

INTEGRATED SAFEGUARDS DATA SHEET RESTRUCTURING STAGE

Note: This ISDS will be considered effective only upon approval of the project restructuring

Report No.: ISDSR5486

Date ISDS Prepared/Updated: 25-Jun-2014

Date ISDS Approved/Disclosed: 22-Jul-2014

I. BASIC INFORMATION

1. Basic Project Data

Country:	Uruguay	Project ID:	P124181
Project Name:	Sustainable Management of Natural Resources and Climate Change (P124181)		
Task Team Leader:	Holger A. Kray		
Estimated Appraisal Date:	16-Sep-2011	Estimated Board Date:	17-Nov-2011
Managing Unit:	GFADR	Lending Instrument:	Specific Investment Loan
Sector:	Agricultural extension and research (28%), General agriculture, fishing and forestry sector (25%), Irrigation and drainage (18%), Public administration-Agriculture, fishing and forestry (16%), Other Renewable Energy (13%)		
Theme:	Climate change (33%), Other rural development (33%), Water resource management (27%), Land administration and management (4%), Environmental policies and institutions (3%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (in USD Million)			
Total Project Cost:	55.00	Total Bank Financing:	49.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			6.00
International Bank for Reconstruction and Development			49.00
Total			55.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Current Project Development Objectives

The development objective of the project is to support Uruguay's efforts to promote farmer adoption of improved environmentally sustainable agricultural and livestock practices that are climate smart.

3. Project Description

MGAP is promoting an innovative approach to management of natural resources and reduced impact of climate variability in agriculture while improving agricultural competitiveness. Without such integrated approach, climate change in the anthropogenic impacts on the country's natural resources could result in accelerated degradation. The project intends to make agriculture in Uruguay more productive and more sustainable as a key to achieve a "green growth" path and contribute to its climate change adaptation and mitigation priorities. The proposed components would support policies and actions that make the environment a potential source of growth from efficiency, innovation, and resilience to climate variability and change. In addition, the proposed project will support the deployment of a #Climate Smart Agriculture# approach, which is a core component of such growth, by promoting agricultural systems that can enhance productivity, improve sustainable development and resilience, and support low carbon growth. The Project will undertake a holistic landscape approach to land and water management, forestry, pastures, livestock, ecosystem services and adaptation to climate change. Accordingly, the project will represent a pioneering pilot approach and a unique opportunity to disseminate lessons and share country experiences and information on emerging applications in the areas of climate-smart agriculture and risk management in the Latin America region.

The project objective would be achieved through the following four components:

Component 1: Establishment of an Agricultural Information and Decision Support System (IDSS) (Total cost \$6.5 million of which \$5.2m would be financed by IBRD and the balance by GOU). This component would finance the creation of an online agriculture and climate information platform, namely the Agricultural Information and Decision Support System (IDSS) that will integrate, synthesize, and generate critical and timely information in relation to natural resource management, short and medium term climate forecast as well as potential long term changes and impacts. Key outcomes of this component are: a) integrated climate and agriculture information and decision support systems accessible to different users; b) expanded overall sector information to enable MGAP to improve the targeting of its future programs, including activities financed under Component 2 of the project; c) identification of vulnerabilities and potential opportunities for natural resources management and agricultural production systems due to climate variability; d) quantification of uncertainties in climate information to increase confidence in the use of that information; e) identification of technologies and methodologies that enhance the outcomes of on-farm investments and reduce vulnerabilities to extreme climatic events; f) wider use of insurance to cover climatic risks; g) identification of climate smart interventions and best practices, and h) improved exchange of Uruguayan experience related to climate change mitigation and adaptation measures with other countries, mainly through South-South exchanges.

Component 2: On Farm Investments for "Climate-Smart" Agriculture and Livestock Management (Total cost \$32.2 million of which \$30.9 million would be financed by IBRD, and \$1.3 million by counterpart funds. This component would be implemented by MGAP's Rural Development Directorate (DGDR) and would finance demand-driven subprojects presented by family producers and medium-size farmers, with emphasis on on-farm investment proposals that would: a) reduce farm vulnerability to extreme climatic events; b) improve farm productivity and sustainability; c) increase the availability of water resources for irrigation and livestock consumption ; d) promote adoption of an integrated approach to natural resources management practices in agriculture and

livestock production systems, including improved water use efficiency and generation of biodiversity benefits in natural pastures; and e) promote the adoption of energy efficiency measures and the generation of cost effective and clean biomass energy in the agriculture sector. A comprehensive set of beneficiary and subproject eligibility criteria to screen investment proposals have been developed and included in the Project Manual, a condition for Negotiations. In addition to technical assistance, the project would provide training to farmers, regardless of their size, and to rural workers engaged in natural resources management activities. Farmers' organization would receive institutional strengthening to enhance their capabilities to assist their membership in the implementation of natural resources management and climate change adaptation and mitigation activities. Key outcomes of this component are: (i) the adoption of integrated natural resources management practices and adaptation measures, with particular emphasis on increased on-farm availability of water and improved water resources management, to improve the long-term sustainability of farmers' production systems as well as their resilience to extreme climatic events; (ii) the implementation of pilot investments aimed at mitigating emissions and increasing utilization of biomass for energy generation; and (iii) by promoting investments that internalize the extreme climatic variability, the project would minimize long term costs, enhance farm productivity, and reduce overall vulnerability.

Component 3: Capacity Building and Training (Total cost of \$11.1 million, of which \$9.3 million would be financed by IBRD and \$1.8 million by GOU). This component would finance activities aimed at strengthening the capacity of farmers to address integrated natural resource and water management approaches, as well as the institutional capacity of MGAP, specifically of its Natural Resources Directorate (RENARE), to implement its natural resources management programs and climate change strategy in the agricultural sector. Key outcomes of this component are: a) The development and utilization of modern cartographic information integrated climate and agriculture information and decision support systems accessible to different users; b) the updating of the country's soil use maps; c) The improvement and integration of the existing GIS system in RENARE, as a critical element of the ISDS, together with the cartography and soil information to be developed; d) the adoption of modern methodologies for planning of land use at the farm level; e) the development of an improved policy framework for water resources management; and f) a comprehensive training program for producers and service providers on sustainable techniques for improved soil and water management.

Component 4: Project Management and M&E (Total cost of \$4.1 million, of which \$3.6m would be financed by IBRD and \$1.2 million would be financed by GOU). This component would provide the funds required for the efficient coordination and management of the project, including the implementation of the entire subproject cycle, as well as financial management and procurement. In addition, the component would include activities that cut across all project components, including the operation of the Monitoring and Evaluation (M&E) System, the organization of the training program described in Component 3, and the design and implementation of a communication strategy to disseminate results and lessons learned within the country and the region.

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

The entire country, as proposals for potential sub-projects could be received from all rural areas of the country. However, based on the current geographical distribution of the main production systems, and the relative levels of climatic vulnerability, the project would be implemented with emphasis in the northern and north/central regions of the country.

5. Environmental and Social Safeguards Specialists

Angel Alberto Yanosky ()

Marcelo Hector Acerbi (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	
Natural Habitats OP/BP 4.04	Yes	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	Yes	<p>Through a letter submitted to the Bank in October 2013, the GoU requested to trigger the Pest Management Safeguard Policy OP4.09. This GoU initiative is proactive. In full compliance with the Project Development Objective, the Project will not promote pesticide use, but promote its control and monitoring.</p> <p>The main rationale for the activation of OP4.09 is (i) to allow the Project to finance activities in support of Uruguay's efforts to improve its Integrated Pest Management (IPM) systems, mainly through support to technical assistance, consulting services, and knowledge management and (ii) to respond to current reform on the national legal framework for pest management.</p> <p>The Borrower has included the above activities in the ESMF and incorporated the Pest Management Document into the ESMF as an annex.</p>
Physical Cultural Resources OP/ BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

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>The proposed project is not expected to have negative impact on the environment. No large or significant impact is envisaged. Given the nature of the project, most project-financed interventions are expected to be small investments at the farm level, with a substantial positive impact on the environment as a result of better practices on natural resource management being incorporated into the main production systems, especially on-farm soil and water management.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>Due to the fact that improved natural resources management is a key outcome of the project, potential indirect and/or long-term impacts would be positive.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>Given the nature of the project, no alternatives relevant to safeguards were considered.</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>In the context of a comprehensive ESMP prepared as part of project preparation, a detailed assessment of environmental and social aspects was conducted, resulting in specific sections of a detailed Project Manual, that includes environmental screening procedures, provisions to address exceptional cases that could involve unforeseen safeguard issues, a restrictive list of investments not financed by the project, training activities, and an M&E system that includes indicators and targets relevant to safeguards. As part of the implementation of the ongoing Bank-financed project, the PEU, as well as the Natural Resources Management staff of MGAPs Regional Offices, have received training in EIA methodology and other safeguard-related matters, and therefore are well qualified to contract environmental specialist to assist in various phases of the sub-project cycle. MGAPs capacity in GIS and EIA would continue to be strengthened, and an adequately staffed PEU would be established to support MGAP in project implementation, including safeguards.</p>
<p>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</p>
<p>Key stakeholders are Uruguay's family and medium farmers. The main project features, including eligibility criteria, investments to be supported and restricted, and screening /mitigation mechanisms were presented and extensively discussed with individual farmers, area- and production-based farmer organizations, service providers, as well as social entities (NGOs, Mesas de Desarrollo Rural) through an extensive consultation process, mainly supported by the network established by MGAP's Directorate of Rural Development (DGDR) and the highly decentralized structure of the ongoing PPR project. The feedback obtained was duly processed, incorporated into project design, and reflected in the Project Manual.</p>

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	19-Sep-2011
Date of submission to InfoShop	19-Sep-2011

For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
<i>Comments:</i>	
Pest Management Plan	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	23-Jun-2014
Date of submission to InfoShop	25-Jun-2014
"In country" Disclosure	
Uruguay	24-Jun-2014
<i>Comments:</i> Originally, the GoU had prepared and in-country-disclosed a PMP on the project website in December 2013. However, and based on additional guidance by the Bank's Pest Management Safeguards Specialist for LAC, the PMP was later incorporated in the ESMF. The revised ESMF has now being disclosed for in-country consultations, the results of which will be incorporated into the final version.	
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

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.04 - Natural Habitats	
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
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 type="checkbox"/>]
OP 4.09 - Pest Management	
Does the EA adequately address the pest management issues?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Is a separate PMP required?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
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 [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input 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:	Holger A. Kray	
<i>Approved By</i>		
Regional Safeguards Coordinator:	Name: Dianna M. Pizarro (RSA)	Date: 15-Jul-2014
Sector Manager:	Name: Laurent Msellati (SM)	Date: 22-Jul-2014