



Additional Financing Appraisal Environmental and
Social Review Summary
Appraisal Stage
(AF ESRS Appraisal Stage)

Date Prepared/Updated: 04/24/2024 | Report No: ESRSAFA585



I. BASIC INFORMATION

A. Basic Project Data

Country	Region	Borrower(s)	Implementing Agency(ies)
Benin	WESTERN AND CENTRAL AFRICA	Government of Benin	Ministere de l'Agriculture, de l'Elevage et de la Peche
Project ID	Project Name		
P180505	Additional Financing For Benin Agricultural Competitiveness And Export Diversification Project		
Parent Project ID (if any)	Parent Project Name		
P168132	AGRICULTURAL COMPETITIVENESS AND EXPORT DIVERSIFICATION PROJECT		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Agriculture and Food	Investment Project Financing	5/7/2024	6/14/2024

Proposed Development Objective

The project development objective (PDO) is to increase productivity and market access for selected agri-food value chains in Benin.

Financing (in USD Million)	Amount
Current Financing	160.00
Proposed Additional Financing	150.00
Total Proposed Financing	310.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project Activities



Component 1 - Strengthening the enabling environment and infrastructure for agri-food value chains development (US\$30.8 million): This includes supporting the Government’s ability to provide an enabling environment for competitiveness enhancement through building the capacity of public institutions, supporting policy reforms and administrative frameworks related to agribusiness development, and investing in critical public infrastructure for the agri-food sector development.

Component 2 - Increasing productivity, value addition, and resilience (US\$249.4 million): This aims to increase the productivity and competitiveness of targeted value chains. This component finances Climate-Smart Agricultural (CSA) practices, irrigation and mechanization to deliver the triple wins of increased productivity, enhanced adaptation, and resilience, and reduced GHG emissions.

Component 3 - Promoting private investments and access to finance (US\$14.6 million): This includes providing matching grants to producers, processors, and others value chains actors.

Component 4 - Project management (US\$15.2 million): This supports the operation of the Project Management Unit (PMU).

Component 5 - Contingency emergency response component (US\$0): This allows the country to access funds to rapidly respond to an eligible crisis or emergency (including disasters and health emergencies).

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

The project initial scope was national and additional financing will improve coverage of regions. The project will intervene in areas characterized by severe climate events, the presence of invasive species including pests. On the socio-economic side, it will take place in areas showing risks of exclusion of the poor and vulnerable from project benefits, risk of child labor even though the prevalence has declined in recent years and potential tension and terrorism attacks in the northern part of the country.

D.2 Overview of Borrower’s Institutional Capacity for Managing Environmental and Social Risks and Impacts

The borrower has an acceptable legal and regulatory environmental and social framework. The Agence Beninoise pour l’Environnement (ABE) is the entity that oversees the approvals of environmental and social studies, monitoring and evaluation. Capacity building on the Bank Environmental and social standards (ESF) is however required to enable ABE to play its full part.

The project is being implemented by a PIU comprising dedicated environmental safeguard and social safeguard specialists full-time. this team will be strengthened with two additional full-time staffs (one environmental and OHS and one social specialist) so that the parent project and the AF activities are appropriately implemented and monitored.

The existing network of community liaison officers supporting the implementation and monitoring of the stakeholder engagement plan will also need to be expanded to cover regions that are added to the project as part of the AF. SEA/SH focal points in the project intervention areas will also have to be identified and trained in complaints registration and referencing to service providers.



To ensure the ESF requirements are well integrated and implemented throughout the project, capacity building will continue as annual sessions on the ESF that are being provided by Bank specialists or clinics on specific Environmental and Social Standards (ESS) or requirements.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

A.1 Environmental Risk Rating

Substantial

The expected environmental and social impacts of the project will be overall positive. The project will finance the construction of critical public good and club good infrastructures, club-good facilities, irrigation infrastructures, etc. It is also expected that the project builds or rehabilitates cooling rooms at the airport. As part of the restructuring the projects plans to intensify and scale up pineapple and cashew production through : production of 150,000 pineapple in vitro plants ; acquisition and distribution of subsidized fertilizers; rehabilitation of an additional 36,387 ha of old cashew plantations. The activities including the new ones, would lead to noise project activities related pollution, generation of solid and liquid waste, probable loss of plant cover, accident and occupational health and safety issues. The new activities may indirectly result in a substantial increase of agrochemicals use, ground and surface water pollution, soil erosion, waste generation, and nuisances related to air and noise emissions as well as potential water and energy misuse. Based on activities nature and their magnitude, potential adverse impacts on environment components are expected to remain substantial. The implementation of both National Seed Sector Strategy, and the new National Agricultural Investment and Food and Nutritional Security Plan will require Sectoral Strategic Environmental and Social Assessments (SESA) to be prepared during implementation (i) to integrate environmental and social issues into future reform-related investment programs/projects; (ii) to assess the environmental and social risks and impacts associated with the implementation of the reform, including cumulative impacts of multiple irrigation operation, and recommend necessary mitigation measures; and (iii) to establish the framework for environmental and social assessments for further projects and their sub-projects.

A.2 Social Risk Rating

Substantial

The social risk rated Substantial under the parent project is expected to remain similar in regard to the nature of the risks and features of the additional project scope. As part of the additional financing the project plans to intensify and scale up pineapple and cashew production through : production of 150,000 pineapple in vitro plants; acquisition and distribution of subsidized fertilizers, rehabilitation of an additional 34, 000 ha of old cashew plantations and establishment of 7,000 ha cashew orchards, development of irrigated land in the north of the country for rice and vegetables. Some of these investments would lead to potential adverse social risks and impacts to communities and workers in the activities' implementation areas. The activities will require permanent or temporary land acquisition and disruption of economic activities involving loss of livelihood during agricultural land development. The project will also hire some workforce; while this may positively impact local employment opportunities, it may also cause influx with the associated risks for the surrounding communities related to pressure on local resources and competition for jobs, communicable diseases, and SEA/SH risks. A potential of child labor on worksites and agricultural fields is also an anticipated risk. There could be challenges related to social exclusion such as vulnerable groups (women, youth, minority groups, disabilities, etc.), conflicts and complaints, and security risks. Finally, the northern borders of Benin

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that are part of the AF scope (Malanville and Karimama) are affected by growing threats at the borders, including armed groups and terrorists attacks.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1 Relevance of Environmental and Social Standards

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

ESS 1 is relevant. The AF will involve activities with positive impacts on communities livelihood, especially farmers and processors, all over the country. The project will develop agriculture critical infrastructure, allow for access to quality inputs, especially seeds, access to knowledge for climate-smart agriculture and provide access for services to producers. Nonetheless, these activities may generate adverse environmental and social impacts and risks similar to those identified in the parent project. In addition to those risks, the AF includes in its scope the northern regions of the country which have potential social tension and terrorism attacks.

The AF activities will build directly on relevant environmental and social standards and structures put in place under the parent project. The parent project Environmental and Social Commitment Plan (ESCP), Stakeholder Engagement Plan (SEP), Environmental and Social Management Framework (ESMF), Pest Management Plan (PMP), Resettlement Framework (RF) and Labor Management Procedures (LMP), have been updated to integrate adequate mitigation measures to manage environmental and social risks of the proposed AF activities. In addition, a Security Management Plan (SMP) will be developed to properly anticipate and manage associated risk in the northern regions of country.

Areas where “Use of Borrower Framework” is being considered:

ESS10 Stakeholder Engagement and Information Disclosure

Under the parent project, the list of stakeholders included the Ministry of Agriculture, Livestock and Fisheries; farmers, agribusiness enterprises, processors, traders, transporters and various service providers who will be involved in project-supported activities. The AF will also involve the National Agricultural Mechanization Company (SONAMA); producers’ organizations, women, youth, local land services associations and other relevant stakeholders.

The project is intending to promote youth ad women entrepreneurship in agriculture. In addition, other beneficiaries will include Institutions such as Universities, Vocational Schools, R&D Institutes, Professional Organizations within the targeted value chains, Labs and relevant public agencies.

The SEP has been updated to target and extend the engagement to these relevant stakeholder groups, in this case, the food crop producers and agri-input dealers, communities potentially affected as well as civil society will need to be consulted on the operation risks. The SEP already included a grievance mechanism to handle any complaints in the context of the project. As part of the parent project, the GRM is effective since 2022. A total of two hundred and



eighty-six (286) members of the complaints management bodies have been installed and trained. The GRM manual has been updated to expand its coverage to additional region included in the project as part of the AF. The SEA/SH action plan will also expand its coverage to the AF scope. This expansion will include additional sensitization and focal points as part of the GRM, for receiving SEA/SH related complaints and referencing survivors to service providers. These provisions will be reflected in the ESCP.

ESS2 Labor and Working Conditions

ESS2 is relevant as the AF will involve direct workers, the PIU staff, contracted workers for advisory services and the construction of infrastructure, irrigation infrastructure. As, agricultural inputs (seeds and fertilizers) are essential for the core function of the project, the project will also involve primary supply workers. All the workers in the project’s context will need to meet ESS2 requirements for terms and conditions of employment, non-discrimination and equal opportunity, worker’s organizations, child labor, forced labor, a grievance mechanism and, occupational health and safety. Civil servants working in connection with the project on a full-time or part-time basis will remain subject to the terms and conditions of their existing public-sector employment or agreement unless there has been an effective legal transfer of their employment or engagement in the project. The LMP already includes a grievance mechanism for labor disputes.

The LMP has been updated on Benin’s legal system on working conditions, Occupational Health and Safety, the prevention of forced labor and child labor. Workers contracted for the AF activities implementation will be subject to the provisions of the parent project LMP.

ESS3 Resource Efficiency and Pollution Prevention and Management

Energy and Water Use Efficiency : the construction of an industrial in vitro plant production unit will use energy and water as part of their operation.

Water balance: irrigation activities will take place in wetland and will mostly use surface water. That means, competition over water resource with other users such as populations, breeders, fishermen and wildlife may occur. In addition, surface water contamination risk with its consequences on halieutic resources is moderate to substantial.

Air emissions: During the construction of storage facilities phase, air emissions will include exhaust from heavy vehicles and machinery, and fugitive dust generated by construction activities. Those most likely to be affected are people living within the vicinity of construction sites. The implementation of mitigation measures such as dust suppression and vehicle maintenance will be applied to minimize the impact of air emissions during construction and rehabilitation, and residual impacts are expected to be limited in scope and duration.

Noise: During the construction/rehabilitation phase, noise might likely be generated from the use of construction machinery and vehicle movements. The relatively short-term and small-scale nature of the works suggest that noise levels will not be excessive or cause long-term nuisances. The construction works will however, present short-term nuisance to the public and to owners adjacent to some of the project sites. The Environmental and Social



Management Plan of the ESIA's to be prepared overtime by the borrower will include mitigation measures to minimize and manage the noise levels such by applying standard restrictions to hours of site work.

Waste management: Construction and rehabilitation activities will generate solid waste which will primarily include excavated soil and hazardous waste such as hydrocarbon oils from construction machinery and vehicles. Waste generated by the construction works which quantity is not anticipated to be important will be disposed at sites previously identified by the ESIA and for which mitigation have been prepared.

Pest Management: The project includes agriculture activities that aim at fostering agriculture productivity and support to the government fertilizer program for the 2025/2026 cropping season, as well as the development of irrigation. These supports may indirectly result in (i) a substantial increase of agrochemicals uses ; (ii) public health concerns; and (iii) water and soil pollution issues if preventive measures are not taken. Based on this, the parent project has developed a Pest Management Plan (PMP) to manage the potential risks and impacts of agrochemical use. The PMP will be updated, reviewed and disclosed one month after project Effective Date.

ESS4 Community Health and Safety

The project will finance infrastructures that may have negative risks and effects on the health, safety and security of surrounding communities. Fertilizers handling and use may pose a health risk to farmers. Also, employment opportunities from the AF activities may generate influx of workers into the project area that could lead to adverse social impacts (social conflicts over land use, gender-based violence, sexual exploitation, communicable diseases) on local communities. These risks may also be exacerbated for rural and remote communities already exposed to security threat and experiencing increasing migration from neighboring countries. A security management plan (SMP) based on the risk assessment developed for the COSO project in the same area will be developed to manage these threats. The SMP will target the sensitive area and develop mitigation measures. Contractors will be required to integrate specific measures from those plans into their C-ESMP or operating plans. The SEA/SH management plan will include mitigation actions applicable to these additional areas.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The AF includes construction of industrial unit and development of agricultural land for irrigation as well development of new cashew orchards that will require land. The project activities might therefore cause permanent or temporary land acquisition as well as potential loss of income or livelihood means. In addition, with regards to land use, there is a risks of tensions and social conflicts between herders and farmers, especially in the northern part of the country where herders enter the border. Sites for some of these infrastructure are not yet known. Therefore the Resettlement Policy Framework (RPF) prepared under the parent project in 2019 and updated as part of the AF, remains relevant and applicable to the AF activities. As soon as information is available for each site and when required, a specific Resettlement Action Plan (RAP) will be developed for the said site and satisfactorily implemented before commencing construction or land development activities.



ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This standard is relevant since the project areas contain ecosystems and wetlands constituted by the rivers and inland wetland with rich biodiversity. The application of this ESS seeks to ensure that all precautions are taken in the project to protect biodiversity in rural areas, as some activities (namely the rehabilitation of 34,000 ha of cashew orchards, the establishment of 7,000 ha of new cashew orchards) could have potential risks and adverse impacts on biodiversity and natural habitats.

Regarding vegetation loss, the clearing and loss of vegetation areas and faunal habitat will be moderate. The overall impact on vegetation will be moderate to substantial.

Moreover, the introduction of improved seed, and vitro plant production may raise biosecurity issue.

To manage living natural resources associated risks, the ESMF to be updated and potential ESIA/ESMPs to be prepared for the creation of new orchards, wetland use for irrigation activities, should include appropriate mitigation measures in a proportionate manner to conserve the current ecological status of sites.

Procurement documents and contracts with contractors and supervising entities shall include such measures, and the Borrower will ensure that contractors thereafter adopt and implement these measures consistent with ESS6.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

There are no known Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities in the project area.

ESS8 Cultural Heritage

It is not anticipated that the AF activities will impact cultural heritage. However, it involves construction works that will include excavation. The site specific ESIA/ESMP will confirm the existence of tangible or intangible cultural heritage. However, all construction and rehabilitation contracts will include a “Chance Find” clause which will require contractors to stop construction/rehabilitation if cultural property sites are encountered during civil works and will provide clear guidelines on actions to be taken and stakeholders to involve if such a case arises.

ESS9 Financial Intermediaries

The standard is no more relevant for the project since the proposed activity requiring guarantee from an IF was discontinued as part of the project restructuring.

B.2 Other Relevant Project Risks



No other risk is identified at this stage.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	Yes
OP 7.60 Projects in Disputed Areas	No

B.3 Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework? No

Areas where “Use of Borrower Framework” is being considered:

The project is not currently using borrower framework. Use of Borrower framework may be considered following a gap assessment with the ESF.

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Government of Benin

Implementing Agency(ies)

Implementing Agency: Ministere de l'Agriculture, de l'Elevage et de la Peche

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

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