**INTEGRATED SAFEGUARDS DATASHEET**

89555

**APPRAISAL STAGE**

Report No.:

Date prepared/updated: February 5, 2014

**I. Basic Information**

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| **1. Basic Project Data** |  | | |
| Country: GHANA | Project ID: P147241 | | |
|  | Additional Project ID: P115247 | | |
| Project Name: Support Rural Income Generation of the Poorest in the Upper East Region | | | |
| Task Team Leader: Suleiman Namara | | | |
| Estimated Appraisal Date: Dec 16, 2013 | Estimated Board Date: N/A | | |
| Managing Unit: AFTSE | Lending Instrument:Investment Project Financing | | |
| Sector: Agro-industry, marketing, and trade (35%); General industry and trade (35%); Other social services (30%) | | | |
| Theme: Other social protection and risk management (100%) | | | |
| IBRD Amount (US$m.):  IDA Amount (US$m.):  GEF Amount (US$m.):  PCF Amount (US$m.):  Other financing amounts by source: JSDF Grant (US$2.7525m) | | | |
| Environmental Category: B Partial | | | |
| Is this a transferred project | Yes [ ] | No [X] | |
| Simplified Processing | Simple [X] | Repeater [] | |
| Is this project processed under OP 8.00 (Rapid Response to Crises and Emergencies) | | Yes [ ] | No [X] |
| Is this a Repeater project | | Yes [ ] | No [X] |

**2. Project Objectives:**

The development objective of this project is to improve incomes of the extreme poor households by enabling them to manage their small farm and non-farm activities more productively and sustainably.

**3. Project Description:**

The project will pilot a participatory approach designed to provide technical and business skills and small grants to extreme poor households located in rural communities in six districts of the Upper East Region, where a majority of the population remains very poor yet lacks access to poverty alleviation programs. Extreme poor households will be supported to improve their income in a twofold manner: through the acquisition of skills relevant to their activities and via small grants to enable them to manage their farm and non-farm activities more productively.

Community interest groups (CIGs) will play a central role. The JSDF pilot team will carry out a micro-market assessment around each community to identify the needs and demands of potential businesses and markets. Then the team will conduct awareness seminars to attract potential beneficiaries. Once the beneficiaries are selected, those with common interests will be approached to participate voluntarily on the CIG, which is comprised of 15 members. In establishing the CIG, members should be counseled to seek business support from service providers and the Department of Cooperatives (possibly to be registered as a cooperative).

The community interest groups (CIGs) will be provided business management skills for five days, with the first three days focusing on business orientation, framework of business activities relating to business planning–including, financial planning and management (e.g., basic book keeping skills to enable CIGs to keep track of basic accounting, sales, expenses, simple budgeting, discipline in spending, etc.), culture of saving for future investment, where and when to borrow and debt management, marketing and operations planning and management, culminating in the formulation of business plans for both groups and individuals. The last two days will focus on, among others, group dynamics, including conflict resolution, leadership skills, gender and power dynamics, and business ethics.

The appropriate training content will be developed for and tailored directly to the capacity, training needs assessment, and aspirations of the CIG members. The training will be designed to accommodate illiterate persons and will be conducted in local languages by local NGOs procured through competitive bidding. The staff of the NGOs/ service providers will be provided capacity (i.e., training of trainers) to enable them to provide business management training and follow-up advisory services to the CIGs. The five days of training will not be conducted continuously but will be spread over a period of time (perhaps two to three weeks) to allow trainees to reflect on what they are learning and put it into practice, and at the same time allow them enough time to continue attending to their businesses. After the CIGs have formulated their business plans both as groups and as individual entrepreneurs, follow-up business advisory services will be provided on a monthly basis to CIG members. The follow-up service will be tiered to determine the optimal time/length of service. This will enable the beneficiaries to learn as they implement their activities, while correcting for their mistakes.

***Project Component Details***

**Component 1**: **Business Management Support to Community Interest Groups for Their Income Generation Activities** (US$2,198,500)

This component will provide business support to the community interest groups (CIGs) for their income generation opportunities and will have four sub-components: (i) promoting awareness of income generation opportunities; (ii) providing necessary training in skills and business management to CIGs; (iii) providing follow-up business advisory services to CIGs; and (iv) providing small grants to CIGs and individuals.

***Sub-component 1-1: Promoting Awareness of Income Generation Opportunities*** (US$135,000): Participatory awareness seminars will be conducted to promote rural income generation activities, select beneficiaries, and identify those with common interest who are willing to form community interest groups (CIGs) in the respective communities. These promotion activities will be coordinated with women’s associations in the district to promote gender equality by encouraging women entrepreneurs. The GSOP developed the methodology to identify committed beneficiaries through conducting awareness seminars for potential beneficiaries. The methodology includes criteria to identify the extreme poor using the following four items: typical sources of income, asset position, housing situation, and demography and health.

Potential income generation activities that have been proposed are all family-based activities. The possible farming options range from small livestock (guinea fowl rearing), dry season farming (onions, peppers, okra, leafy vegetables, and tomatoes), and bee keeping to tree planting; whereas, possible non-farming options range from handicrafts (basket and straw-hat weaving, pottery), trades (auto mechanic, blacksmith, dress-maker, electrician, hair-dresser, quarrying, tailor), local artisanal works (batik tie-dying, textile weaving), and small manufacturing (baobab/groundnut/neem/soy bean oil extraction, dawa-dawa processing, shea butter and soap processing) to petty trading.

***Sub-component 1-2: Providing Necessary Training in Skills and Business Management to Community Interest Groups*** (US$541,000): This would fund the support for capacity building of staff (training of trainers) of the local NGOs to enable them to provide business management training and business advisory services to the beneficiaries (US$16,000). Service providers will offer or arrange the necessary training in skills and business management for income generation activities. Business management training will be a workshop type for the CIGs to formulate their feasible business plans and prepare for their implementation (US$315,000 and US$210,000 for skills training relevant to the income generation activity). Local service providers (NGOs) will be locally procured through a competitive bidding process.

***Sub-component 1-3: Providing Follow-up Business Advisory Services to Community Interest Groups*** (US$472,500): Upon completion of the approved business plans, the CIGs will receive monthly follow-up business advisory services. In order to test the effectiveness of the follow-up services on income generation by the beneficiaries, the number of follow-up advisory services will be tiered: One third of the 210 CIGs will receive monthly advisory services for a period of six months (six follow-up visits); one third will receive monthly advisory services for a period of one year (12 follow-up visits); and one third will receive no follow-up services but will be provided at least six follow-up services after collecting and comparing the end data. With the baseline and end survey data, it will be possible to estimate the impact of different times/lengths of follow-up advisory services on the income generation by the beneficiaries.

***Sub-component 1-4: Providing Small Grants to Community Interest Groups*** (US$1,050,000): Based on their approved business plans, each CIG will be provided a small grant not exceeding US$2,000 for their income generation activities (totaling US$420,000). The grant will be received in two tranches: The first tranche of 50 percent of the grant will be provided to the CIGs for implementation of their income generation activities after the formulation of a feasible business plan. The second tranche of 50 percent of the grant will be provided to expand the CIGs’ business operations upon successful implementation of their business plan after the first six months of follow-up advisory services. Each individual CIG member will also be supported with a small grant of US$100 maximum based on their approved business plans for a start-up and another US$100 based on the revised business plan and the performance of the first six-month income generation activities (totaling US$630,000).

**Component 2: Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination (**US$554,000)

In order to help ensure good project management as well as good governance and accountability, including financial management within the project implementing agency and the associated partners, this component will provide financing for basic grant administration and monitoring and evaluation. It will also help ensure that lessons from the work are properly shared through a knowledge dissemination sub-component.

The component is mandatory and will have two sub-components: (i) project management and administration, and (ii) monitoring and evaluation and knowledge dissemination.

***Sub-component 2-1: Project Management and Administration*** (US$260,400): This grant will fund the costs of the Regional Coordinating Office (RCO) working for the GSOP to manage the project, including: (i) financial management; (ii) procurement; (iii) auditing; (iv) participatory strategic planning for sustainability and mainstreaming; (v) environmental assessment if activities have an impact on their environment; and (vi) administrative costs, including coordination with the implementing partners (service providers).

***Sub-component 2-2: Monitoring and Evaluation (M&E) and Knowledge Dissemination*** *(US$270,000 and US$23,600 respectively):* This sub-component will cover monitoring and reporting as part of grant administration, including regular reports for project progress, financial reporting, and monitoring of outcomes through a participatory monitoring process involving the beneficiaries. It will also include conducting an impact evaluation. The participatory monitoring and reporting system has been established, especially for collecting data on the results indicators, as indicated in the Operations Manual.

In order to assess the impact of the project on the income generation of the beneficiaries, a baseline survey will be conducted to cover the communities within the pilot districts and communities in the neighboring districts not covered by the project. The end survey data will also be used to assess the impact of different times/lengths of follow-up business advisory services.

The sub-component will also cover knowledge dissemination to ensure that the weaknesses and strengths of this pilot project become available to inform the formulation of income generation projects of similar nature. Furthermore, lessons learnt on the project targeted at the extreme poor and the creation of synergy with existing social protection projects will become useful to the government and development partners. This knowledge dissemination will support: (i) electronic platforms (video presentations, etc.); (ii) knowledge sharing workshops and conferences targeted at the rural private sector development; and (iii) website development and maintenance.

**4. Project Location and Salient Physical Characteristics Relevant to the Safeguards Analysis:**

The JSDF project will provide support to extreme poor households located in rural communities in the six pilot districts of the Upper East Region where the GSOP is operating: (i) Bawku West; (ii) Talensi-Nabdam; (iii) Kassena-Nankana West; (iv) Garu-Tempane; (v) Bongo; and (vi) Builsa.

The Northern Savannah zone is characterized by vast areas of flat grassland, interspersed with guinea savannah woodland, high temperatures and only one rainy season within a year. The rest of the beneficiary regions lie within transitional, high forest zones and coastal grasslands. The project has several hundred community level small scale sub-projects, predominantly in rural areas, situated typically on communal lands.

**5. Environmental and Social Safeguards Specialists on the Team:**

Ms. Beatrix Allah-Mensah (AFTCS) Social Safeguards Specialist

Mr. Felix Nii Tettey Oku (AFTN3) Environmental Safeguards Specialist

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| **6. Safeguard Policies** | **Triggered** | **Explanation (Optional)** |
| **Environmental Assessment (OP/BP 4.01)** | X | The project is to fund small farming and non-farming income generation activities. The small farming options range from small livestock (guinea fowl rearing), dry season farming (onions, peppers, okra, leafy vegetables, and tomatoes), and bee keeping to tree planting; whereas non-farming options range from handicrafts (basket and straw-hat weaving, pottery), trades (auto mechanic, blacksmith, dress-maker, electrician, hair-dresser, quarrying, tailor), local artisanal works (batik tie-dying, textile weaving), and small manufacturing (baobab/groundnut/neem/soy bean oil extraction, dawa-dawa processing, shea butter and soap processing) to petty trading.  It is anticipated that shea butter, dawa-dawa, and soap processing, and batik tie-dying will lead to the discharge of effluent into the environment which will contain BODs, CODs and dye. Quarrying will also lead to the issue of reinstatement of burrow pits. Pollution from hazardous waste from auto repair in terms of its disposal and management could also be anticipated.  The project has adapted the ESMF for the GSOP to guide the management of potential environmental and social impacts. |
| **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 | There is a very slight possibility that this policy is likely to be triggered in that land and/or access may be required for the works under the project and in this context, the Resettlement Policy Framework prepared and disclosed for the GSOP will be used for the JSDF activities should the need arise. |
| **Safety of Dams (OP/BP 4.37)** |  | X |
| **Projects on International Waterways (OP/BP7.50)** |  | 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:**

The project is to fund small farm and non-farm income generation activities. The small farming options range from small livestock (guinea fowl rearing), dry season farming (onions, peppers, okra, leafy vegetables, and tomatoes), and bee keeping to tree planting; non-farming options range from handicrafts (basket and straw-hat weaving, pottery), trades (auto mechanic, blacksmith, dress-maker, electrician, hair-dresser, quarrying, tailor), local artisanal works (batik tie-dying, textile weaving), and small manufacturing (baobab/groundnut/neem/soy bean oil extraction, dawa-dawa processing, shea butter and soap processing) to petty trading.

The project is largely small scale and is likely to have minimal environmental impact. It is anticipated that shea butter, soap, and dawa-dawa processing as well as the batik tie-dying will lead to the discharge of effluents into the environment that will contain BODs, CODs, and dye. Quarrying will lead to the issue of reinstatement of burrow pits; the hazardous waste pollutants from auto repair, in terms of its disposal and management, should be anticipated. However, *the negative environmental impacts expected from the project within the ESMF are minimal*.

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

None anticipated.

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

The team and clients will ensure that for dry-farming practices class 111 types of agrochemicals are used to ensure the minimum negative environmental impact of the agrochemicals.

**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 GSOP has already prepared an ESMF, which was disclosed and could be used for the JSDF project. The GSOP is implementing a similar/same type of project and is quite familiar with safeguard policy issues and mitigation plans. It has already prepared an ESMF that outlines the principles and institutional arrangements as well as identifies the potential negative environmental impacts. The ESMF also includes management plans for addressing the potential negative impacts, which have been classified as minimal and reversible. Capacity building arrangements for relevant staff of the project team and implementing entities have been included to ensure full comprehension prior to and during project implementation. The GSOP prepared the ESMF because the specific location of activities that would have such impacts were not known at the time of appraisal. During implementation when these sites have been identified and agreed on, follow-up management plans will be elaborated using the one outlined in the ESMF to address specific issues.

**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 are the community interest groups (CIGs) and the NGOs operating in these areas. The GSOP has identified these key stakeholders and established the mechanism for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

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| ***B. Disclosure Requirements Date*** |  |
| **Environmental Assessment/Audit/Management Plan/Other:** | |
| Was the document disclosed ***prior to appraisal?*** | Yes |
| Date of receipt by the Bank |  |
| Date of "in-country" disclosure | Jan 29, 2010 |
| Date of submission to InfoShop | May 13, 2010 |
| 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?*** | N/A |
| Date of receipt by the Bank |  |
| Date of "in-country" disclosure |  |
| Date of submission to InfoShop |  |
| **Indigenous Peoples Plan/Planning Framework:** | |
| Was the document disclosed ***prior to appraisal?*** | N/A |
| Date of receipt by the Bank |  |
| Date of "in-country" disclosure |  |
| Date of submission to InfoShop |  |
| **Pest Management Plan:** | |
| Was the document disclosed ***prior to appraisal?*** | N/A |
| Date of receipt by the Bank |  |
| Date of "in-country" disclosure |  |
| Date of submission to InfoShop |  |
| **\* If the project triggers the Pest Management and/orPhysical 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)***

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| **OP/BP 4.01 - Environment Assessment** | |
| Does the project require a stand-alone EA (including EMP) report? | Yes [ ] No [X] N/A [ ] |
| If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report? |  |
| Are the cost and the accountabilities for the EMP incorporated in the credit/loan? |  |
| **OP/BP 4.04 - Natural Habitats** | |
| Would the project result in any significant conversion or degradation of critical natural habitats? | Yes [ ] No [x] N/A [ ] |
| 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? |  |
| **OP 4.09 - Pest Management** | |
| Does the EA adequately address the pest management issues? | Yes [ ] No [ ] N/A [X] |
| Is a separate PMP required? | Yes [ ] No [ ] N/A [X] |
| If yes, has the PMP been reviewed and approved by a safeguards specialist or Sector Manager? Are PMP requirements included in project design?If yes, does the project team include a Pest Management Specialist? |  |
| **OP/BP 4.11– Physical Cultural Resources** | |
| Does the EA include adequate measures related to cultural property? | Yes [ ] No [ ] N/A [X] |
| Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on physical cultural resources? |  |
| **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 [ ] N/A [X] |
| If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan? |  |
| If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit? |  |
| **OP/BP 4.12 - Involuntary Resettlement** | |
| Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared? | Yes [X ] No [ ] N/A [ ] |
| If yes, then did the Regional unit responsible for safeguards or Sector Manager review and approve the plan/policy framework/process framework? |  |
| **OP/BP 4.36 – Forests** | |
| Has the sector-wide analysis of policy and institutional issues and constraints been carried out? | Yes [ ] No [ ] N/A [ X ] |
| Does the project design include satisfactory measures to overcome these constraints? |  |
| Does the project finance commercial harvesting, and if so, does it include provisions for certification system? |  |
| **OP/BP 4.37 - Safety of Dams** | |
| Have dam safety plans been prepared? | Yes [ ] No [ ] N/A [ X ] |
| Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank? |  |
| Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training? |  |
| **OP/BP 7.50 - Projects on International Waterways** | |
| Have the other riparian been notified of the project? | Yes [ ] No [ ] N/A [ X ] |
| 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? |  |
| What are the reasons for the exception? Please explain: |  |
| Has the RVP approved such an exception? |  |
| **OP/BP 7.60 - Projects in Disputed Areas** | |
| Has the memo conveying all pertinent information on the international aspects of the project, including the procedures to be followed, and the recommendations for dealing with the issue, been prepared | Yes [ ] No [ ] N/A [ X ] |
| Does the PAD/MOP include the standard disclaimer referred to in the OP? |  |
| **The World Bank Policy on Disclosure of Information** | |
| Have relevant safeguard policies documents been sent to the World Bank's Infoshop? | Yes [X] No [ ] N/A [ ] |
| 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 [ ] No [ ] N/A [X] |
| Have costs related to safeguard policy measures been included in the project cost? |  |
| Does the Monitoring and Evaluation system of the project include the 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? |  |

***D. Approvals***

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| ***Signed and submitted by:*** | ***Name*** | ***Date*** |
| Task Team Leader: | Suleiman Namara | Sept. 25, 2013 |
| Environmental Specialist: | Felix Nii Tettey Oku | Sept. 25, 2013 |
| Social Development Specialist | Beatrix Allah Mensah | Aug. 20, 2013 |
| Additional Environmental and/or Social Development Specialist(s): |  |  |
| ***Approved by:*** |  |  |
| Regional Safeguards Coordinator: | Alexandra C. Bezeredi | Oct. 10, 2013 |
|  | | |
| Signature for disclosure |  |  |
| Sector Manager: | Stefano Paternostro | Nov. 5, 2013 |
| Comments: | | |
| Signature for disclosure |  |  |