



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 21-Oct-2020 | Report No: PIDISDSA30743

**BASIC INFORMATION****A. Basic Project Data**

Country India	Project ID P170645	Project Name Chhattisgarh Inclusive Rural and Accelerated Agriculture Growth Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 15-Jun-2020	Estimated Board Date 15-Dec-2020	Practice Area (Lead) Agriculture and Food
Financing Instrument Investment Project Financing	Borrower(s) Department of Economic Affairs, Ministry of Finance, Government of India	Implementing Agency Department of Agriculture, Farmer Welfare and Biotechnology, Government of Chhattisgarh	

**Proposed Development Objective(s)**

The PDO of the proposed project is to improve income opportunities and the availability of nutritious foods in targeted households of Chhattisgarh's tribal-dominated areas.

**Components**

1. Community Empowerment and Institutional Strengthening
2. Diversified, Resilient and Nutrition-Supportive Food and Agriculture Systems
3. Value Addition and Market Access
4. COVID-19 Economic Recovery Response
5. Project Management, Monitoring Evaluation and Knowledge
6. Contingency Emergency Response Component

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	142.60
<b>Total Financing</b>	142.60
<b>of which IBRD/IDA</b>	100.00
<b>Financing Gap</b>	0.00



## DETAILS

### World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	100.00
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### Non-World Bank Group Financing

Counterpart Funding	42.60
Borrower/Recipient	42.60

### Environmental and Social Risk Classification

Moderate

### Decision

The review did authorize the team to appraise and negotiate

## B. Introduction and Context

### Country Context

1. **India's Gross Domestic Product (GDP) growth has slowed in the past three years, and the coronavirus disease of 2019 (COVID-19) outbreak is expected to have a significant impact. Growth has moderated from an average of 7.4% from FY15/16-FY18/19 to an estimated 4.2% in FY19/20.** The deceleration was due mostly to unresolved domestic issues (impaired balance sheets in the banking and corporate sectors), compounded by stress in the non-banking segment of the financial sector, and a decline in consumption on the back of weak rural income growth. Against this backdrop, the COVID-19 outbreak and the public health responses adopted to counter it have altered the growth trajectory of the economy, which is now expected to contract in FY20/21. On the fiscal side, the general government deficit is expected to widen to over 10% of GDP in FY20/21, owing to weak activity and revenues, and higher spending needs. However, the current account balance is expected to improve in FY20/21, reflecting mostly a sizeable contraction in imports and a large decline in oil prices. Given this, India's foreign exchange reserves are expected to remain comfortable (equivalent to over 10 months of imports).

2. **Since the 2000s, India has made remarkable progress in reducing absolute poverty. Between FY11/12 and 2015, poverty declined from 21.6% to an estimated 13.4% at the international poverty line (\$1.90/person/day in 2011 purchasing power parity, continuing the earlier trend of rapid poverty reduction.** Owing to robust economic growth, more than 90 million people escaped extreme poverty and improved their living standards during this period. Despite this success, poverty remains widespread. In 2015, 176 million Indians were living in extreme poverty, while 659 million—half the population—were below the higher poverty line commonly used for lower middle-income countries (\$3.20/person/day in 2011 purchasing power parity). The COVID-19 outbreak is likely to further moderate the poverty reduction rate and risks people falling back into poverty. The slowdown in domestic consumption due to necessary public health measures will adversely impact labor-intensive sectors, such as construction, retail trade, and transportation, which provide livelihood opportunities for people with



lower daily earnings and fewer years of schooling. The lowered demand is likely to reduce farmgate prices of agricultural commodities, increasing vulnerability for small farmers in the rural sector. Poorest households are also more vulnerable to the threat of contagion, as they are more likely to live and work in conditions where social distancing is difficult and are likely to spend a greater share of their budget on out-of-pocket healthcare expenditures if they fall sick. Government schemes to increase food allocations under the public distribution system and income support through direct transfers, social pensions and rural workfare programs are likely to contain these impacts to an extent.

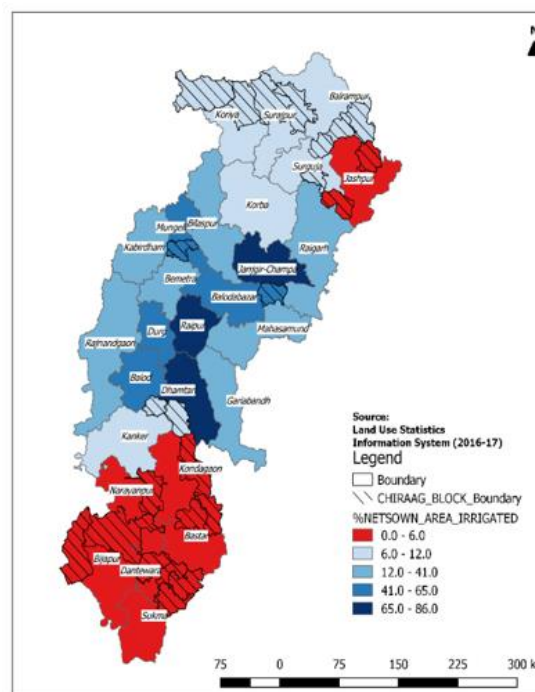
## Sectoral and Institutional Context

**3. Chhattisgarh is a relatively young state, with abundant natural resources and a mining-led economy.** Formed in 2000, it is one of the richest Indian states in terms of natural<sup>1</sup> and mineral resources.<sup>2</sup> While 80% of the state population is dependent on the agriculture sector, it contributes only 17% to gross state domestic product.<sup>3</sup> Agriculture, forestry, fisheries and animal husbandry are all significant contributors to the gross state domestic product at varying levels (12.4%, 10.9%, 5.5% and 20.4%, respectively).<sup>4</sup> However, state growth is led by the mining-driven manufacturing sector which contributes 47.65% of gross state domestic product. The past decade's overall state growth has been volatile and gross value-added growth in employment-intensive sectors remains low. Chhattisgarh has the lowest per-capita income in the country and the gap between it and the national average is widening.<sup>5</sup>

**4. Resource-use stress has constrained production.** The region's natural systems – forests, grazing land, aquatic bodies, soil, nutrients and biodiversity – enable a mixed production system which includes livestock production, inland fisheries and forestry which determine overall economic opportunities. However, uneven distribution of rainfall, reduced soil fertility due to erosion, delinked crop and animal husbandry, occasional droughts and the depletion of forests have put stress on an otherwise balanced ecosystem. The state's rich biodiversity<sup>6</sup> provides an opportunity for the state to facilitate sustainable growth across primary sub-sectors in an integrated manner. The three diverse agro-climatic zones of the Central Plains, Northern Hills and Southern Bastar Plateau are key enablers for further diversification.

**5. Farming is primarily smallholder, rainfed, single-cropped (paddy) and subsistence in nature.** About 76% of

**Figure 1. Chhattisgarh State Map Depicting Percentage of Net Sown Area that is Irrigated**



<sup>1</sup> With 46% of the State under forested area<sup>1</sup>, the second-highest carbon stock in the country among large States, annual average rainfall of approximately 1,292 mm, groundwater development of 20% and four major river systems, the State is rich in biodiversity.

<sup>2</sup> Leading producer of coal, steel, tin and iron ore in the country and third highest in value of major mineral production

<sup>3</sup> Economic Survey, Government of Chhattisgarh, 2019-20 <http://descg.gov.in/pdf/publications/latest/ES2019-20/EconomicSurvey2019-20.pdf>

<sup>4</sup> Economic Survey, Government of Chhattisgarh, 2019-20 <http://descg.gov.in/pdf/publications/latest/ES2019-20/EconomicSurvey2019-20.pdf>

<sup>5</sup> States of Growth, CRISIL 2.0, 2019

<sup>6</sup> Notably more than 19,116 varieties of rice are grown in the State

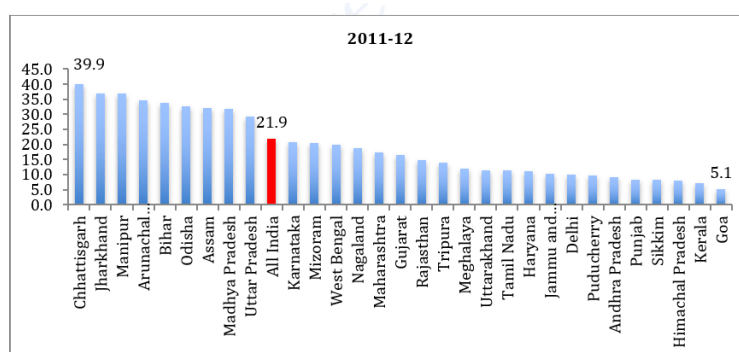


the state's 3.74 million farmers are small and marginal, own 34% of land and have an average landholding of 1.6 hectares. Rice is the major crop of the state (66% of cropped area), but the 'rice bowl' is restricted to the Central Plains where 35% of the state's irrigated area is concentrated. Combined, the north and south have less than 1% of net sown area irrigated (see Figure 1).<sup>7</sup> Average cropping intensity is low (138%), as is productivity across crops (food grain productivity: 1,532 kg/ha against national average of 2,101 kg/ha), with the lowest intensity in the southern area. The agriculture base is diversified with fruits (mango, tamarind, jackfruit, banana and papaya) and vegetables, spices, flowers, medicinal and aromatic plants, all in significant production, although marked by regional variations. Diversification at household-level in the southern region is limited, with the majority of farmers investing only in a single season largely due to erratic rainfall and low irrigation infrastructure. Low diversification of the cropping system and insufficient investment in appropriate irrigation and post-harvest technology have limited household-level economic returns. A diversified primary sector is a key economic growth opportunity for the state.

## 6. High levels of poverty and malnutrition are concentrated in Chhattisgarh's northern and southern tribal-majority regions.

While Chhattisgarh has made progress over the past two decades in reducing income poverty as well as acute undernutrition, both continue to pose significant challenges. Home to 26 million people, Chhattisgarh has the highest poverty rate in India (40%), with poverty reduction lagging behind all other states (see Figure 2).<sup>8</sup> Most industrial development and primary sector growth is restricted to the central plain areas, while the highest concentration of poverty is in the northern and southern regions (13 out of 27 state districts). The inter-district variation in poverty is high in these regions with 7 out of 13 districts among the most backward in the country,<sup>9</sup> and 70% of the mostly tribal population dependent on agriculture and forest produce for their livelihood. Compared to the national average of 8.6%, Chhattisgarh has the highest proportion of tribal groups<sup>10</sup> (31.6%) in India among large states.<sup>11</sup> Approximately 700 tribes, officially designated as Scheduled Tribes (STs), enjoy special constitutional and legal safeguards recognizing their historical disadvantage. At 51%, ST poverty rate in Chhattisgarh registers among the highest poverty rates in India (see Figure 3a). In 9 out of the 13 districts, the number of undernourished and anemic women is higher than the state average.<sup>12</sup> These areas are further characterized by child undernourishment (see Figure 3b),<sup>13</sup> where 37% of children under 5 years have stunted growth, 38% are underweight, 23% are wasted and 47% of women in the reproductive age group are anemic.<sup>14</sup> Improvements in nutrition are, therefore, critical to the attainment of the state's human capital

Figure 2. Percentage of Population Below the Poverty Line (by State)



<sup>7</sup> Census of India, 2011.

<sup>8</sup> State Brief, World Bank Group [2016]

<sup>9</sup> Part of Government of India's Transformation of Aspirational Districts Program.

<sup>10</sup> Tribal groups or *Adivasis* are the earliest inhabitants of India and literally means 'Adi or earliest time', and 'vasi or resident of'

<sup>11</sup> Census 2011

<sup>12</sup> <https://www.orfonline.org/expert-speak/hidden-failures-malnourished-south-health-nutrition-chhattisgarh-45474/>

<sup>13</sup> Why Invest in Nutrition, World Bank Group. <http://siteresources.worldbank.org/NUTRITION/Resources/281846-1131636806329/NutritionStrategyCh1.pdf>

<sup>14</sup> National Family Health Survey 2015-16



development and realization of its full earning potential.

**7. Gaps in existing food and agriculture systems contribute to undernutrition and micronutrient deficiencies.**

The key tenet of traditional tribal food systems was built around diversity – freely available forest foods (fruits and berries), cultivated millets, inland fisheries and hunted animals. Diversity in food systems has transformed with consumption habits (growing dependence on rice), access to naturally available foods (reduced access to forest produce for sale, climate change) and household economics (reduced incomes). The result has been low dietary diversity reflected by a Household Dietary Diversity Score (HDDS)<sup>15</sup> of 9.41 out of 12, with low intake of fruits, proteins and dairy products.<sup>16</sup> The daily dietary recommendation of 2,500 calories from various food groups costs approximately INR 130/person/day. For a family of five, this is INR 650/day or INR 19,500/month. Smallholdings and limited asset base inhibit STs' ability to meet the daily dietary recommendation and there is an urgent need to intensify production systems, diversify income sources through the creation of assets at the household level and optimally use available natural resources to increase food sources and dietary diversity. Nutrition-sensitive agriculture is a food-based approach to agricultural development that uses food fortification, nutritionally rich foods, and dietary diversity to overcome malnutrition and micronutrient deficiencies.<sup>17</sup> Combined with nutrition-supportive actions, steps which include nutrition and health behavior change communication and are carefully designed to empower women,<sup>18</sup> can support diversity, accessibility and consumption of nutritious food and address undernutrition and micro-nutrient deficiencies in mothers and children.

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<sup>15</sup> HDDS is a qualitative measure of food consumption that reflects household access to a variety of foods.

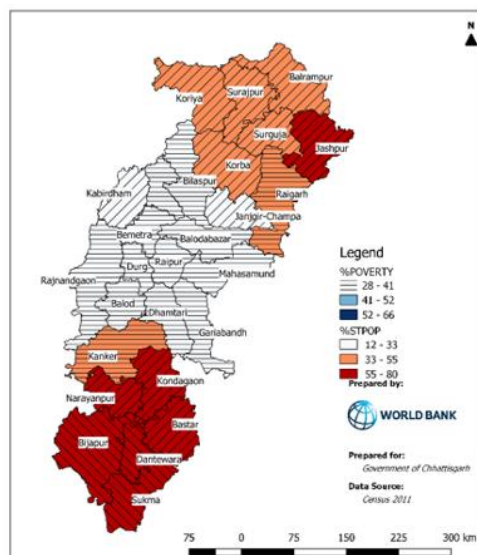
<sup>16</sup> India Food-Based Dietary Guidelines and Nutrition Intake in India, Report No. 560, National Sample Survey Organization, 2011.

<sup>17</sup> Defined by Food and Agriculture Organization (FAO).

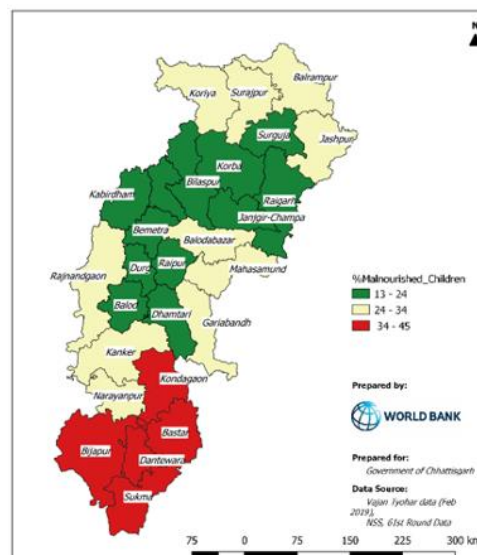
<sup>18</sup> Marie T. Ruel, Agnes R. Quisumbing, and Mysbah Balagamwala. 2017. "Nutrition-Sensitive Agriculture: What Have We Learned and Where Do We Go from Here?" 01681. IFPRI Discussion Paper. Washington, DC: Poverty, Health, and Nutrition Division of the International Food Policy Research Institute (IFPRI).



**Figure 1a. Percentage of spread of ST population vis a vis poverty across state districts**



**Figure 2b. Percentage of malnourished children across state districts**



**8. Low access to agri-finance and markets remain barriers for surplus producers and regional growth.** Weekly *haat bazars* (local markets), with temporary, informal and rudimentary market mechanisms, are the primary points of sale for tribal producers and entrepreneurs. The unorganized nature of these *haats*, high cost of aggregation and transportation, low bargaining power with traders and information asymmetry, limits the realization of market value for tribal farmers. Tribal farmers also depend on traders for non-institutional sources of credit since Chhattisgarh is among the bottom five states for access to institutional credit for agriculture and allied sectors, with credit flow as a percentage of state agriculture GDP at less than 40%.<sup>19</sup> In northern and southern districts, financial inclusion (branch, deposit, credit and insurance penetration) is among the lowest in the country.<sup>20</sup>

**9. Chhattisgarh is a climate hotspot, and rural women and tribal households face significant impacts.** Chhattisgarh has the highest projected decrease in living standards (9.8%) under the carbon-intensive scenario by 2050.<sup>21</sup> Chhattisgarh's State Action Plan for Climate Change highlights the risks faced in the southern region due to overdependence on rainfed agriculture, animal husbandry, fisheries and forests. Declining forest cover and soil degradation are expected to further aggravate the resource constraints and disproportionately affect tribal poor households. Risk mitigation and adaption approaches under the State Action Plan for Climate Change include integrated natural resource management (INRM), nutrition-supportive and resilient integrated farming systems (IFS) following climate smart agriculture (CSA) and resource-efficient principles, and value chain approaches linked to profitable markets. In Chhattisgarh, women farm workers form almost 66% of the total labor force.<sup>22</sup> These figures are even higher for ST women. Primarily driven by male out-migration, apart from crop weeding, manuring and harvesting, women farm workers and women cultivators are the leading actors in

<sup>19</sup> Report of Internal Working Group to Review Agricultural Credit, Reserve Bank of India, 2019.

<sup>20</sup> Seven of the bottom 50 districts in India on financial inclusion fall in northern and southern Chhattisgarh region, CRISIL Inclusive 2018. Branch penetration, deposit penetration, credit penetration, and insurance penetration - into one metric.

<sup>21</sup> India's Hotspots: The Impact of Precipitation and Temperature Change on Living Standards, World Bank Group [2018]

<sup>22</sup> Climate change affecting women farmers the most in Chhattisgarh, Oxfam India, 2015





all post-harvest and storage operations.<sup>23</sup> However, their capacity and decision-making roles regarding management of resources, knowledge and skill sets to enhance productivity and access technology effectively remain limited.<sup>24</sup> Climate shifts combined with: (a) high dependence on marginal agriculture and allied activities;<sup>25</sup> (b) low access to agriculture technology and post-harvest technology; (c) low levels of skilling; (d) low resource management capacity; and (e) stagnant productivity outcomes have a higher impact on women farm workers and women cultivators compared to men.

**10. Left-wing extremism (LWE), state service delivery and access to economic opportunities are inter-linked factors for Chhattisgarh's inclusive growth.** Chhattisgarh has, in the past, been affected by Left-wing extremism that has impacted service delivery and access to economic opportunities in the state. The Government of India's (GoI) multi-pronged strategy<sup>26</sup> to address these historical issues aims to strengthen state service delivery, improve community participation and enable access to entitlements and state-led developmental initiatives. Addressing social unrest by diversifying economic opportunities is thus central to the development of the state

**11. The COVID-19 pandemic has severely disrupted people's access to food, income, social services and economic opportunities, especially in rural and tribal areas.** With job opportunities unlikely to return to normal under the current depressed economic situation, there are many migrant laborers who have returned back to their villages in Chhattisgarh thus potentially aggravating the rural joblessness situation. Household incomes in remote tribal areas have been particularly affected, with many dependent on remittances, collection of minor forest produce and subsistence agriculture. Though the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the newly launched *Garib Kalyan Rojgar Yojana*<sup>27</sup> have eased the pressure on rural jobs search, the need to create more income and job opportunity around both farm and non-farm activities at the local level has become paramount.<sup>28</sup> Lack of income and cash liquidity will also negatively affect the upcoming agriculture season as farmers may find it difficult to buy inputs and services. Further, with weakening household income, access to quality, nutritious food could be drastically reduced, thereby impacting vulnerable segments of the community including women and children.

**12. To address these challenges, the Government of Chhattisgarh (GoCG) is promoting inclusive, resource-efficient rural growth with strengthened last-mile service delivery.** The state's vision charts an alternative model of development focused on rural growth leveraging natural resources, augmenting agriculture and allied sector-based multiple livelihoods, building resilience against climate shocks, and contributing to household nutrition security in remote tribal-dominated areas. The vision is reflected in three flagship schemes namely: (i) *Narwa, Garuwa, Ghuruwa, Baadi (NGGB)* under *Suraji Gaon Yojana* – rural transformation leveraging traditional knowledge on water conservation, livestock management, organic manure and backyard nutrition for resource-efficient growth; (ii) *GoDhan Nyay Yojana* – enhancing livestock farmers' income, promoting use of organic manure, improving soil fertility, availability of safe and nutritive food; and (ii) *Mukhyamantri Suposhan Abhiyaan*: provisioning of fresh, nutritious food to malnourished children and anemic women through *panchayats* and self-

<sup>23</sup> A study on status of agriculture and role of women in agriculture of Chhattisgarh state; 2016

<sup>24</sup> Observations based on field consultations

<sup>25</sup> Pradan, case study, 2012

<sup>26</sup> Transformation of Aspirational Districts Program (TADP) aims at improving service delivery in LWE affected districts by ensuring convergence of Government initiatives of States and Centre, collaboration between different arms of Government and professional technical assistance. Source: <https://niti.gov.in/about-aspirational-districts-programme>

<sup>27</sup> A massive employment cum rural public works campaign named '*Garib Kalyan Rojgar Abhiyaan*' to empower and provide livelihood opportunities in areas/villages witnessing large numbers of returnee migrant workers affected by COVID-19 with an outlay of INR 50,000 crores ([https://www.pmindia.gov.in/en/news\\_updates/pm-launches-garib-kalyan-rojgar-abhiyaan-on-20th-june-2020-to-boost-employment-and-livelihood-opportunities-for-migrant-workers-returning-to-villages-in-the-wake-of-covid-19-outbreak/](https://www.pmindia.gov.in/en/news_updates/pm-launches-garib-kalyan-rojgar-abhiyaan-on-20th-june-2020-to-boost-employment-and-livelihood-opportunities-for-migrant-workers-returning-to-villages-in-the-wake-of-covid-19-outbreak/)).

<sup>28</sup> <https://iwwage.org/wp-content/uploads/2020/06/Voices-from-the-Field-compressed.pdf>





help groups (SHGs).

13. The NGGB policy promotes a sustainable and IFS approach focused on water management, integration of composting to build soil health, promotion of animal husbandry and sustainable agriculture on homestead and other lands. The policy is aligned with landscape approaches, conservation agriculture principles<sup>29</sup> and globally promoted IFS for sustainable development and offers opportunities for sustainable use of natural resources and IFS for year-round production of nutritive food for local consumption and wellness markets. The state government also provided land rights to 416,000 individuals and communities under the Forest Rights Act<sup>30</sup> which need to be supported with financial investments, inputs and extension services. With access to improved water management and other critical input support, the production systems in *baadi*<sup>31</sup> and Forest Rights Act lands could be developed to address local food and nutrition challenges and generate marketable surplus.

14. While NGGB will lead to accelerated and sustainable production of agriculture, horticulture, livestock, fisheries and agroforestry produce, Chhattisgarh's New Industrial Policy (2019-2024)<sup>32</sup> and recent initiatives<sup>33</sup> aim at promoting local aggregation and value addition by women and SC/ST entrepreneurs, and linking them with small and medium enterprises and food parks.

## C. Proposed Development Objective

Development Objective(s) (From PAD)

15. The PDO of the proposed project is "to improve income opportunities and the availability of nutritious foods in targeted households of Chhattisgarh's tribal-dominated areas."

Key Results

## D. Project Description

### Component 1: Community Empowerment and Institutional Strengthening (US\$14.9 million)

16. Household and community capacity will be built to: (a) plan, implement, and monitor development investments; (b) leverage community institutions and collective action toward effective management of natural resources, productive infrastructure and private assets; and (c) undertake nutrition-supportive agriculture, adopt diet diversity and promote positive nutrition practices at the household level.

### Component 2: Diversified, Resilient and Nutrition- Supportive Food and Agriculture Systems (US\$48.5 million)

17. The component aims to sustainably develop and leverage natural resources as a foundation for developing more diverse, nutritive and productive food and agriculture systems that are more resilient to climate change. Sustainable use of natural resources for food, feed and energy requirements will help build household resilience

<sup>29</sup> <http://www.fao.org/conservation-agriculture/en/>

<sup>30</sup> Per the Forest Rights Act provisions, tribal households living on and traditionally cultivating lands before 2005 need to be given individual land rights. The Government has so far received 890,000 claims under this Act.

<sup>31</sup> small garden developed by the households in their own private land adjacent to their house

<sup>32</sup> <https://industries.NRC.gov.in/pdf/policy2014-19/Industrial%20Policy%202014-19%20Translated%2012Feb2016.pdf>

<sup>33</sup> The GoCG has taken steps to brand its horticulture, forestry and handloom products (Produce of Chhattisgarh) and take them to national and international markets. An international buyer-seller meet led by the Chief Minister in November 2019 saw an impressive turn out with buyers from 17 countries and many Indian states participating and signing memoranda of understanding.



to climate shocks while integrated food and agriculture systems will promote resource-efficient agriculture, diversify local livelihood options, increase the availability and diversity of food and agriculture commodities, as well as household food and nutrition security.

**Component 3: Value Addition and Access to Market (US\$10.3 million)**

18. This component aims to increase household incomes by promoting value addition, reduction in postharvest losses, and improved access to profitable markets (including wellness) for surplus produce. A focus on local processing will also improve household-level availability and consumption of nutritious food through: (a) promotion of safe food using preservation and energy efficient storage methods; (b) primary processing and value addition for local consumption and food waste reduction; (c) support to FPOs for aggregation, primary processing, value chain development of select commodities through public and private partnerships; and (d) upgrades to local rural market infrastructure and strengthening of community capacity.

**Component 4: COVID-19 Economic Recovery Response (\$15.1 million)**

19. This component aims to mitigate food, health and income shocks and reduce vulnerability caused by the COVID-19 pandemic, as well as promote faster economic recovery among communities, returnee workers and households in project areas. Component activities will help stabilize and restore local food supply and production, secure livelihoods and expand income opportunities.

20. This component will finance investments to: (a) restore livelihoods and support employment generation, e.g. *gauthans* as centers for reskilling, short-term work opportunities, and restoration of local livelihoods around livestock management and NRM through entrepreneurship; (b) support common service center/custom hiring centers for off-farm and non-farm entrepreneurial activities; (c) support goat breeding farms as part of entrepreneurship development; (d) agriculture and horticulture production mini-kits including climate smart technology inputs; (e) facilitate community-based natural resource management, wage generating land and water conservation-based activities; (f) enhance water availability for agriculture; (f) provide input and material support to communities and individual *baadis*; and (g) increase awareness of COVID-19 safety precautions and hygiene practices.

**Component 5: Project Management, Monitoring and Knowledge (\$11.2 million)**

21. This component will support project coordination, implementation, financial management, procurement, and environmental and social safeguards management at the state, regional, district, cluster and community levels. The project will foster partnerships with knowledge organizations and promote knowledge exchange between various stakeholders besides accessing up to date knowledge from local, national, and international organizations. It will strengthen state capacity through the sharing of new information and knowledge in a similar development context from other states/countries. Technical support will be provided for capturing, preserving and scaling the traditional knowledge and practices of tribal communities relevant to the project scope.

**Component 6: Contingent Emergency Response Component (\$0 million).**

22. Recognizing that Chhattisgarh is a climate hotspot in the South Asia region, and is highly vulnerable to droughts, locusts, and zoonotic outbreaks, this zero-budget project component will ensure implementation flexibility in case of future emergencies and disasters.



## E. Project Financing

23. The total budget for the six-year project is \$142.5 million, which includes IBRD financing of \$100 million.

### Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

### Summary of Assessment of Environmental and Social Risks and Impacts

24. The current scope and activities of the project indicate a “moderate” risk rating from an environmental safeguards perspective. Project activities are expected to have minimal and no adverse or irreversible environmental impacts. If not mitigated, project activities, such as, diversifying the crop mix, agro-forestry, etc. have the potential to adversely impact the physical and natural environment. Likely impact could include unsustainable use and harvesting of biodiversity and other natural resources, impacts on the physical environment (soil, land productivity, water use efficiency), increased use of pesticides and other agrochemicals, inadequate capacity and processes to procure, store, handle, manage and dispose of pesticides is the key environmental risk, etc. Since project activities will be geographically spread, they are likely to have minimal localized impacts that could be mitigated. An Environmental and Social Impact Assessment was undertaken to identify potential risks and impacts. Given that project locations are not known, an Environmental and Social Management Framework has been developed.

25. The proposed project aims to develop sustainable production systems for tribal homesteads to improve year-round production of diversified commodities and build household capacity to manage and utilize assets optimally. Project civil works will be carried out on government/community land, free of encroachment and other encumbrances. Hence, acquisition of private land parcels and resettlement is not envisaged. Proposed activities are primarily envisaged in areas inhabited by indigenous peoples who practice traditional modes of agriculture and minor forest produce livelihoods. While existing agriculture, livelihoods, market access and dietary practices and standards will be positively influenced and impacted (with community support), none of these activities will have adverse impacts. The primary social risk is exclusion of marginalized communities during beneficiary selection. An assessment was undertaken, and an approach developed that benefits participating marginalized communities, including tribal people as detailed out in Stakeholders Engagement Plan. Risks related to LWE will be mitigated by ensuring that: (a) poor, women and tribal community members and their formal/informal leaders are involved in village level planning and implementation; (b) interventions are relatively small scale and designed for village context; (c) local community members are actively involved in project implementation; (d) beneficiary targeting, benefit sharing, community grants and community-level financial management is managed in a transparent and inclusive way; and (e) project staff are trained and oriented on how to effectively, sensitively and securely operate in LWE areas.



## F. Implementation

### Institutional and Implementation Arrangements

26. GoCG's Department of Agriculture Development, Farmer Welfare and Biotechnology is the project implementation agency and the nodal department for overall management and project implementation. Under the aegis of DoAB, Directorates of Agriculture, Horticulture, Fisheries and Veterinary Services will handhold the project at various implementation levels. The Chhattisgarh State Seed and Agriculture Development Corporation Limited, *Beej Nigam*, will act as the project implementation agency for additional procurement services and undertake specific seed production sub-projects.

(a) A high-level **Project Advisory Committee** (PAC), chaired by the Chief Secretary will provide overall project oversight and policy guidance. A **Project Steering Committee** chaired by the Agriculture Production Commissioner will be responsible for approving and reviewing project annual budgets, work plans, physical and financial progress, and driving inter-departmental coordination and convergence. Project Steering Committee members will include the Agriculture Production Commissioner, DoAB Secretary, and Directors of Agriculture, Horticulture, Veterinary Services, Fisheries and relevant department/agencies, i.e. Rural Development, State Rural Livelihood Mission (SRLM)<sup>34</sup>, Women and Child Development, Tribal, Forest and *Beej Nigam*.

(b) **DoAB** will have overall responsibility for coordinating other agencies in the preparation of reports, annual work programs, budgets and procurement plans, reviewing and overseeing review meetings. It will set up a **State Project Management Unit** (SPMU), drawing officers from the Directorates of Horticulture, Livestock and Fisheries and engaging short-term consultants and technical service providers. The SPMU will be headed by a Project Director and supported by a Chief Operating Officer. The SPMU will have thematic specialists including experts on environmental management and social standards, FM, procurement, human resources and administration activities. Multiple Technical Support Agencies will be engaged to provide key technical support and backstopping needed for project components. DoAB will assume direct responsibility for day-to-day project management, procurement consistency and compliance, coordination, oversight and monitoring, and implementation of project components.

(c) In targeted project districts, **District Project Management Units** (DPMU), each under the direct supervision of a District Project Manager, supported by six coordinators selected from the market for major thematic areas, will monitor and implement the project. Deputy Directors for Agriculture, Horticulture, Fisheries and Veterinary Services along with the Assistant Soil Conservation Officer will provide technical and implementation guidance to DPMUs on a day-to-day basis. The project will also be reviewed by the District Collector in regular monthly district review meetings.

(d) At the block level, **Block Project Implementation Units** (BPIUs) will carry out day-to-day implementation and management of project activities, each supported by a Block Project Manager along with a team of 12 officers i.e., coordinator (markets & value chain), and cluster coordinators. This 12-member block team will play a critical role in project implementation. Supported by TSAs, the teams' capacity will be strengthened to ensure high-quality implementation.

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<sup>34</sup> Called BIHAAN locally



(e) At the *Gram Panchayat (GP)* level, *Gauthan* Committees will be involved in facilitating village entry, VDPs and convergence. Under *Gauthan* Committees, a dedicated Chiraag Resource Committee<sup>35</sup> will be formed to anchor project interventions and provide support for implementation and monitoring. At the village level, multi-commodity Livelihood Groups will be formed for mobilizing interested producer households to improve their livelihood activities related to farming and allied sectors. The LGs will be consolidated into FPOs for improved postharvest management, value addition and market linkages. *Spearhead teams* will support the mobilization and capacity building of the above institutions, as well as provide extension and advisory services to producers. Spearhead teams will be managed and supervised by BPIUs. The project will provide on-the-job training to field level staff and community resource persons, noting their crucial role in anchoring last mile project implementation.

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<sup>35</sup> CRCs would have 8-20 members drawn from the *Gauthan* Committees, LGs and select community institutions



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