

INTEGRATED SAFEGUARDS DATA SHEET

APPRAISAL STAGE

Report No.: ISDSA1211

Date ISDS Prepared/Updated: 10-Aug-2012

I. BASIC INFORMATION

1. Basic Project Data

Country:	Bolivia	Project ID:	P127743
Project Name:	Rural Alliances Project II (P127743)		
Task Team Leader:	David Tuchschnieder		
Estimated Appraisal Date:	27-Aug-2012	Estimated Board Date:	23-Oct-2012
Managing Unit:	LCSAR	Lending Instrument:	Specific Investment Loan
Sector:	General agriculture, fishing and forestry sector (70%), Agricultural extension and research (20%), Agro-industry, marketing, and trade (10%)		
Theme:	Rural markets (50%), Rural services and infrastructure (40%), Rural policies and institutions (10%)		
Financing (In USD Million)			
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			50.00
Municipalities of Borrowing Country			3.00
Local Farmer Organizations			7.00
Total			60.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	Yes		

2. Project Objectives

The project development objective is to improve market access for small rural producers in selected areas of the country. To achieve this, the Project will support the creation and maintenance of productive alliances between rural small-producer organizations (SPOs) and effective value-adding buyers (intermediaries, wholesalers, transformers). Furthermore, it will empower rural producers through the strengthening of self-managed grass-roots organizations; increase their access to productive assets, technology and financial services in order to improve production; enhance environmental sustainability of production practices; and promote more effective, responsive and accountable service provision at the local level. The proposed Project is a follow on operation to the successful PAR I, which tested the model for improving market access.

3. Project Description

Component 1: Institutional Support.

This component will finance technical assistance and training to provide the institutional and organizational support needed for the creation and consolidation of productive alliances at the local level. The component will give a particular focus to the development of the institutional capacity of small producer organizations to negotiate and manage new marketing arrangements with the private sector. The component's main results will be the formation or consolidation of rural productive alliances and the preparation of viable alliance plans. To achieve these aims, the component will (a) support the implementation of a project communications campaign; (b) build capacities of small producers and their organizations to negotiate and manage Alliances and to improve their production processes; (c) support the process of call for proposals, the preparation of pre-feasibility and feasibility studies and their evaluation and approval; and (d) assist with the organizational arrangements for the formalization of the alliances. The component has the following sub-components: (a) Communication and dissemination; (b) Institutional capacity support; (c) Capacity building for service providers and local governments; and (d) Appraisal of Alliances.

Component 2: Implementation of Rural Alliances.

The aim of this component is to provide support for the implementation of the alliances prepared under Component 1. The component's main results will be: (a) achievement of objectives agreed by producers and buyers in their alliance plan; (b) introduction of technological innovations and improved environmental management in the production process of SPO members; (c) access to follow-up credit from formal financial institutions; and (d) implementation of complementary public infrastructure. To achieve these outputs, the project will co-finance three types of alliances:

a) for newly participating SPOs in agricultural alliances (including non-wood forest products), Producer Organization Subprojects including the provision of goods, small works and technical assistance services up to the storage phase. This type of alliance may include complementary public works under Municipal Subprojects; b) for newly participating SPOs in non-agricultural alliances, provision of targeted technical assistance services; and c) for previously financed SPOs, provision of targeted technical assistance services, including support for developing investment proposals and presenting them for funding to formal financial institutions. The component has the following sub-components: (a) Producer organization subprojects, (b) Municipal subprojects, and (c) Support to alliance implementation.

Component 3: Project Management.

The component will support the operation of a Project coordination team in EMPODERAR's central office and five dedicated Regional Operating

Units (UORs) in order to achieve efficient, effective and transparent Project implementation, ensure quality in the identification, preparation and implementation of alliances, maintain a solid monitoring and evaluation system and implement a public information system. The component will also finance studies related to both improvements and adjustments in Project implementation and to policy and regulatory issues. The component will finance goods, consulting and non-consulting services and operating costs for project administration, M&E, communications campaigns, studies, fiduciary and safeguards administration, transparency and accountability. The component has the following sub-components: (a) Implementation management, (b) Public information system, and (c) Studies.

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

The Project will take place in five distinct zones across the country, each managed by a Regional Operating Unit (UOR): (i) the La Paz-Beni area ("Norte"), comprising temperate and sub-tropical valleys and lowland municipalities in the departments of La Paz and Beni; (ii) the "Valles" area in the valley region of the department of Cochabamba; (iii) the "Tropico" area in Santa Cruz and Beni, composed of tropical municipalities in said departments; (iv) the "Chaco" area, including municipalities in Santa Cruz, Chuquisaca and Tarija; and (v) the "Tarija" valley area comprising the southern valley of said Department. These areas have been selected using indicators which identify poor municipalities (Vulnerability Index, VAM 2, 3 and 4), and growth potential. The list excludes the county's poorest and richest municipalities (VAN 5 and 1 respectively). A definitive list of eligible municipalities will be discussed at appraisal and confirmed at negotiations.

The Departments include a variety of ecological regions spanning from high-altitude valleys to tropical humid forests. PAR I has already operated in all these ecological zones, yet the proposed Project area encompasses new municipalities. The Borrower is finalizing a partial EA that complements and updates the earlier assessments of environmental characteristics and problems relevant to the Project by each ecological region, including projected concerns of climate vulnerability.

5. Environmental and Social Safeguards Specialists

Alonso Zarzar Casis (LCSSO)

Tuuli Johanna Bernardini (LCSEN)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	No large-scale impacts are expected given the limited, community-based nature of Project activities. Most alliances will be dedicated to agricultural products and limited to primary production. On average, producer subprojects that form alliances will include 25-40 smallholder production units and one line of production, for example organic quinoa, coffee, different fruits, honey, pork, poultry or handicrafts. A number of associated small municipal public works will also be financed, including road rehabilitation and improvement, and water and irrigation. A partial EA was conducted by the Borrower and the respective report disclosed adequately within the country and by the Bank in the InfoShop. The EA report includes a revised and improved Environmental Management Plan (EMP) at the Project level that will be applied to the subprojects as instructed in the Environmental Management Manual. The latter will be included as an annex to the Operational Manual.
Natural Habitats OP/BP 4.04	Yes	The EMP includes a comprehensive exclusion list to be applied at the early stage of subproject evaluation in order to prevent any negative impacts on natural habitats. The EA report provides maps of all the national and municipal protected areas within the Project's administrative boundaries. It further provides maps of all implied RAMSAR as well as Important Bird Areas (IBAs). No activities will be eligible within the core zones of these areas, but specific activities such as beekeeping can be financed within their buffer zones, provided pertinent authorizations have been obtained and the activities are compatible with the area's Management Plan.
Forests OP/BP 4.36	Yes	The EMP contemplates deforestation risks of humid or dry forests related with expansion of croplands or pastures that might be induced by some of the beneficiary rural alliances or other Project effects. On the other hand, rural alliances focused on eco-tourism and gathering of non-timber forest products could effectively promote natural habitat conservation by rural producers.
Pest Management OP 4.09	Yes	As in PAR I, pest management is expected to be one of the main challenges of environmental management of PAR II and the EA includes an integrated pest management plan. An important experience of and lessons learned on promotion of IPM were gained through PAR I. To promote continuity for strengthening environmentally sound IPM, EMPODERAR has produced high-quality training and dissemination materials, and is committed to providing continuing training on the subject. It is expected, based on the experience on PAR I, that an important proportion of Alliances will promote organic agriculture.
Physical Cultural Resources OP/BP 4.11	Yes	Some rural alliances involving tourism could benefit from, and perhaps help protect or restore important archaeological, historical, or other cultural property. Conversely, poorly-managed tourism could damage fragile sites or objects of cultural interest. Civil works such as roads and irrigation canals could possibly uncover significant cultural property. Management plans in individual subprojects will be developed to manage specific issues if identified. The EA includes related operational guidance to secure appropriate precautionary activities and coordination with the competent national authority. Operational instructions are included also for potential chance finds.

Indigenous Peoples OP/BP 4.10	Yes	Given that the overwhelming majority of Project beneficiaries (64% of the targeted population) identifies itself as indigenous, the Project as a whole is considered an Indigenous Peoples Project as per OP/BP 4.10. Specific measures for encouraging alliances with minority groups in the lowlands will be enacted. Project documents and the Operational Manual will include key procedures and activities to ensure culturally adequate implementation, including the realization of regular consultations at the local, regional and national levels.
Involuntary Resettlement OP/BP 4.12	Yes	This safeguard is triggered to ensure proper care is taken, , to avoid involuntary resettlement in the municipal investments sub-component. As some subprojects may require land acquisition for alliance purposes, a Resettlement Policy Framework is being finalized before Appraisal. No civil works will be identified before appraisal.
Safety of Dams OP/BP 4.37	No	This safeguard is not triggered as the Project will not finance large dams that would demand the triggering. The Project may, however, financing for dams that are less than 8 meters in height and for which generic safety measures designed by qualified engineers will be included in the Operational Manual. Subprojects that rely on the performance of an existing dam or a dam under construction will be deemed ineligible.
Projects on International Waterways OP/BP 7.50	No	The activities under the Project do not involve international waterways.
Projects in Disputed Areas OP/BP 7.60	No	No project activities are contemplated in disputed 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 Restructured project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>No large-scale, significant or irreversible negative impacts are expected from Project activities given that they are limited in scope and community-based by nature. Same applies to minor associated municipal works such as road or bridge improvement and water provision or irrigation systems that can be financed on demand basis.</p> <p>This view is backed by the main results of an Independent Environmental Assessment that the Bank financed to review environmental management of PAR I in order to draw lessons and recommendations for PAR II. The executive summary of the case study concludes that: "... the project is not generating significant negative effects on people's health and/or natural resources. Possible environmental impacts of supported alliances are limited in terms of territorial extent and severity, basically due to the type and scale of production systems involved. Subprojects with potential serious negative impacts have been effectively excluded from the operation during the screening proposals at the beginning of the evaluation process. Therefore, the review results in a satisfactory level of compliance with all active safeguards and with the domestic legal framework." Rather, the proposed Project is expected to have positive socio-environmental impacts as it promotes environmentally friendly productive activities such as organic farming and IPM. Further, the Project will facilitate related capacity building, and environmental concerns are integrated along the subproject cycle, including an improved environmental monitoring system.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p> <p>Not relevant due to the small scale and geographic distribution of the Project activities; at this stage the actual Project activities or their location have not been identified. The partial EA applies a framework approach to socio-environmental management.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p> <p>Not relevant due to the small scale and geographic distribution of the Project activities. Further, the Project is a repeater based on a successful predecessor.</p>
<p>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.</p> <p>During the last year of PAR I implementation, the Borrower started to review the functionality and effectiveness of the applied environmental management instruments. Various workshops and meetings were organized under the leadership of EMPODERAR's national office for this purpose, calling together the environmental specialists based on the regional operating units (UORs) and consultants that have provided technical assistance and aided in the supervision of activities carried out by beneficiary producer groups. Further, the Bank hired an Independent Environmental Assessment (IEA) for PAR I in order to audit implementation of the Bank's safeguards and the Project environmental management instruments.</p> <p>All the named activities have resulted in overall acceptable conclusions on the Project's environmental performance as stated above. Nevertheless, a number of opportunities for improvement were also identified in order to enhance effectiveness and efficiency of the environmental subproject cycle, including specific instruments, design and implementation of mitigation measures, environmental monitoring and continued technical support to the beneficiaries. Consequently, the environmental specialists at the UORs have been given greater responsibility over the environmental quality of the full alliance portfolio within each region. Many tasks that used to belong to consultants who were hired to support producer groups to prepare their environmental assessments and management instruments will be assigned to the regional environmental specialist(s), including continued technical support and environmental monitoring. There will be more and enhanced capacity building on environmental aspects addressed to all involved stakeholder groups, especially on Integrated Pest Management.</p> <p>The Borrower has obtained an environmental license from the national environmental authority as required by national legislation. It has also finalized and published the EA to assess potential environmental impacts of the Project related with expected/eligible Project activities and the revised geographic and eco-regional Project coverage. Consequently, the Project-level EMP now reflects lessons learned and improvements recommended by the above described IEA. For example, the EA includes standard technical descriptions of certain key mitigation measures</p>

such as septic tanks and biodigestors. Further standardization and streamlining of well-performing mitigation measures will be continued by and beyond the PAR II effectiveness.

The municipal investment subcomponent will be implemented by the national Productive and Social Investment Fund (Fondo de Inversión Productiva y Social, FPS), and a separate environmental management framework has been prepared for the municipal investments and is included in the Project-level EMP. The FPS has a small environmental unit in its National Office and has recently hired a number of regionally based environmental supervisors. EMPODERAR will coordinate environmental management efforts with these professionals.

About 64% of the target population self identifies as belonging to an indigenous group. This proportion is smaller than in PAR I, where 70% of the population identified itself as such. PAR-EMPODERAR has shown great capacity to work with indigenous producers and their organization, as shown by the fact that indigenous producers constitute 90% of the actual direct beneficiaries. The proportion of indigenous people in the target population, the levels of participation achieved so far in PAR I and the implemented mechanisms for consultation at local, regional and national levels allows for the designation of the whole Project as an Indigenous Peoples Project.

About 32% of direct beneficiary households in PAR I are headed by women. Additional measures to increase women's participation that will be applied in the Project include: specific activities in the communications campaign targeted at women (language specific and site specific); additional technical assistance, including separate workshops, to help women's groups apply and compete for funding; and an emphasis on training women in Producer Organizations. Project personnel will also receive further training in gender specific issues.

As part of Project preparation, the Borrower conducted a comprehensive Social Assessment (SA) which included extensive stakeholder consultations in all seven new areas covered by PAR II: "Nor and Sud Cinti" (Chuquisaca), "Nor and Sud Yungas" (La Paz), "Nor and sud Chichas" (Potosí), "Valles centrales" (Tarija), "Valles meso térmicos" (Santa Cruz), "Pampas" (Beni) and "Norte amazónico" (Pando). The workshops were held between March 16 and March 23, 2012 in the municipalities of Camargo (Chuquisaca), Chulumani (La Paz), Tupiza (Potosí), Tarija (Tarija), Mairana (Santa Cruz), Trinidad (Beni) and Cobija (Pando), involving a total of 457 participants (potential beneficiaries, local authorities, farmers' representatives, campesino and indigenous organizations, and NGOs). In addition, a consultation of 169 beneficiaries of PAR I was conducted in the municipalities of Yacuiba (Chaco de Tarija), Camiri (Chaco, Santa Cruz), Buena Vista (Santa Cruz) and San Javier (Santa Cruz). This process aimed at identifying the social benefits and risks of the current operation and gathering lessons learned to be applied in PAR II.

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 in regard to this project are mostly indigenous rural inhabitants, in particular small farmers who are associated or become organized as a result of Project opportunities. Most of the farmers are Aymara or Quechua, though use of indigenous languages varies and most people are bilingual. In the lowland municipalities of La Paz, Beni, Santa Cruz and Tarija there are small indigenous groups practicing varied combinations of slash and burn agriculture and traditional forest use, though timber exploitation is growing. Most of the indigenous and campesino groups are well organized at several levels (local, regional, national) and some of their organizations have important roles in government. Other stakeholders are buyers entering into alliances and municipal authorities, when they participate through public infrastructure provision. Secondary stakeholders are goods and service providers who are recruited either by EMPODERAR or Producer Organizations, and who will receive training to facilitate handling of Project rules and relations with beneficiaries. Leaders of higher level indigenous and campesino organizations play an important role in providing oversight, but have occasionally attempted to control the flow of funds to grassroots organizations.

Public consultations on environmental and social aspects of the Project were held through 12 workshops carried out during the second half of March, 2012 in the municipalities that will be covered by the Project. Workshops were held both with actual PAR I beneficiaries and potential PAR II beneficiaries, as well as with other stakeholders (mostly local authorities). The EA includes a comprehensive annex that describes these consultations and lists the participants, and full documentation is available in the Project's website. The EA report, the SA, and the Resettlement Framework have been disclosed by the Borrower at the PAR website and by the Bank at InfoShop. Furthermore, the documents are available at the national and regional PAR-EMPODERAR offices.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	31-Jul-2012
Date of "in-country" disclosure	02-Aug-2012
Date of submission to InfoShop	10-Aug-2012
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	31-Jul-2012
Date of "in-country" disclosure	31-Jul-2012
Date of submission to InfoShop	10-Aug-2012
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	31-Jul-2012
Date of "in-country" disclosure	31-Jul-2012
Date of submission to InfoShop	10-Aug-2012
Pest Management Plan	
Was the document disclosed prior to appraisal?	Yes

Date of receipt by the Bank	31-Jul-2012
Date of "in-country" disclosure	02-Aug-2012
Date of submission to InfoShop	10-Aug-2012
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 (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment			
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			
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			
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?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
OP/BP 4.11 - Physical Cultural Resources			
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
OP/BP 4.10 - Indigenous Peoples			
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?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement			
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
OP/BP 4.36 - Forests			
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input checked="" type="checkbox"/>]
The World Bank Policy on Disclosure of Information			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
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 [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
All Safeguard Policies			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader:	David Tuchsneider		
Approved By:			
Sector Manager:	Name Renato Nardello (SM)	Date:	10-Aug-2012