all project civil works will be built on existing public land. Thus the Bank involuntary resettlement policy is triggered. Although the currently identified land to be used by the project has been existing public land since July 2011, there may be additional emerging land demands for the civil works during project implementation. Mainly the civil works will include rehabilitation and expansion of existing wholesale markets and establishing new logistic distribution centers for select farm products, trading space; processing and storage facilities; food safety testing labs; and other complementary facilities. The trading markets will consist of a comprehensive wholesale market, storage warehouse, logistical hub, quality test lab facilities for agricultural products, information sharing center for product distribution and marketing, affiliated service center such as catering and parking.

The project restructure will result in additional activities such as crop planting and small-scale civil works. No land acquisition will be supported. The existing RPF will be manage the related risks.

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

n/a

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

The alternatives for the scope and sites of the markets/logistic centers were evaluated in the feasibility study. Project sites for civil works have been carefully selected in terms of avoiding and minimizing land acquisition and resettlement and other adverse impacts.

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.

An EMP has been prepared for the project in accordance with Environmental Assessment Policy OP4.01. Mitigation measures consist of (i) Environmental Code of Practices (ECOPs) to address general construction related impacts; and (ii) specific mitigation measures during design, construction and operation phase, including: (i) provision of treatment facilities for wastewater, and waste generated from the markets; (ii) provision of adequate traffic management facilities and safety measures; (iii) treatment and disposal of wastewater and waste collected from the markets; (iv) maintenance of safety facilities and emergency plan for accidents, Measures for construction phase will be entered into bidding documents and civil works contracts. The EMP also specified monitoring plan, institutional arrangement and capacity building activities.

Environmental Management Framework: The project may include some small investments (such as post-harvest handling through provisions of investments for farmer cooperatives to collect, sort, store, package, label farm



produce, and for farm produce processing) which are not known during project preparation. As such, an EMF has been prepared. The EMF includes, among others: (i) safeguards policies and guidelines and procedures to address environmental issues caused by physical activities financed by the project. Each of the proposed demonstration investments will be screened to identify/define its potential social and environmental impacts; safeguards policies triggered; EA category; safeguards instruments to be prepared; and consultation and disclosure requirements; and (ii) institutional arrangements, and the requirements for capacity building activities and budget.

The ESMF has been revised following relevant Chinese policies, laws and regulations and the Bank's safeguards policies to include the new activities for the restructuring by PPMO. The ESMF includes environmental and social impacts analysis, mitigation measures, environmental and social management procedures, institutional arrangements, capacity building activities, monitoring, grievance redress mechanism, and information disclosure. ECOPs for small physical subprojects and exclusion criteria to exclude the relatively high risk activities are also integrated into the revised ESMF. A standalone Pest Management Plan (PMP) has been prepared by PPMO focusing on the principles of Integrated Pest Management (IPM). The PMP incorporates the existing good pest management practices and proposes a number of activities such as: (i) promoting IPM to reduce the use of toxic pesticides, e.g. improvement of pest forecasting, bait lamps, crop rotation, pest resistant varieties; (ii) training and capacity building for local farmers and governmental agencies; (iii) introducing and promoting biological and botanical pesticides; (iv) strengthening monitoring; and (v) reinforcing regulatory aspects. The revised ESMF and the standalone PMP have been reviewed by the Bank team and considered satisfactory to Bank safeguards requirements. PPMO and County PMOs have designated staff for environmental safeguards management. External environmental monitoring consultant has been hired during project implementation to assist in managing environmental safeguards compliance of the project including the new activities.

Social:

A resettlement policy framework is prepared to guide future project land acquisition and resettlement. The SA also shows that future possible land acquisition may arise if the currently identified locations or scope of Project civil work change, some land may be needed for Project temporary use which will be only clear during construction of project implementation. Based on the SA, to address social risks and impacts, two main social documents have been prepared. They are SA report and a resettlement policy framework.

Borrower's Capacity: Project leading groups comprising key line bureaus (e.g. Environment Protection, Agriculture, Finance and Commerce) have been formed at all government levels. A Provincial Project Management Office (PPMO) has been established under the Jiangxi Agricultural Bureau with designated safeguards staff. At city/county level. County/city PMO has been established at county/city Agricultural Bureau under the guidance of PPMO. The provincial PMO and local PMO have received safeguards training during project preparation. Each city/county PMO will designate safeguards staff for safeguards management. During project implementation, safeguards consultants will be engaged to monitor the implementation of safeguards documents. The capacity of borrower is deemed to be satisfactory.

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

In accordance with OP4.01 and OP 4.12, public consultations have been conducted during the safeguards preparation process, including meetings with project affected people and local Environmental Protection Bureau. The consultation on the draft safeguards documents was undertaken from 2014 to 2016. Feedback and concerns from the consultation have been addressed in the project design and in the safeguards documents. The safeguards documents were locally



disclosed at the governmental website on 24 Nov. 2016 and disclosed on the Bank InfoShop on December 1, 2016. The updated EA safeguards document was re-disclosed locally on January 10, 2017 and on the Bank Infoshop on July 14, 2017.

For the project restructuring, stakeholders including PMOs, relevant agriculture authorities, farmers and agricultural cooperatives have been consulted to collect opinions and suggestions via meetings and questionnaires during September 2021 to December 2021 and during February 2023 to March 2023. The opinions and suggestions were analyzed and incorporated into the revised ESMF and PMP. The revised ESMF and the standalone PMP have been disclosed at PPMO website on May 10, 2023 and the English version have been disclosed at World Bank’s website on May 15, 2023.

B. DISCLOSURE REQUIREMENTS

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank

27-Apr-2023

Date of submission for disclosure

15-May-2023

For Category ‘A’ projects, date of distributing the Executive Summary of the EA to the Executive Directors

“In country” Disclosure

Country

China

Date of Disclosure

10-Mar-2023

Comments

Resettlement Action Plan/Framework Policy Process

Date of receipt by the Bank

11-Nov-2016

Date of submission for disclosure

01-Dec-2016

“In country” Disclosure

Country

China

Date of Disclosure

11-Nov-2016

Comments



Pest Management Plan

Was the document disclosed prior to appraisal?

Yes

Date of receipt by the Bank

06-May-2023

Date of submission for disclosure

15-May-2023

“In country” Disclosure

Country

China

Date of Disclosure

10-May-2023

Comments

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
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes

OP 4.09 - Pest Management

Does the EA adequately address the pest management issues?	Yes
Is a separate PMP required?	Yes
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

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes
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If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes
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The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?	Yes
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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
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All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes
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Have costs related to safeguard policy measures been included in the project cost?	Yes
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Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes
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Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes
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III. APPROVALS

Task Team Leader(s)	Sandra Broka
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Approved By

Safeguards Advisor	Ekaterina Romanova	18-May-2023
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Practice Manager/Manager	Dina Umali-Deininger	18-May-2023
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