

PROGRAM-FOR-RESULTS SUPPORT OPERATION
FOR
TRANSFORMATION OF AGRICULTURE SECTOR PROGRAM PHASE 3

**Environmental and Social
Systems Assessment (ESSA)**

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Prepared by the World Bank

List of Acronyms

ESSA	Environmental and Social Systems Assessment
ESIA	Environmental and Social Impact Assessment
ESIM	Environmental and Social Implementation Manual
LAFREC	Landscape Approach to Forest Restoration and Conservation
LVEMP	Lake Victoria Environmental Management Program
LWH	Land Husbandry, Water Harvesting and Hillside Irrigation
MINAGRI	Ministry of Agriculture and Animal Resources
NAEB	National Agricultural Export Board
PAP	Program Action Plan
PAPs	Program Affected Peoples
PforR	Program for Results
PMP	Pest Management Plan
RAB	Rwanda Agriculture Board
RAP	Resettlement Action Plan
REMA	Rwanda Environmental Management Agency
RNRA	Rwanda Natural Resources Authority
RFRDP	Rwanda Feeder Roads Development Project
RPF	Resettlement Policy Framework
RSSP	Rural Sector Support Project
SPIU	Single Project Implementation Unit
WB	World Bank

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Overview

1. An Environmental and Social Systems Assessment (ESSA) was undertaken by the World Bank team for the proposed Program as per the requirement of the Bank's Operational Policy OP 9.00. The aim of the ESSA was to review the capacity of existing government systems to plan and implement effective measures for environmental and social impact management and to determine if any measures would be required to strengthen them. Such measures will be spelled out in a Program Action Plan (PAP).

The specific objectives of the ESSA are:

- a) to identify the potential environmental and social impacts/risks applicable to the Program interventions,
- b) to review the policy and legal framework related to management of environmental and social impacts of the Program interventions,
- c) to assess the institutional capacity for environmental and social impact management within the Program system,
- d) to assess the Program system performance with respect to the core principles of the Program-for-Results (PforR) instrument and identify gaps in the Program's performance, and
- e) to describe actions to fill the gaps that will input into the Program Action Plan (PAP) in order to strengthen the Program's performance with respect to the core principles of the PforR instrument.

2. Approach and Methodology: An ESSA was conducted by the Bank to assess the key implementing agencies: Ministry of Agriculture and Animal Resources (MINAGRI), Rwanda Agriculture Board (RAB), National Agricultural Export Board (NAEB), and other relevant stakeholders like Rwanda Environmental Management Agency (REMA), Rwanda Natural Resources Authority (RNRA), and the District Technical Expert Teams institutional capacity to achieve environmental and social objectives against the range of environmental and social impacts that may be associated with the Program. The ESSA provides a review of relevant government systems and procedures that address environmental and social issues associated with the Program. The ESSA describes the extent to which the applicable government environmental and social policies, legislations, program procedures and institutional systems are consistent with the six 'core principles' of OP/BP 9.00 and recommends actions to address the gaps and to enhance performance during Program implementation. National and District level consultations were organized with stakeholders for feedback on the implementation of provisions to enhance transparency and accountability and other related environment and social issues. One of the key purposes of the consultations was to provide detailed local information and views on experiences with transparency and the delivery of services through technology, from the key relevant stakeholders.

3. The core principles of ESSA for this program are:

1. Promote environmental and social sustainability in the Program design; avoid, minimize, or mitigate adverse impacts, and promote informed decision-making relating to the Program's environmental and social impacts;
2. Avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program;

3. Protect public and worker safety against the potential risks associated with: (i) construction and/or operations of facilities or other operational practices under the Program; (ii) exposure to toxic chemicals, hazardous wastes, and other dangerous materials under the Program; and, (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards;
 4. Manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement, and assist the affected people in improving, or at the minimum restoring, their livelihoods and living standards;
 5. Give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups, and
 6. Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes. ESSA notes that the Program does not involve any area with such characteristics.
4. The various steps undertaken in the ESSA process were as follows:
- a) **Baseline Information Collection:** The analysis of information and data covered the environmental and social context of the country, the current status of its Agriculture, Forestry and Rural Development programs, the experience of implementation of the previous Bank supported project (LWHP, RSSP, LVEMP and LAFREC) through a review of Environmental & Social Management Frameworks and Plans, ESIA, Resettlement Policy Frameworks, Resettlement Action Plans (RAPs), Resettlement Process Framework, Social Assessment, Implementation Manuals and relevant GoR documents and publications.
 - b) **Field Reviews and Study:** Field reviews on environmental and social effects were undertaken as part of preparation and implementation support missions for Bank supported projects. For example the field observations reflected in the ESSA are based on the visits to the Districts undertaken by the Bank's Environmental and Social staff for similar types of activities under LAFREC, LVEMP, LHW, and RSSP.
 - c) **Consultations:** A formal consultation on the draft ESSA was organized on September 9, 2014, with a view to validate the information presented in the ESSA and elicit inputs from the key stakeholders. A report on this consultation is annexed to this report (Annex 1). Feedback from the key stakeholders in the GoR has been instrumental in identifying the actions that serve as inputs into the PAP. This feedback was sought both through the formal consultation events as well as through meetings held during the Bank missions.
 - d) **Public Disclosure:** The draft ESSA was publicly disclosed on the Bank's website (InfoShop) and on MINAGRI website on August 26, 2014. The final updated ESSA was also disclosed in the World Bank's InfoShop and on the MINAGRI website on September 11, 2014.
5. **Analysis:** The ESSA analysis essentially follows "Strengths, Weaknesses, Risks and Opportunities" approach. The following sections provide further information: (1) Program Description; (2) Description of Applicable Environmental and Social Management Systems; (3) Program Capacity and Performance Assessment; (4) Assessment of Program Systems Relative to Core Principles; (5) Inputs to the Program Action Plan; (6) Recommendation for Program Risk Rating; and (7) Inputs to the Program Implementation Support Plan.

6. **The overall environmental and social risks of the Program are assessed as Moderate.** The Program involves a number of physical activities, such as land husbandry works, construction of irrigation schemes and rehabilitation of rural roads, these are envisaged to have limited potential

environmental and social impacts, which can be effectively mitigated, based on a recent solid track record in compliance with both national legislation and World Bank safeguards policies. While most individual program investments may have moderate risks, a comprehensive environmental and social screening needs to be conducted during the identification process of the investments to ensure that the activities are not located in densely populated or ecologically sensitive areas and do not cause cumulative impacts on environment and communities

7. **The ESSA concluded** MINAGRI's Environmental and Social systems in terms of policies and procedures as adequate for the Program implementation, albeit lacking in human and financial resources, especially for coordination and monitoring of activities at the local level. MINAGRI will also utilize additional environmental & social expertise and a Technical Assistance program to strengthen the risk management capacity. With diligent management of the environmental and social risks and implementation of the identified actions to address the gaps, MINAGRI can reduce environmental and social risks during implementation of the proposed PforR operation.

1. Program Description

Program Scope

8. PSTA 3 is a five year program covering the period 2013/14-2017/08. It's strategic objectives are to: (i) intensify, commercialize and transform the Rwandan agricultural sector to enhance food security and nutrition, reduce poverty and drive rapid economic growth; and (ii) accelerate sustainable increases and an expanded private sector role in production, processing and value addition and commercialization of staple crops, export commodities and livestock products.

9. Under EDPRS 2, PSTA 3 high level targets are: agriculture growth of 8.5 percent per annum; the share of agriculture GDP down to 25 percent; and the number of households with good food consumption increased to 90 percent. By increasing rural incomes and ensuring inclusive growth, the objective is for agriculture sector growth to significantly contribute to achieving the EDPRS 2 target of 11.5 percent GDP growth per annum and poverty reduction from 45 percent to 20 percent by 2020, equivalent to lifting 3 million more Rwandans out of poverty by 2020.

10. PSTA 3 comprises a set of four high level and 16 intermediate level results that are ambitious but achievable. Building on the solid performance under PSTA 2, the key results expected to be achieved under the PSTA 3 are presented in Table 1 below.

Table 1: PSTA 3 Program Key Results (2013/14-2017/18)

Key High Level Results	Baseline (end-2012/13)	Target ^a (end-2017/18)
1) Agricultural growth rate (% p.a.)	5.6 %	8.5 %
2) Decreased percentage of rural population under national poverty line (2010/2011)	44%	30%
3) Increased agricultural land under “modernized” agricultural use ^b	24 %	50%
4) Increased agriculture exports (% p.a.)	22% ^c	28%
Intermediate Level Results		
1) Increased land effectively protected against soil erosion, based on agreed technical standards, and sustainably managed (Progressive/P and Radical/R terraces) ¹	P: 802,292 ha R: 46,246 ha ² T: 848,538 ha	P: 953,714 ha R: 81,337 ha T: 1,035, 051 ha
2) Increased land developed with irrigation infrastructure, based on agreed technical standards, with adequate O&M. Main irrigation types: Hillsides/H and Marshlands/M	H: 3,075 ha M: 24,721 ha T: 27,796 ha	H: 7,575 ha M: 32,821 ha T: 42,376 ha
3) Increased average productivity levels (crop yields) of major food and export crops and livestock.	Cassava 15 t/ha Coffee 2.2 kgs/tree/yr Milk 4 ltrs/cow/day ³	25 t/ha 3.0 kgs/tree/yr 8 ltrs/cow/day
4) Increased total milk production	503,000 mt	724,000 mt
5) No. of new technologies developed, released and adopted by farmers ⁴ (with	5	17

¹ The main purpose of terracing is to reduce runoff and soil erosion on slopes and to improve soil quality and soil moisture retention. It is a sustainable land use technology for small farmers with limited land holdings. Also, a major aim is to conserve water and reduce runoff. Progressive terracing is carried out on slope gradients of 40-60% and radical terracing (bench like terraces) is used on slope gradients of 16-40%.

² This represents a baseline coverage of 73 percent (2012/13) and target of 91 percent by 2017/18.

³ Milk production per cow.

gender breakdown in adoption rates) ^c		
6) Increased cooperatives/farmer organizations which are graded A and B ⁵	5	32
7) Increased value of major competitive value chains ⁶ (total & exports) (US\$)	2.3 b/132 m	3.8 b/231 m
8) Increased private sector investments in agriculture sector (US\$)	513 ^d	1,263
9) Increased agri-finance lending for Ag. Investments (% of total)	3.6	18
10) Increased agriculture production marketed (as % of total production)	28 %	35%
11) Rehabilitated, upgraded and maintained rural feeder roads network (kms)	14,374 km	25,061 km
12) Enhanced results-focused institutional capacity of MINAGRI and Districts	Action Plans	Fully Operational
13) Enhanced and Gender Responsive Management Information System (MIS) Framework and Action Plan for Ag. Sector completed, approved, initiated and fully operational ⁷	Partially working, Draft framework	Fully Operational ^f
14) Approved Seeds, Fertilizer and Ag. Finance Policy, action plans prepared, agreed, and initiated (for each of the 3 policies)	Drafts	Implementation of policies
15) Increased women's empowerment in Agriculture index for Rwanda	91%	96%
16) Food Consumption Score (which measures adequacy of food consumption)	75	90

11. PSTA 3 has benefited from recent World Bank Economic and Sector Work (ESW) on empirical agricultural growth scenarios and market and competitiveness analyses. The objective of the ESW was to review the performance and results of Rwanda First Comprehensive Africa Agriculture Development Program (CAADP) and Second Strategy for the Transformation of Agriculture Sector (known by its French acronym, PSTA 2) as input into the preparation of the Second Rwanda CAADP and review of PSTA 3 investment plan to assure the soundness of its assumptions and the efficiency with which Rwanda will achieve its goals going forward. The policy note recommend agricultural market opportunities at the national, regional, and global levels analysing the patterns of competitiveness and comparative advantage in Rwandan agriculture. While some of the crops identified for intensification in PSTA 3 by GoR do not share equal competitive and comparative advantage, the GoR is pursuing pro-poor crops that can generate immediate income, raise families out of poverty, and build farmers' assets, allowing farmers to then diversify into more competitive crops.

12. PSTA 3 Results Framework. To operationalize PSTA 3, MINAGRI and its implementing agencies (RAB, NAEB, SPIUs) formulated a comprehensive and coherent Results Framework (RF). It is underpinned by an explicit results chain and the findings of evidenced-based analyses, including a recent World Bank ESW on empirical agricultural growth scenarios and market and competitiveness analyses. Figure 1 illustrates this RF and the underlying results chain. The design and content of the RF highlights the key drivers and linkages between and within the PSTA's four programs to achieve the key strategic objectives and results at various levels (outputs, outcomes, and impacts). The RF has sought to help sharpen the evolving roles of public and private sectors while ensuring that the public sector focuses on appropriate roles, including provision of non-exclusionary public goods.

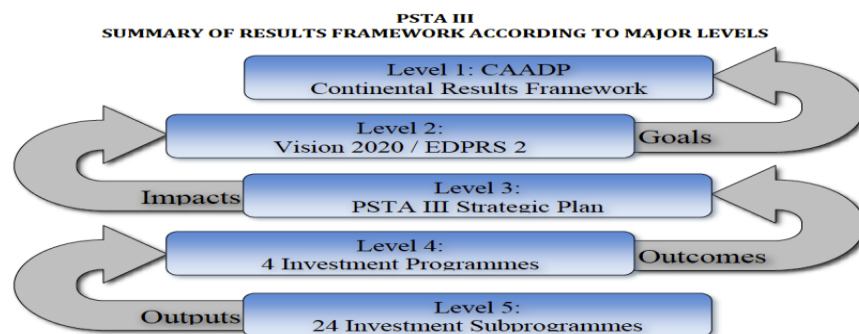
⁴ Which are consistent with Rwanda's competitive advantage. Technologies can come from global or local markets.

⁵ Grading will include a number of parameters such as inclusion of small and marginal holder, number of total HHs benefiting from input and output markets and services, participation and leadership of farmers/gender in managing cooperatives, and revenue generation.

⁶ Food crops, export commodities, livestock products, agro-processed

⁷ Fully operational means producing quarterly and annual reports and being used by the intended beneficiaries.

Figure 1: PSTA 3 Results Framework According to Major Levels



13. The PSTA 3 is comprised of 4 program areas and 24 component subprograms (SPs). The strategic program areas and outcomes are:

Program 1: Agriculture and animal resource intensification, (i) Soil erosion reduced and land sustainably managed; (ii) Land productivity for priority crops increased; (iii) Animal productivity increased and animal products diversified.

Program 2: Research, technology transfer and organization of farmers, (i) Improved technologies which are responsive to Rwanda’s agro-ecological potential, men and women farmer needs and resources, and market prospects; (ii) Enhanced integrated and market oriented research, extension and advisory services, with stronger research-extension linkages, which result in higher proportion of farmer adoption of improved technologies, for both men and women; and (iii) Strengthened inclusive and business-oriented farmer cooperatives/organizations with enhanced entrepreneurial skills for effective engagement in input and output markets.

Program 3: Private sector-driven Value Chain Development and Expanded Investments, (i) Enhanced policy and business environment for expanded agricultural investments and value addition; and (ii) Competitive and private sector-driven value chain development and expanded commercialization of production for domestic and export markets, enabled by expanded access to finance, efficient and effective agricultural marketing system and improved rural infrastructure, and expanded successful public-private partnerships (PPPs).

Program 4: Institutional Results-Focused Development and Agricultural cross-cutting issues: (i) Enhanced capacity of agriculture and livestock sector and its institutions to deliver, facilitate and manage efficient and effective agricultural services which expand access to both women and men farmers; (ii) Improved policy environment for enabling rapid, private-sector driven and sustainable agricultural growth; improved and more effective monitoring and evaluation (M&E) systems for enhanced sector management, coordination and strategic results; enhanced food security and nutrition for larger proportion of rural and urban households.

14. PSTA 3 has two costed scenarios representing a mix of public and private sector investments over the five year period. The first is a “high-cost scenario” totalling US\$1.9 billion of agricultural public investments; the second is a “medium-cost scenario” totalling US\$1.2 billion with a higher level of private sector investments. Projected resources available from both the Treasury and development

partners (DPs) for PSTA 3 are projected at US\$1.2 billion. Given an unrealistic budget gap of US\$700 million under the “high-cost scenario,” the PforR operation will support the “medium-cost scenario” under the Agriculture Sector Investment Plan (ASIP), which is fully funded, based on past budgetary allocations/execution rates, and available funding figures from government and DPs. In addition, the ASIP’s “medium-cost scenario” articulates a set of more sharply defined expenditure priorities that have strong linkages to strategic outcomes and outputs and the key drivers of the PSTA 3 RF and its results chain, thereby enhancing the prospects of achieving the main objectives and targets.”

15. The total estimated cost for PSTA 3 public investments under the “medium-cost scenario” is approximately US\$1.2 billion (Table 2), with an additional indicative investment level of about US\$550 million from the private sector (including an estimated US\$137 million for PPP activities).⁸ Overall, this level of funding is consistent with the government’s allocations to the agriculture sector over the past five years (adjusted for inflation), coupled with the projected increases from government and DPs, given the high priority being accorded to the agricultural sector and the role of PSTA 3 in meeting EDPRS 2 objectives and targets. The “medium-cost scenario” also involves improvements in the composition of the proposed expenditure allocations, between and within programs and SPs, and envisions improvements in budgetary planning and execution, and M&E.

Table 2: Projected PSTA 3 Expenditures 2013-2018

Program	US\$ million	% of Total
(1) Agriculture and animal resource intensification	628	52.3
(2) Research, technology transfer and professionalization of farmers	86	7.2
(3) Value chain development and private sector investment	382	31.8
(4) Institutional development and agricultural cross-cutting issues	104	8.7
Total	1,200	100

16. **PSTA 3 financing is shown in Table 3, which reflects both existing and future commitments from DPs.** The funding modalities used for PSTA 3 are: (i) sector budget support, representing 17 percent of external funding to the sector (EU, DFID); (ii) ongoing investment operations/projects, representing 35 percent (IFAD, USAID, Swiss, Netherlands, World Bank, FAO); and (iii) the proposed PforR operation, representing 12 percent (World Bank, USAID, with other DPs exploring the viability of providing co-financing as part of ensuring aligned donor support to the sector).⁹ However, this co-financing would not change the overall budget envelope and would not bring additional resources, but would mean switching modalities from either sector budget support or project financing to programmatic financing (PforR). The Government, including the Ministry of Finance/MINECOFIN, has reiterated its commitment to ensuring the PSTA III is funded in accordance with the medium scenario, as illustrated in the proposed financing plan for PSTA 3. To the extent a funding gap emerges during implementation of PSTA 3, Government and DPs are confident that they will be able to close the gap. Enhanced annual planning and budgetary systems and enhanced M&E will help ensure adequate and prioritized funding to achieve the key targets. The private sector funding levels will be contingent on their specific and individual investment decisions, and will reflect recent trends, coupled with significant improvements in the private sector strategies, an

⁸ Based on consultations with the private sector, the GoR expects that the lion’s share of private sector investment will be in irrigation schemes, mechanization, the inputs subsector (primarily seeds and fertilizer), food and export crops (primarily coffee, tea, horticulture, and flowers), livestock, hides and skins; value chain development (food, export crops, dairy/meat), market-oriented infrastructure for post-harvest marketing, and management systems.

⁹ In the recently held High-Level CAADP meeting (June 9 and 10, 2014), all DPs signed a MOU with MINAGRI endorsing PSTA 3 and indicating their intention to provide financial and technical assistance within the framework of PSTA 3 (and its RF and “medium-cost scenario”).

enhanced policy environment and sustainable incentive structure, and appropriate and viable models of PPPs. The PforR support operation is helping MINAGRI operationalize this financing strategy.

Table 3: PSTA 3 Financing Plan (2013/14-2017/18)

Source	Amount (US\$ Million)	% of Total
Government	350	29.2
EU	160	13.3
IDA (LWH, RSSP, FRDP)	194	16.2
USAID	138	11.5
IDA (Ag. PforR)	100	8.3
IFAD	120	10.0
DFID	42	3.5
Netherlands	10	0.8
Swiss	5	0.4
Japan/JICA	32	2.7
AfDB	19	1.6
FAO	30	2.5
Total Program Financing	815	100.0
PSTA 3 Budget	1,200	100
Funding Gap	0	0

17. Assessment Results, Emerging Implications and Proposed Program Action Plan (PAP). The Bank's assessment mission (May 2014) and follow-up work involved a comprehensive review of PSTA 3, including a review of its RF and the proposed ASIP. The review concluded that PSTA 3 is strategically relevant, technically and economically sound, and well supported by appropriate institutional arrangements from technical, fiduciary, social and environmental systems' perspectives. The agricultural expenditure analysis confirms the rationale for public funding, while helping to rationalize further expenditure areas that can be better carried out by an expanded role of the private sector. The expenditure priorities include inclusionary access and benefits to farmers and other consumers to public sector investments that are classic public goods (e.g., non-excludable agricultural research) that have been delayed because of a lack of private sector financing (e.g., post-harvest storage). PSTA 3 will promote actions that will remove these impediments in the future and foster PPPs. The three assessments (technical, fiduciary, and environmental and social systems) identified specific areas of risk and capacity "gaps," and recommended priority actions to enhance the implementation success of the Program. These actions constitute the core of the PAP, which comprises five strategic cross-cutting areas and their risk mitigation actions. Each of the associated SPs includes priority capacity development activities to ensure the results are achieved; they also contribute to reduced risks.

The Proposed PforR Operation

18. Financed by a proposed IDA operation and co-financed by other DPs, the proposed PforR Program will support a time slice (three out of the five years) of the national PSTA 3 ("medium-cost" funding scenario), including its four programs and 24 SPs, as outlined below. The PSTA 3 is a five-year program (from 2013/14 to 2017/18) and the PforR support operation would initially support years 1 - 3 (from 2013/14 to 2015/16), with potential additional financing for the last two years (2016/17 and 2017/18). The three-year funding window was requested by the MINECOFIN to align with the funding envelope available to the country.

19. The main focus of the PforR operation will be to support the delivery of the strategic results of the PSTA 3 program, while also providing value-added contributions to the content and processes required to efficiently and effectively implement PSTA 3, such as: (i) strengthening the implementation

of key results and the underlying results chain in the PSTA 3 RF, while focusing on the RF for the PforR operation, which emphasizes the “core drivers” of agricultural growth; (ii) ensuring a sound balance and composition and effective management of agricultural public expenditures towards the key “transformative” outputs/activities; and (iii) supporting the action plans for accomplishing the key results and areas where there might be implementation and results risks (e.g., as reflected in the PAP and priority actions included in each of the SPs). Accordingly, the approach taken under the PforR will be to operationalize a strong results chain of the core drivers of PSTA 3 at the central level and in all 30 Districts. In this manner, the Bank’s support will focus on leveraging strategic results for the overall PSTA 3.

20. The PforR will support core components and activities of PSTA 3 while recognizing important linkages and synergies across the four programs and SPs. While 88 percent of the ASIP is allocated to nine SPs (considered core components), it must be noted that accelerated and inclusive agricultural growth is being driven and enabled through strategic and operational linkages between those nine SPs and the other 15; this includes expanded and enhanced market access, agricultural finance, and support to the PSTA 3 institutional framework. As a result, the six core drivers of agriculture growth and poverty reduction, as captured in the PSTA 3 results chain, are integrated throughout all four programs and 24 SPs, thus ensuring that PSTA 3’s design is both strategically relevant and technically sound to deliver on the government’s key development objectives and targets. Therefore, the focus of the proposed PforR operation, through the Bank’s and other DPs’ intervention and financing, will be to support the efficient and effective operationalization of these six key “transformational drivers” of inclusive agricultural growth (see Table 4).

Table 4: Core Drivers of Inclusive Agricultural Growth

Land Husbandry Technology and research Agriculture Finance	Private sector value chain development Market oriented infrastructure Institutional Development
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21. **Core Drivers: The focus of PSTA 3 is on intensifying the following 6 core “drivers” of sectoral growth, transformation and poverty reduction.**

- a) **Land Husbandry:** increasing productivity of crop, export, and livestock commodities, recognizing gender-differentiated approaches, which would improve household food security and nutrition and rural incomes, especially of vulnerable rural families. This would happen through empowerment of farmers and land husbandry actions including land conservation (terracing, increasing soil fertility), organic and inorganic fertilization, increased use of improved seeds and varieties, expanded land under irrigation, increased coverage and quality of extension services, and increased private sector-led mechanization;
- b) **Technology and Research:** enhancing market-responsive technology introduction through research, technology transfer, strengthened research-extension linkages, and stronger and more effective farmers’ organizations/cooperatives, while addressing relevant sustainability and climate change challenges;
- c) **Agricultural Finance:** significantly expanding and strengthening accessible and inclusive agricultural finance products, and developing a sustainable agricultural finance policy framework and system (including savings mobilization and agriculture insurance) which would promote viable and inclusive investments, consistent with Rwanda's competitive advantage;
- d) **Private Sector Value Chain Development:** stimulating expanded and inclusive private sector and market-driven value chain development and integration, facilitated by expanded models of effective PPPs;

- e) **Market-oriented Infrastructure:** expanding market-oriented rural infrastructure, especially prioritized soil and conservation works, irrigation, rural feeder roads, and post-harvest facilities; and
- f) **Institutional Development:** strengthening institutional development and strategic cross-cutting themes, including:
 - Effective multi-stakeholder formulation, consensus, and implementation of key policy reforms consistent with Rwanda’s competitive advantage that will enable key drivers of the sector transformation process, in turn empowering farmers (including reforms on seeds, fertilizer, phytosanitary standards, value chain development incentive structures, and agricultural finance);
 - Results-focused capacity development of key sector institutions and stakeholders at various levels (national and subnational);
 - More efficient, responsive, transparent, and accountable decentralization of key agricultural services and their implementation;
 - More effective and evidenced-based planning, budgetary, and M&E systems at various levels;
 - Enhanced nutrition and food security;
 - Climate change challenges; and
 - Strengthened processes and mechanisms for more effective coordination within MINAGRI and with other relevant ministries/agencies, Districts (in support of ongoing decentralization), the private sector, and other key stakeholders

22. Role of the DPs. DFID, IFAD, EU and the Netherlands have expressed interest in potentially financing technical assistance (TA) based on the capacity gaps and actions defined in the PAP. Discussions are ongoing to explore this possibility and arrangements. Also, as part of the CAADP process, DFID, USAID, IFAD, and the EU made a MOU commitment (June 2014) to MINAGRI to support the programmatic approach to PSTA 3. Discussions are underway to explore the most appropriate modalities, including co-financing the PforR operation. While these commitments would not bring additional resources for PSTA 3 (apart from the figures shown in Table 3), they would potentially change the modality from sector budget support and project financing to programmatic support (i.e., PforR). Having multiple DPs finance the PforR operation would streamline and reduce transaction costs for the Ministry by having one mechanism with agreed upon results and a common set of disbursement-linked indicators (DLIs). It also simplifies the financing to support strategic results, whether policies, impacts, outcomes, and/or outputs. DPs who wish to provide co-financing under the proposed PforR operation will follow the same procedures as the PforR.

23. Multi-donor Trust Fund (MDTF). Once co-financing of the PforR by other DPs is confirmed, a MDTF administered by the World Bank will be established. To the extent that other DPs participate in co-financing the PforR, it is understood that their funding would need to fit in the overall program envelope under PforR financing and would be allocated to the same DLIs, according to a similar pattern of distribution (in agreement with the Common Framework of Engagement/CFE) of the MDTF. All existing procedures of the PforR mechanism (i.e., DLIs, verification protocols, PAP, Program Implementation Support, etc.) would apply to all co-financing provided to and from the MDTF.

24. The proposed objective of the proposed PforR operation is to increase and intensify the productivity of the Rwandan agricultural and livestock sectors and expand the development of value chains.

25. The proposed operation supports the GoR’s strategic objectives of PSTA 3 with aims to enhance food security and nutrition contributing to reduction in poverty and inclusive economic growth. The operation supports four broad program areas: (i) agriculture and animal resource intensification; (ii)

research, technology transfer and professionalization of farmers; (iii) value chain development and private sector investment; and (iv) institutional development and agricultural cross-cutting issues.

Program Key Results and Disbursement Linked Indicators

26. PSTA 3’s key results were presented in Table 1. Their associated DLIs are presented in Table 5. As mentioned above, given that the PforR is supporting the PSTA 3, the PforR RF reflects a core of PSTA 3’s comprehensive RF, except that it is for three years (2013/14-2015/16) instead of the full five years of PSTA 3. In addition, the PforR focuses on a smaller number of results and measurable indicators/targets, giving emphasis to the core drivers of growth.

27. Disbursement-Linked Indicators (= “Driver” Linked Indicators). The PforR operation will disburse against a set of agreed upon DLIs that will demonstrate evidence of achieving a selective set of strategic, achievable, and monitorable results. The selection of the specific DLIs takes into account the following criteria: (i) a realistic balance between output and outcome indicators; (ii) a focus on “highly” strategic interventions whose effective implementation will help operationalize the “drivers” of achieving the PSTA 3 and PforR strategic development objectives, and also contribute towards the higher-level impact targets of PSTA 3 and (iii) the key risks of the Program. Table 5 highlights the proposed DLIs and the rationale for each.

Table 5: Indicative List of Results and Associated DLIs (2013/14 - 2015/16)

Result (Outcome/Output Levels)	Disbursement-Linked Indicator (Baseline and Targets - figures refer to cumulative amounts)
1. Increased soil erosion control	<p>DL 1: Annual increases in terraced land area (progressive and radical), based on agreed technical standards (figures are cumulative)</p> <ul style="list-style-type: none"> ▪ Baseline 2012: 802,292 ha (progressive); 46,246 ha (radical) Target by end of 2015: 903,240 ha (progressive); 69,640 ha (radical) <p>Rationale: Expanded terraced land comprises key source of sustained productivity increases for vast areas of depleted soil (and also contributes toward reduction of productivity losses).</p>
2. Increased area under irrigation and adequately maintained	<p>DL 2: Annual increases of irrigated area (ha) in marshlands and hillsides, based on agreed technical standards, with adequate O&M (figures are cumulative)</p> <ul style="list-style-type: none"> ▪ Baseline 2012: 3,075 ha hillsides; 24,721 ha marshlands Target by end of 2015: 6,075 ha hillsides; 30,121 ha marshlands <p>Rationale: Expanded irrigated area comprises a strategic source of increase in crop productivity, diversification, and value-added activities.</p>
3. Increased average productivity levels of major food and export crops and livestock	<p>DLI 3: Increases in average crop yields per ha for key food and export crops and livestock (dairy)</p> <ul style="list-style-type: none"> ▪ Cassava :Baseline 2012: 15 MT/ha Target for 2015: 20 MT/ha ▪ Coffee: Baseline 2012: 2.2 kgs of cherry per tree per year Target for 2015: 3.0 kgs of cherry per tree per year ▪ Milk per cow 2012: Baseline 4 ltrs/day: Target for 2015: 5.5 ltrs/day <p>Rationale: Increased crop and livestock productivity is vital to achieve the overall sector growth rate target and reduced poverty; the proposed crops/livestock commodities are cultivated primarily by smallholders.</p>
4. Improved generation and adoption of agriculture	<p>DLI 4: No. of innovation technologies introduced and released and adopted by farmers¹⁰</p>

¹⁰ Improve policy framework to enhance enabling environment to encourage private sector investment. Innovative technologies can come from world or local markets.

technologies, sensitive to agro-ecological potential, farmers' needs and market prospects	<ul style="list-style-type: none"> ▪ Baseline 2012: 5 technologies Target by end of 2014/15: 10 additional innovation technologies (Adoption rates for the 3 years: 25%, 40% and 50%, respectively) <p>Rationale: Enhanced technology introduction/transfer/dissemination/adoption from global, regional, and national markets, in an integrated and coordinated manner, comprise core drivers of agricultural growth and generate strong synergies with rural infrastructural investments and policy reforms supported by PSTA 3.</p>
5. Increase in agricultural finance lending for agriculture investments	<p>DLI 5: Percentage increase in agricultural finance available of total finance</p> <ul style="list-style-type: none"> ▪ Baseline 2012: 3.6% Target by end of 2015: 7.0% <p>Rationale: To enhance private sector investment in agriculture, including farmers and other private entities, and to increase agriculture productivity, a key and critical factor is accessibility to sufficient, affordable, and timely finance is necessary to purchase capital goods including equipment and post-harvest infrastructure, and to secure improved inputs and technical assistance.</p>
6. Strengthened gender-sensitive MINAGRI agriculture sector MIS, including its operationalization and utilization	<p>DLI 6: Enhanced Gender Sensitive MIS Framework /Action Plan for agric. sector completed, approved, initiated, and fully operational</p> <ul style="list-style-type: none"> ▪ Baseline 2012: draft M&E framework (fragmented and partial) Target 2015: Enhanced MIS for ag. sector and action plan completed, approved, fully operational, and utilized (with periodic reports disseminated) <p>Rationale: The achievement of ambitious targets under PSTA 3, especially considering the large proportion of women farmers, requires a significantly enhanced and effective operational MIS for the agriculture sector at various levels.</p>
7. Enhanced operational policy environment for enabling rapid and sustainable agriculture growth	<p>DLI 7: Approval of Seeds, Fertilizer and Ag. Finance Policy, and preparation and initial implementation of action plan (based on agreed milestones):</p> <ul style="list-style-type: none"> ▪ Seeds: Baseline 2012: Draft of Policy exists Target by mid-2014/15: Seeds Policy Approved, action plan prepared and initiated ▪ Fertilizer: Baseline 2012: Draft of Policy exists Target by mid-2015/16: Policy Approved and action plan prepared (end 2014) and initiated (by mid-2015) ▪ Ag. Finance: Baseline 2012: None exists Target by end-2015/16: Approved and action plan prepared and initiated (by mid-2016). <p>Rationale: Expanded access to and effective utilization of seeds, fertilizer, and agricultural finance by a larger number/proportion of smallholders, coupled with expanded role of the private sector, require important policy enhancements and their effective implementation.</p>

28. **The above results and DLIs are designed and driven according to results chains** that link results at three levels – impacts, outcomes, and prioritized outputs – and are generated by prioritized lines of action and activities. These results and the DLI's focus on the “transformation drivers” of PSTA 3 and are measured by “SMART” (specific, measurable, achievable, relevant, and time-bound) indicators and PSTA 3's corresponding ambitious but achievable transformative targets. It is understood that: (i) the focus and envisioned results of the DLIs reflect a core part of the drivers of agricultural growth and of the RF for the PforR; (ii) these drivers of agricultural growth and the RF will be reflected in MINAGRI's annual budgetary priorities, allocations, and execution of strategic activities; and (iii) the required budgetary levels and timely releases for supporting the achievement of the envisioned results reflected in the RF and DLIs will be supported by MINECOFIN, as part of the annual planning and budgetary cycle (including updated MTEF estimates). The policy reforms are timed in such a way that the seeds and fertilizer policies which are critical to produce some of the key productivity increases and targets in the

first two years of the PforR operation will be implemented first. They will be followed by the agriculture finance policy which will be important for delivering on the last two years of the PSTA 3 program.

1.1.3 Proposed infrastructure activities under PforR operation

30. The proposed infrastructure activities of the PforR operation include: (a) land husbandry activities, including progressive, bench or radical terraces, (b) irrigation schemes, and (c) small scale auxiliary infrastructure (e.g. markets, seed drying beds, etc.).

31. The site selection process for PforR entails conducting: (1) feasibility studies, including environmental and social screening to exclude sites with high risk, irreversible large scale environmental and social impacts; (2) based on the result of the screening, an ESIA and/or social assessment / resettlement action plan is to be developed, which shall include cumulative impacts considerations and recommendations for climate change adaptation for project design; and (3) findings of ESIA and social assessment are to be incorporated into the project design and, where applicable, a RAP is to be implemented before commencement of civil works on the site.

1.2 Environmental Effects of the PforR Program

1.2.1 Potential Adverse Environmental Impacts

32. The environmental impacts of the individual program activities are not anticipated to be large scale or irreversible. The results identified in the program do not require any civil works that may have high risks with large scale irreversible impacts on environment. Based on the analysis of GoR regulatory system and previous activities implemented by MINAGRI within the WB supported portfolio, the program is not likely to have significant impacts on natural habitats or create environmental pollution, with the exception of temporary localized construction phase impacts. The program is not likely to cause negative changes in land use pattern and/or resource use. Positive changes in resource use would be promoted through new sustainable irrigation schemes included in the operation. The Assessment notes that although the individual investments have an average moderate environmental and social risk, each needs to be screened for cumulative effects and potential sensitivities of each proposed investment site.

33. With its many hills and rivers, Rwanda has a vulnerable terrain to environmental degradation from soil erosion. Good environmental practice needs to be closely monitored and mainstreamed into soil conservation programmes, watershed management, marshland irrigation schemes and the use of inorganic fertilisers and pesticides. Rural feeder roads must be rehabilitated with use of sustainable practices to minimize impacts from runoff and soil erosion. Climate change is expected to generate more extreme events in the region, including increased temperatures producing droughts and high rainfall producing floods and landslides. It is therefore vital to plan for adaptation measures to address the expected impacts of climate variability in all development investments. MINAGRI extension workers and local level staff need maintain the focus on, including additional training in sound environmental management in agriculture and related investments.

Examples of specific potential adverse impacts include:

- **Water resources:** One of the subprograms under PforR is dedicated to irrigation infrastructure. In addition, the water resources can be negatively affected by other subprograms, such as land husbandry,

rural road rehabilitation and application of agro-chemicals. While many of the proposed irrigation structures will include canals, some may include small dams. Such dams financed under PforR will have similar profile to RSSP2-3 projects. As with any irrigation structure, these dams may have safety related risks, which were effectively managed by GoR during RSSP investments preparation. Other potential impacts include water quality and quantity degradation (both surface and ground water), surface water sedimentation, and spread of water borne diseases.

- **Natural Habitats:** Potential impacts include introduction of invasive flora species; loss of high value trees especially those with medicinal value; and potential damage to aquatic habitats. The Program will need to ensure that ecologically important areas are not negatively affected, according to GoR environmental regulations. Such areas of ecological sensitivity include the National Parks (Volcanoes, Akagera and Nyungwe Forest), as well as other protected areas, such as forests (e.g. Gishwati and Mukura), lakes, such as Muhazi, Cyambwe, Rwampanga, Rweru, Nasho, Gisaka, Bugesera, and the Northern lakes (Bulera and Ruhondo).
- **Soil Erosion:** Potential adverse impacts include soil erosion and quality deterioration, resulting in sediment load into the near water bodies change in soil salinity, deforestation. Soil conservation, however, has been identified as a key priority for agriculture sector, based on PSTA3, SEA in Agriculture Sector conducted by EU in 2012 in Rwanda. It has also been an integral part of the agriculture sector projects, such as RSSP and LWH, and is central to the PforR operation.
- **Construction Phase Impacts:** Potential adverse impacts include air pollution from dust and exhaust; nuisances such as noise, traffic interruptions, and blocking access paths; water and soil pollution from the accidental spillage of fuels or other materials associated with construction works, as well as solid and liquid wastes from construction sites and worker campsites; pathogen breeding ground; borrow pit impacts; deforestation of the construction sites; potential mismanagement of construction site camp; spread of HIV/AIDS due to migrant worker influx; traffic interruptions and accidents; restriction and sometimes loss of access (temporary or permanent) to natural resources; and accidental damage to infrastructure such as electric, wastewater, and water facilities. These types of impacts, however, are generally site-specific and temporary. Experience from RSSP and LWH projects indicates that short-term construction impacts for the most part can be prevented or mitigated with implementation of EMPs and good construction management practices. Such procedures are usually included in the technical manual, and environmental management plans incorporated into the bidding documents for contractors.
- **Physical Cultural Resources and Sacred Sites:** While large-scale impacts on physical cultural resources are unlikely based on the experience of ongoing Bank projects in Rwanda, the civil works such as terracing and irrigation structures could have an impact on grave sites and sacred sites. The current Bank projects have developed and utilized Chance Find Procedures. In addition, GoR has a well-implemented procedure on handling identification and relocation of graves. Both by law in Rwanda and by requirements of the World Bank ESMF's, projects are screened for impacts on physical cultural resources with mitigation measures included in either EMPs or RAPs, depending on the type of impact.

34. The expectation is that the program activities, such as land husbandry works and construction of the irrigation infrastructure, will not result in significant adverse cumulative or induced impacts with diligent implementation of the proposed mitigation measures at each site. However, a screening should determine if a potential project site is located in proximity to another site. Examples of cumulative

impacts that can potentially develop from the combined impacts of more than one subproject, especially in absence of diligent implementation of project mitigation measures, include:

- Increased use of chemical fertilizers which will have downstream impacts, including water contamination and eutrophication of water sources;
- Reduced water to downstream users due to an irrigation structure, which have not been designed taking into account other irrigation structures in the same watershed;
- Increased sedimentation of the natural water bodies and valley; and,
- Possible contribution of rural roads rehabilitation to soil erosion.

1.2.2 Potential Environmental Benefits

35. The risk screening suggests that the overall environmental impact of the Program is likely to be positive with potentially significant environmental benefits. The program will include: (i) soil conservation and land husbandry program - contributing to more sustainable land and water management and decreased erosion; (ii) mechanization, soil fertility management and seed and livestock development – improving agricultural practices and increasing food security in the country. The proposed activities would be undertaken within already existing sites of agricultural land use. However, the program may include new irrigation schemes, which are proposed to be similar in scale to RSSP1-3 project sites.

36. Other environmental benefits include catchment rehabilitation and management; promotion of integrated pest management practices; flood control; water resources conservation; wildlife habitat conservation; improvement of previously waterlogged areas; food security; and provision of fuel wood to discourage use of forests for fuel.

37. Another benefit of the program is an opportunity for GoR to advance environmental agenda in the agriculture sector. Subprogram 4.6 will be dedicated to environmental mainstreaming in agriculture. Key areas include soil conservation, soil nutrient management, use of chemical fertilizers and pesticides, water management, and related construction activities. The ESSA suggests inclusion of safe construction practices in the sector, including dam construction into the subprogram activities.

1.3 Social Effects of the PforR Operation

1.3.1 Potential Adverse Social Impacts

38. There are a few potential social risks such as: chance of physical resettlement and/or land acquisition related to program interventions and difficulty of identifying relocation sites due to the limited land availability, loss of income of land due to demarcation of buffer zones, consolidation of land use, acquisition of land for agro-processing and off farm activities, benefit sharing of commercial farming if land is rented, male capture of community institutions, obstacles for women and youth participation,

difficulty of purchasing agriculture input for the very poor due to limited access to micro finance, conflict over land ownership and use, weak participatory decision making and lack of transparency.

39. Land requirements are minimal as the construction interventions under the Program are mostly either rehabilitation or requiring small portion of land. The legal/regulatory system and Land Policy in the country includes provisions for compensating for loss of assets at replacement cost and rehabilitation of adversely affected people. As per the Valuation Law, all people affected by expropriation must receive fair and just compensation. The calculation of fair and just compensation is to be made by independent valuers. Whilst fair and just compensation is stipulated to be market value for land and other assets, clarification of what this comprises is not made clear in the existing legislation (this is one of the issue that is being considered in the draft amended Expropriation Law). The GoR's approach to land procurement is: (i) to use available public land, or (ii) buy private land at a negotiated market price. Under the PforR operation, it will be the responsibility of the GoR/Ministry of Natural Resources (MINIRENA) to provide land for the program and will follow the sequence of options mentioned above. Preferred method is to identify public land that is free from encumbrances. In case of private land, MINAGRI will purchase the land at 'replacement cost'. Land owned by vulnerable groups, and land with unresolved claims will not be considered

40. The national policies and laws offer an enabling environment for decentralized decision making. But implementation remains weak as systems are not fully developed and implementing agencies lack capacity in terms of resources. To ensure community participation and inclusion of all sections of community for decentralized decision, the Program will develop an Environmental & Social Implementation Manual adapted from the existing Lake Victoria Environmental Management Project.

41. **The key findings of the ESSA on social impacts are:**

a) **Land Pressure:** One of the key factors perpetuating rural poverty is the pressure on land. Rwanda's population of 10.5 million (2012 census) live in one of the smallest countries in Africa with one of the highest population densities in the world at 416 per square kilometer. As a result farmer's landholdings are generally small. Smallholders in rural areas hold four to five plots that total a mean land size average of approximately 0.59 hectares, with the median value at 0.33 hectares – down from a mean of 0.79 and a median of 0.38 hectares in 2005/2006. This implies that one-half of the population currently holds less than 0.33 hectares, which significantly restricts both the productivity of the land and the ability of a large proportion of the rural population to escape poverty. By way of comparison, FAO estimates that a Rwandan household requires on average of 0.9 hectares in order to engage in sustainable agriculture that will feed the family without recourse to outside sources of employment.

b) **Food Insecurity:** Increases in agricultural production and productivity over the last decade contributed to both a reduction in poverty and an increase in food security. There remain however many rural households that are food insecure. Poor rural households with very small plots of land are the most food insecure and are also the most vulnerable to shocks that disrupt food production. The 2012 Household Survey (EICV) found that 21 percent of households have inadequate levels of food provision. Food security is largely a function of poverty and low incomes and any measures that contribute to a reduction in poverty will increase food security.

c) **Poverty and landless households:** Poverty is by far highest among households who obtain more than half their income from farm wage work, in other words from working on other people's land, followed by those with diversified livelihoods who obtain more than 30 percent or more of their income from farm wage work. It is clear from this that the vast majority of households that rely mostly or heavily on farm wage labor is poor; this is natural as this is very much a last resort activity for households without land or without sufficient land to meet their needs. The next highest level of poverty is among those that are self-employed in agriculture. However, it should be noted that, in all these groups, including those reliant on farm wage work, poverty has fallen over the period.

d) **Gender:** Rwanda has made great progress in become a gender equal society and in 2008 56 percent of members of parliament were women, the highest in the world (this increased to 64 percent in 2013). Women still however bear an unequal burden of agricultural work. They are under-represented at senior levels in the agriculture sector. Training and extension need to reflect women's needs, for example in the design of appropriately sized agricultural machinery. Looking at other household characteristics, over the past three Household Surveys (EICV 2000 -2011) female-headed households are on average more likely to be poor than male-headed ones even though the percentage of poor female-headed households has decreased from 66 percent in 2000/01 to 47% in 2010/11. A similar trend can be noticed for extremely poor households. However, the gap between female-headed and male-headed households is reducing. In 2000/01, 47 percent of the female-headed households and 37 percent of the male-headed households were extremely poor, while in 2010/11 the percentage decreases to 26 percent and 23 percent respectively. Among female-headed households, widowed household heads are more likely to be poor and extremely poor than other categories. Poor households seem to have more dependents (infants, children and elderly people) than non-poor households and this difference is especially striking in relation to extremely poor households.

e) **Youth Unemployment:** The youth population in Rwanda is above 30 percent and mostly landless. Most of the male youths are engaged in agricultural related activities such as, casual labour, contract farming and trading of agricultural produce. Female youths are engaged in homestead income generation activities like poultry, livestock rearing and vegetable production. Both female and male youths also support their incomes through organized group activities like livestock fattening, tree planting, irrigation canal and roof catchment construction or sand, stone and white calcareous soil collection for construction purposes. The youth generally do not find traditional farming attractive and pursue off-farm employment opportunities.

f) **Commercial Farming and Benefit Sharing:** Large scale farming by private investors will require consolidation of land use, mostly from subsistence farmers through rental and or lease. This could potentially lead the household to fall into poverty with no safety net. A process of benefit sharing or safety net must be in place to pre-empt such families falling into poverty.

g) **Capacity at National and District Levels to Implement sub-programs and mitigate adverse impacts:** The GoR has mitigating policies and procedures in place at all levels. Implementation of all services and programs is decentralized putting a tremendous burden on the Districts to perform.

1.3.2 Potential Social Benefits

42. The assessment of the program reveals that the social impact of the Program is likely to be positive owing to benefits such as: increase in productivity and commercialization of agriculture, and improved quality and accessibility of agriculture services thus improving the incomes and overall welfare and quality of life of citizens, especially the rural poor and vulnerable. The proposed operation targets farmer groups, focusing on poverty reduction and increasing food security. No significant change in land use or large-scale land acquisition is expected for the proposed PforR.

43. MINAGRI has a proven track record in implementing projects ensuring the inclusion of vulnerable households and groups in the project design and implementation, developing projects that target people with disabilities and elderly, youth groups, and women's groups. Learning from the participatory planning process from the existing projects, such as, Rural Sector Support Projects 1-3 and Lake Victoria Environment Management Project, the Ministry has adopted a participatory approach to project design through regular public consultations with the project beneficiaries, including project affected people. The Ministry has an adequate information flow at the District and grass roots levels to ensure a participatory approach to the decentralized planning process to the sub-project design and implementation. In addition, a grievance and redress mechanism is in place at the District level to mitigate complaints from the communities. Further, this PforR will leverage the accountability systems set up under the new Rwanda Governance PforR to strengthen District planning and accountability

44. The GoR has existing poverty targeting programs that have a strong impact on agricultural production and productivity and which contribute to diversify farm incomes for the poor and vulnerable households, these programs include: land conservation terracing of the small landholdings of the poorest households, 50% subsidy support for agriculture input, such as, fertilizer, lime and seed, easy access to finance because of land titles (that are in the name of both spouses), the "Girinka" one cow per poor family successfully targets poor households, including through mechanisms of joint household ownership of a cow, the small livestock program has similarly targeted poor households for ownership of small stock and the "one cup of milk" per pupil program similarly provides an important nutrition supplement for school children.

45. In response to gender inequality, the Rwanda Agriculture Sector Investment Plan 2014 recommends:

- (i) Review of policies on human resource development and professional advancement to ensure that women are adequately represented in senior positions in agriculture.
- (ii) Ensure that agricultural information, statistics and M&E data is disaggregated by gender.
- (iii) Ensure that gender based issues, problems and solutions are mainstreamed in all MINAGRI strategic and operational plans.
- (iv) Continue the gender budget initiative and use its results to target funding to address gender based issues and problems.
- (v) Train MINAGRI staff in gender awareness and sensitivity, especially extension and local level staff that are generally the first point of contact with farmers.

2. Description of applicable environmental and social management system

46. This section details the assessment of the capacity of Program institutions to effectively implement the environmental and social management system as defined in the rules, procedures and implementing guidelines relevant to the PforR operation. Aspects of this assessment examine (i) adequacy of institutional organization and division of labor; (ii) adequacy of institutional capacity, including staff, budget and availability of implementation resources to carry out defined responsibilities under the applicable Program system; (iii) effectiveness of inter-agency coordination arrangements, and (iv) performance of the implementing agencies in ensuring that the rules and procedures are being followed.

47. This Assessment builds on the existing environmental and social safeguards management documents for similar projects in Rwanda, such as: Rwanda Land Husbandry, Water Harvesting and Hillside Irrigation project (LWH); Rwanda Rural Sector Support Projects (RSSP) series 1-3; Landscape Approach Forest Restoration project (LAFREC); Rwanda Feeder Roads Development project; and the Lake Victoria Environmental Management project (LVEMP).

2.1 Experience and lessons from existing projects and initiatives in Rwanda

2.1.1 Rural Sector Support Projects 1-3

48. In the course of the implementation of the RSSP Phases 1 to 3, the projects took a framework approach to environmental and social safeguards management, since the exact subprojects were not known at the time of project preparation. MINAGRI prepared an ESMF, RPF, PMP and Small Dam Safety Guidelines, which were updated for each new phase of the program and re-disclosed to the public. The ESMF contained an environmental and social screening tool for investments that was integrated into the review of the funding requests emanating from communities, District Government officials, and other project beneficiaries. The ESMF also covered potential impacts on Natural Habitats, which was also reflected in the subproject-specific assessments.

49. The SPIU implementing the project has routinely utilized the frameworks diligently preparing ESIA's and RAPs for all subprojects. For example, RSSP 2 has produced ESIA's and RAPs for the project sites in 9 marshlands: Nyarubogo dam, Nyarubogo irrigation channel, Ntende-Rwagitima irrigation channel, Ntende dam, Kiliba dam, Rugeramigozi dam, Kinyegenyege marshland, Gisaya, Kibaya, Kinnyogo, Muvumba V, Muvumba VIII dam, and Muvumba VIII channels.

50. Environmental Assessment: the extent of ESIA's adequately covered the project scope and provided a number of recommendations to the project design, which were largely taken into consideration during project implementation. Some of the recommendation included: (a) implementation of land husbandry techniques along the slopes surrounding the marshland; (b) monitoring of water abstraction quantities to avoid water resource depletion is necessary; (c) periodic soil tests to monitor soil, baseline and progressive water quality tests to manage non-point source water pollution; (d) Water User's Association (WUA) for effective management of the marshland development; (e) implementation of capacity building framework for project beneficiaries on modern agricultural techniques and land husbandry, among other relevant issues.

51. However, some of the recommendations of the environmental safeguards instruments were not fully implemented as part of the project design. For instance, ESIA call for establishment of a green buffer zone (50 m around reservoirs and 2m around rivers) to promote security and sustainability of the irrigation structures, like reservoirs, canals, etc. At the time of the assessment such buffer zones is still a work in progress. As a solution the new sites considered under PforR should evaluate an additional short term solution for protecting the new irrigation structures, while the green buffer zone is being established. The ESIA also recommended (a) catchment management plans for individual marshlands, and (b) introduction of fish in the reservoir that feed on mosquito larvae was implemented, but the recent implementation support missions identified that this opportunity was not fully utilized.

52. Pest Management: In the existing Bank supported portfolio, the rate of agro-chemical use has been limited. IPM approach is promoted by MINAGRI, while use of pesticides and fungicides was limited and used mostly for potato and tomato crops. While PSTA 3 calls for intensification of the use of agrochemicals, Program 1 - Agriculture/Animal resource intensification includes activities targeted for sustainable intensification of agrochemical use in the country.

53. Social safeguards: During the process of resettlement and compensation, according to project RAPs, the District Land Bureaus allocated land to the Program Affected Peoples (PAPs) who have lost their land in the marshland due to project activities. The PAPs were given the plots of equal size of land in the same marshland after the works were completed. In addition to land for land, the PAPs also received compensation for their crops and trees based on fair market values. The Districts were also responsible to handle the grievances, with periodic monitoring from MINAGRI, during this compensation process.

54. While the scale of resettlement is not known in the context of PforR support to PSTA 3, especially for Program 1 (land husbandry and irrigation), it can be illustrated based on activities under ongoing and already completed RSSP projects, as the proposed sites are envisioned to be similar in scale. For RSSP 2, prior to project completion, the team developed a Resettlement Completion Report use as an input for the project ICR. During the life of the second phase of RSSP, there were a total of 3,088 people affected by the project activities in the marshlands, all of which were resettled and compensated in accordance with the national laws and the WB OP 4.12. The affected people had activities or houses either in the marshlands where canals were constructed or in the areas to be flooded. The project had constructed 36 houses to manage involuntary resettlement of PAPs. The total amount of compensation paid in the resettlement process was equivalent to USD 668,000. The external impact evaluation of RSSP 2 conducted a beneficiary assessment and found that on average, PAPs felt they were 300-400 percent better off after total compensation from project activities.

2.1.2 Rwanda Feeder Roads Development Project.

55. The RFRDP was approved in FY14 and became effective June 14, 2014. The project is also implemented by MINAGRI with support from RDTA. The project also took framework approach (ESMF and RPF), but also prepared a set of ESIA and RAPs for selected roads in 4 Districts (Gisagara, Karongi, Nyamasheke and Rwamagana). In Rwanda, about 66 percent (9,300 km) of the 14,000 km of the overall road network are unclassified roads, which are predominantly earth roads and considered as Districts

roads. According to a road condition survey carried out in 2010, about 23 percent of the District roads are in good condition while 44 percent and 32 percent are in fair and poor condition, respectively. The District and unclassified roads that principally constitute the feeder roads network are in dismal state and are major constraint for the mobility of the rural population. Because of these conditions, the use of large scale services, including motorized vehicle such as trucks and buses remains constrained by the unavailability of maintained roads or poor condition of roads and most farmers carry their produce to market by head loading, bicycles, drawn carts or motorbikes.

2.3 Lessons from the Strategic Environmental Assessment for agriculture sector

56. In January 2012, the EU Commission financed an SEA for Agriculture sector , which was developed by Consortium SAFEGE (Belgium) for MINAGRI and other stakeholders related to agro-environmental issues in Rwanda and the European Commission. The SEA found the policy and planning framework at national and sectorial level to be comprehensive and consistent, with well integrated environmental dimension. The SEA confirmed that Rwanda has a solid set of institutions dealing with the environmental aspects of the agriculture sector, including arrangements for inter-sectoral and inter-institutional coordination. The SEA identified that issues of attention are related to the strengthening of capacity, effectiveness of enforcement of the ESIA regulatory system and the control and management of agrochemical products. The report also noted that while the environmental regulatory framework still requires improvements, advances are gradually made. Another set of improvements is recommended in the area of management of water resources, including generation of adequate baselines for water quality, hydrological balance and effluent discharges. The SEA identified technical and systemic issues, with technical issues including (1) soil and water conservation; (2) soil acidity and nutrient management; (3) crop and variety selection; (4) pest and disease management; and (5) rural feeder roads. Systemic key issues included: (1) monitoring & evaluation; (2) climate variability and climate change; (3) Environmental Impact Assessment system; and (4) local capacities. The ESSA notes that all of the issues identified in the sectoral SEA have been included as part of PSTA 3.

2.3 Legal and Regulatory Framework Applicable to Program

57. Laws and decrees are important for guiding actions, but in general they are more effective to the extent they reflect a societal consensus on what needs to be done and how it should be done. They are most effective when they can strengthen initiatives that already have been conceived or begun. Therefore, the legal and regulatory framework continues to capture the dynamism of the sector. Thus, it is important to maintain constant communications with technical experts and program personnel in order to be aware of evolving needs for legal and administrative support.

58. **Rwandan Constitution of 2003.** The constitution is the supreme law of the country. Several articles of the constitution cover environmental and social aspects:

- Article 49 states that every citizen is entitled to a healthy and satisfying environment. Every person has the duty to protect, safeguard and promote the environment. The state shall protect the environment. The law determines the modalities for protecting, safeguarding and promoting the environment.
- Article 29 states every citizen's right to private property, whether personal or owned in association with others. Further it states private property, whether individually or collectively owned, is inviolable. However this right can be interfered with in case of public interest, in circumstances and procedures determined by law and subject to fair and prior compensation.
- Article 30 stipulates that private ownership of land and other rights related to land are granted by the State. The constitution provides that a law should be in place to specify modalities of acquisition, transfer and use of land (expropriation law). The constitution also provides for a healthy and satisfying environment. In the same breath every person has the duty to protect, safeguard and promote the environment. The State shall protect the environment.

59. **Information Disclosure:** In November 2012, GoR passed a new law on rights to information, which further enhances transparency and accountability of the government. The Law N° 04/2013 of 08/02/2013 relating to Access to Information calls for public organs or a private body to disclose information where the public interest in disclosure outweighs the interest of not disclosing such information. The purpose of this law is to promote public consultations, ensure that the expenditure of public funds is subject to effective management and oversight; to keep the public regularly and adequately informed about the existence of any danger to public health or safety or to the environment; and to ensure that any public authority with regulatory mission properly discharges its functions.

60. **General Grievance Mechanisms in Rwanda:** Grievance mechanisms provide a way to reduce risk for projects, provide an effective avenue for expressing concerns and achieving remedies for communities, and promote a mutually constructive relationship. Grievance mechanisms are increasingly important for development projects where on-going risks or adverse impacts are anticipated. They serve as a way to meet requirements, prevent and address community concerns, reduce risk, and assist larger processes that create positive social change. Experience has shown that open dialogue and collaborative grievance resolution simply represent good business practice—both in managing for social and environmental risk and in furthering company and community development objectives.

2.2.1 Environmental Policies and Legal Framework

61. The Republic of Rwanda has a number of laws for the protection and conservation of environment. Some of these relevant to the Program are:

- **Organic Law No 04/2005 of 08/04/2005** determining the modalities of protection, conservation and promotion of environment in Rwanda and advocates environmental impact assessment (ESIA) in chapter IV whereas every project is subject to ESIA before implementation. ESIA procedure is specified in Ministerial order 2008. The Organic Law covers, among other topics, the use agro-chemicals in the country. The Prime Minister's Order N°26/03 (2008) determines the prohibited list of chemicals and other prohibited pollutants. The SEA for agriculture highlighted the development also a proposed draft Organic

Law of Agro-chemicals, which will encompass provisions for the manufacture, distribution, use, storage and disposal of agrochemicals including pesticides and fertilizers for the protection of public health and the environment, false practices in the supply of agrochemicals, injury avoidance during the application and use of agrochemicals, prevention of contamination of food with agrochemicals, protection of the agricultural community from deception and other related matters. It provides scope for designating use of personal protective equipment/clothing and establishment of Maximum Residue Limits (MRL) of chemicals in goods entering trade.

- **Environmental Impact Assessment:** Law no 003/2008 and no 004/2008 August 2008; Cabinet Approval on 14/11/2007 (Pursuant to Organic Law No 04/2005 of 08/04/2005 especially in Article 67, 68, 69 and 70) indicates the list of works that must undergo ESIA studies, that includes land husbandry works, irrigation infrastructure and feeder roads.
- **The National Policy of Environment** was adopted by the Cabinet in November 2003. This policy presents broad categories of development issues that require a sustainable approach. The overall objective is to ensure judicious utilization of natural resources and the protection and management of ecosystem for sustainable development. The policy anticipates improved management of environment both at central and local level in accordance with the country's current policy of decentralization. With regard to the protection and management of natural resources and environment, the aim of the Government of the Republic of Rwanda is to see, by 2020, the percentage of households involved directly in primary agriculture reduced from 90 percent to less than 50 percent; effective and updated regulations established which are adapted to the protection of environment and sustainable management of natural resources; the rate of diseases related to environmental degradation reduced by 60 percent; and the share of wood in national energy balance reduced from 94 percent to 50 percent. The application of laws and regulations, the adoption and dissemination of environment friendly technologies will constitute a high priority for the central and local authorities.
- **Water Law no 62/2008** for use conservation, protection and management of water resources; this policy covers activities like water infrastructure installations and highlights management of water on both demand and supply side. Policy also integrates the other policies on forests, wetland, agriculture and land. According to this law, any institution that needs to develop works and operations susceptible to present dangers for health and the public security, to be harmful to the waters free outflow, to reduce the water resources, to affect its buffer zones, quality of water or the aquatic environment diversity have to submit an application for authorization to the Ministry of Natural Resources. According to Deputy Director General in charge of Water Resources Management MINERENA is in the process of establishing the dam commission and national instruction for dam construction and safety.
- **Irrigation master plan developed by MINAGRI** in collaboration with MINERENA. The Plan partitions the country into six irrigation domains, each domain is defined by the category, availability and accessibility of a given water resource vis-à-vis the biophysical and climatic features that influence its mode of abstraction and utilisation. The domains serve as a general guide for locating the ideal water resources for a given area. Rwanda's irrigation domains are thus categorized as: runoff for small reservoirs, dams, river and flood water, lakes, marshlands and groundwater resources.

- **National Forest Policy (NFP)** was established in 2004 and amended in 2010. Under this policy forest commission was established to promote and oversee forestry activities. It also emphasizes to meet the needs of population for wood and other forest products. The policy fixed the target of forest cover at least 30% of geographic area and also to have 85 percent of farmland under agro-forestry by 2020.
- **National land policy** was adopted in February 2004. This policy provides register and transfer of land and possibility of investments in land. It also highlights key principle of land use and land management. The policy advocates the protection of green areas, marshy land, valley and protected areas in Rwanda. These protected areas are classified as such because of their multiple roles, namely ecological, economic, cultural, and social. The main objective of their preservation was the conservation of different species and different habitats of biodiversity for educational, touristic and research purposes. These areas have been affected by various changes, one of which is the spatial reduction due to the resettlement of the population.
- **The Transport Policy (TP)** was approved in December 2008. This policy takes into account the action plan of the Sub-Saharan Africa Transport Policy and cross-cutting issues such as HIV/AIDS, gender mainstreaming, socio-economic and environment. The main objective is to reduce down constraints of transport in order to promote sustainable economic growth and contribute to poverty reduction. The policy also advocates the reduction in transport costs, develop transport infrastructure, increase mobility and supplying of services and allow the entire population to improve their standard of living. The transport infrastructure sector, including feeder roads, must be effective to facilitate the other socio-economic sectors and thus stimulate the growth for achievement of the objectives of EDPRS and Vision 2020.
- **National Development Strategy.** Land use management, urban and transport infrastructure development are considered as important pillar among 6 pillars of Vision 2020 and protection of environment and sustainable natural resource management is one of the crosscutting areas of the vision. The other important planning tools are: the Economic Development and Second Poverty Reduction Strategy (EDPRS 2), the National Investment Strategy, Millennium Development Goals (MDGs) and the Medium Term Expenditure Framework. The vision document advocates to the development of economic infrastructure of the country and transport infrastructure in particular. The Government of Rwanda (GoR) developed National Strategies and Action plans for the following:
 - **National Biodiversity Strategy and Action Plan (NBSAP)** 2003,
 - **National Plan of Action (NAPA)** for climate change adaptation (2006/7), and
 - **National Action Plan (NAP)** for combating desertification.

These strategies and action plans reflect national priorities for environmental natural resources sector that are in line with the Rwanda's EDPRS 2 as a medium-term framework for achieving the country's long term development aspirations as embodied in Rwanda Vision 2020 and the Millennium Development Goals (MDG) priorities.

- **Inspection Law No 005/2008** and no 007/2008; Ministerial order establishing modalities of inspecting companies or activities that pollute the environment and list of protected animals and plant species.
- **Biological Diversity and its Habitat:** President Order No 017/01 of 18/03/1995;

2.2.2 Social Policies and Legal Framework: Overview of Rwandan Land Policy and Legislation with regards to Resettlement

62. **The Rwandan Land Policy** ensures equal right to land use for all Rwandan citizens (Politique Nationale Foncière 2004). In order to achieve the objective of the Land Policy, Rwanda underwent a land reform process targeting three main objectives: (1) Use of the Land for economic growth and poverty reduction, (2) Ensuring equal rights to land for all Rwandans and (3) Protecting environment and land resources. A number of organic laws, decrees and orders have been promulgated to facilitate the implementation of the Rwandan Land Policy. Below in detail the Rwandan legislation related to land tenure, land use, resettlement, expropriation and land valuation:

- **Land Valuation Law** promulgated in 2007;
- **Land Expropriation Law** promulgated N° 18/2007 of 19/04/2007;
- **Presidential Order N° 54/01** of 12/10/2006 determining the structure, the responsibilities, the functioning and the composition of Land Commissions; and
- **Ministerial Order N° 001/2006** of 26/09/2006 determining the structure of Land Registers, the responsibilities and the functioning of the District Land Bureau;
- **The Organic Law N° 03/2013/OL** of 16/06/2013 categorizes land in two criteria: (1) Land Use and (2) Land Ownership:
 - **Land Use (Article 9)** is split into two categories: urban lands and rural lands. Urban lands are defined as lands confined within the legal boundaries of towns and municipalities as well as lands in suburbs and collective settlements of towns and municipalities. Any other land is rural land.
 - **Land ownership** is divided into the following categories: individual owned lands and State lands (whether urban or rural). Article 10 provides that individual land is comprised of land acquired through custom, written law. That land has been granted definitely by competent authorities or acquired by purchase, donation, inheritance, succession, ascending sharing, and exchange or through sharing.
 - **Article 11** provides that public land consists of land in public and private domain of State, land belonging to public institutions and land that belongs to local authorities whether being in their public domain or in their private domain. It also states that the State may donate to any public institution or local authority its land reserved for public or private domain.

- **Article 12** states that State land in the public domain consists of all land meant to be used by the general public or land reserved for organs of State services as well as national land reserved for environmental protection.
- **Land tenure legal provisions in Rwanda:** Although the Organic Land Law provides two types of formal land tenure: full ownership/ freehold and long term leasehold, all land in Rwanda belongs to public entities: the State, the Cities and the Districts. "Public land" is reserved for public use or for environmental protection. "Private land" can be allocated by its public owners (State, Cities and District) to natural or legal persons. It then becomes "individual land". It is leased through a lease contract and against payment of an annual lease fee. The lessee obtains an ownership certificate (Emphyteutic Lease Contract and Certificate or Full Ownership Title) (Ministry of Natural Resources, 2012).
- **The Organic Land Law** recognizes existing rights, whether written or unwritten, under both civil law and customary practices through new national land tenure arrangements. Efforts have been made to formalize land ownership, especially those acquired through customary means. For instance, rural populations with customary/indigenous land rights have been encouraged to register their land through decentralized land institutions like the District Land Bureau, Sector Land Committees and Cell Land Committees (Ministerial Order N° 001/2006 of 26/09/2006 determining the structure of Land Registers, the responsibilities and the functioning of the District Land Bureau). All types of land tenure must be in compliance with the designated land use and environmental protection measures as outlined in the Land Use Master Plan.
- **Property laws in Rwanda:** Laws on property are found in various legal texts of Rwanda including the Rwandan Constitution which recognizes every person's right to private property (Article 29). Consequently, private property, whether individually or collectively owned is inviolable. Exceptionally, the right to property may be overruled in the case of public interest. In these cases, circumstances and procedures are determined by the law and subject to fair and prior compensation (Article 29).
- In addition, the present Organic Land Law sets a legal framework for property law under articles 5 and 6 which provides for full ownership of land and permits any person that owns land (either through custom or otherwise), to be in conformity with the provisions of this law. It is important to observe however that full ownership of land is only granted upon acquisition of a land title issued by the general land registrar authority. Once the efforts to provide proper land tenure documentation are completed, ownership of land without proper documents such as, land title will not be deemed lawful land ownership and thus in event of circumstances like expropriation; one will not be able to benefit from a fair and just compensation package.
- **Eligibility under Rwanda Law:** Eligibility for compensation is enshrined under the Rwandan constitution (Article 29) and the Expropriation Law. The two laws regulate and give entitlement to those affected, whether or not they have written customary or formal tenure rights. The person to be expropriated is defined under article 2 (7) of the Expropriation Law to mean any person or legal entity who is to have his or her private property transferred due to public interest, in which case they shall be legally entitled to payment of compensation.

- **Compensation entitlement:** In case an individual suffers any loss, Article 3 of the Expropriation Law stipulates that he or she should receive just compensation for it, although it is not clear what comprises fair and just compensation, this being left to the judgment of independent valuers. Article 4 of this law also stipulates that any project which results in the need for expropriation for public interest shall provide for all just compensation in its budget. Through mutual arrangement, both parties can determine the mode of payment. Article 22 (2) of the Expropriation Law provides that through an agreement between the person to expropriate and the one to be expropriated, just compensation may either be monetary, alternative land or a building equivalent as long as either option equates to fair and just monetary compensation. In case the determination of ‘just’ compensation exceeds in value the alternative land given to the expropriated person, the difference will be paid to the expropriated person.

- **Land Assets Classification and valuation:** A land holder whose holding has been expropriated shall be entitled to payment of compensation for land and other assets, plus compensation relating to all activities resulting in any improvement to the land. Land and other assets are classified into two categories: movable and immovable assets, both of which are eligible for compensation. For movable assets, compensation relates to inconveniences and other transition costs caused in the process of relocation. Immovable assets include: crops, forests, any building or other activity aimed at efficient use of the land, the value of land, and the activities thereon that belong to the person expropriated.

The valuation is made considering the size, nature and location of land as well as the prevailing market price. The amount of compensation for property is determined on the basis of the replacement cost of the property. Prior to the 2005 Organic Land Law, as all land was State owned, buying and selling of land was not permitted. Following the recent restructuring of Land legislation, people now have the right to claim ownership and trade in newly-privatized lands. However, the decrees supporting this aspect of the 2005 Organic Land Law are not yet fully implemented, and awareness is currently perceived to be low among the population such that appropriate market prices for land have yet to be established.

Under the new law it is not permitted for MINIRENA to provide any valuations for expropriated assets, as was the case previously. Instead, the entity responsible for undertaking valuation of assets is the Land Valuation Bureau. This entity is considered to be independent from the government, and provides accreditation to these independent valuation experts to value all assets affected by expropriation. However, it is not yet clear what the arrangements are for funding valuations by the Land Valuation Bureau.

MINIRENA will provide relevant land assessments and information on price differentials according to the location of land to be expropriated, which will form the basis upon which fair and just compensation is to be calculated. The law provides that the valuation for expropriated lands be based on its type, use, location and availability, building on this guidance provided by MINIRENA. For the time being, until proper market prices are established, prices are negotiated openly and freely by the buyer and the seller.

- **Procedures for Expropriation in Rwanda:** The law provides for public sensitization on the importance of the project to be established and the need for expropriation. In addition to sensitization, the Expropriation Law requires prior consultative meetings and examination of the project proposal involving expropriation, with a view to avoid eventual prejudice on the person or entity subject to expropriation. Normally, a consultative meeting is held within 30 days after receipt of the application for expropriation.

Based on these consultations, the relevant Land Commission or Committee (from the Cell level to the National level) takes a decision to approve the project within a period of 15 days.

2.3 Institutional Responsibilities

2.3.1 Environment

63. Ministry of Natural Resources (MINIRENA) is a multispectral ministry covering five sectors: Lands, Water Resources, Forest, Mining and Environment. Environment is a cross cutting sector because it covers the four other sectors. The Ministry is responsible for developing land utilization policies (including surveying, land classification, land laws and land tenure); the development of environmental policies and procedures (including impact assessments), protection of natural resources (water, land, flora, and fauna), environmental legislation, biodiversity, and other environmental aspects.

64. Rwanda Environment Management Authority (REMA) is an institution responsible for facilitating coordination and oversight of the implementation of national environmental policy and the subsequent legislation. The functions of REMA include:

- To implement Government environmental policy and decisions of the Board of Directors.
- To advise the Government on legislative and other measures for the management of the environment or the implementation of relevant international conventions, treaties and agreements in the field of environment, as the case may deem necessary.
- To take stock and conduct comprehensive environmental audits and investigations, to prepare and publish biannual reports on the state of natural resources in Rwanda.
- To undertake research, investigations, surveys and such other relevant studies in the field of environment and disseminate the findings.
- To ensure monitoring and evaluation of development programs in order to control observance of proper safeguards in the planning and execution of all development projects, including those already in existence, that have or are likely to have significant impact on the environment.
- To participate in the setup of procedures and safeguards for the prevention of accidents and phenomena which may cause environmental degradation and propose remedial measures where accidents and those phenomena occur.
- To render advice and technical support, where possible, to entities engaged in natural resource management and environmental protection.
- To provide awards and grants aimed at facilitating research and capacity-building in matters of environmental protection.
- To publish and disseminate manuals, codes or guidelines relating to environmental management and prevention or abatement of environmental degradation. This includes (a) Guidelines for Mainstreaming Climate Change Adaptation and Mitigation in the Agricultural Sector and (b) Practical

Tools for Sectoral Environmental Planning (sustainable agriculture, agroforestry, irrigated agriculture on non-protected wetlands, soil productivity and land management, among others).

65. Rwanda Development Board: REMA was initially responsible for reviewing and approving ESIA reports for development projects. However, this duty was reassigned to the recently created Rwanda Development Board (RDB), where a dedicated department of ESIA was created and tasked with review and approvals of all ESIA studies. RDB is a one stop institution bringing together several government bodies in Rwanda focused at promoting investment in Rwanda. RDB has created a dedicated department of ESIA responsible for reviewing all projects ESIA before approval. Recently, RDB has started testing a system for online submission of ESIA and other documentation for review and clearance, which should streamline the information flow and review improve response time.

66. Rwanda Natural Resources Authority (RNRA) is an authority that leads the management of promotion of natural resources which is composed of land, water, forests, mines and geology. RNRA is responsible for supervision, monitoring and ensuring the implementation of issues relating to the promotion and protection of natural resources in programs and activities of all national institutions.

67. Rwanda Transport Development Authority (RTDA) has environmental and social specialists that look after safeguard issues for the main road contracts, but it has not yet established an Environmental and Social Management Unit. The Environmental Officers of the Districts under the Environment and Water Resource Management Units are responsible for environmental and social safeguard aspects of development projects, but due to capacity limitation their engagement is restricted to minor community level development actions.

68. Planning for climate change. The 2011 National Strategy for Climate Change and Low Carbon Development will be used to guide overall planning for Climate Change. There is no particular indicator in the Program Results Framework to help monitor the mainstreaming of Climate Change issues. MINAGRI should consider including one to track Climate Change adaptation and mitigation efforts within the Sector.

69. Rwanda also adheres to several international agreements, treaties and conventions, though management legal tools for compliance with these agreements are not yet well developed. Among conventions ratified by the Republic of Rwanda, the most important ones which have influenced or influence the national policy with regard to environment are:

- i) Convention on Biological Diversity of June 10th, 1992 ratified on March 18th, 1995.
- ii) United Nations Convention on Desertification Control of June 17th, 1991 and ratified on October 22nd, 1998.
- iii) RAMSAR Convention on February 2nd, 1971 on wetlands.

2.3.2 Social

70. MINERENA, along with environmental management, also governs the implementation and application of the Land Law and the Land Use Master Plan. Whilst they will govern alignment with these Laws at the national level, responsibilities for their implementation locally has been devolved, following decentralization, to Land Commissions and committees at District, Sector and Cell levels. MINIRENA is also the key Ministry governing resettlement arrangements in Rwanda. They do this by working directly with the Ministry/Institution developing the land on which resettlement is required. For instance the implementation of Resettlement Action Plans for the PforR program will involve the SPIU team of MINAGRI and MINIRENA. MINIRENA will therefore play a critical role in ensuring that appropriate and consistent compensation is provided to all affected persons resulting from the PSTA 3 investments.

71. Rwanda Natural Resources Authority (RNRA) mentioned above, is also responsible for managing land acquisition, valuation and resettlement activities.

72. Land Valuation Bureaus: The Land Valuation law was promulgated in 2007 and outlines the role of the Land Valuation Bureaus to provide independent 'fair and just' valuation of land and affected assets in the event of expropriation. Land valuation bureaus are free to be established all over the country, although to date only one has been established in Kigali. In the event that no Land Valuation Bureau exists in the locality of PforR sub-project, independent valuers from the Kigali-based bureau will be used. All private valuers are accredited by the GoR.

73. District Level Implementing Agencies: The District authority in which investment sites are located will be the coordinating body for the national at the District level using its existing structure, and will allocate the Program funds. As well it will oversee, coordinate and facilitate the implementation process of Program across local governments under its jurisdiction. The District-level departments will provide a review and monitoring role, and provide political and administrative support for the implementation of the RAPs.

74. District Land Bureaus: The District Land Bureaus (DLBs) will be the executive bodies responsible for ensuring that activities undertaken comply with the National and District level Land Use Master Plans. DLBs are in the process of being set up as a part of the revised land legislation implementation process. They will assess the validity of land tenure rights of affected persons and eventually provide the land use permit for the new activity proposed by the investments. In addition they will be responsible for ensuring effective grievance mechanisms are in place. They will also be used in the design of the RAP as much as possible in order to ensure that community buy in is present at an early stage hence reducing disputes or grievances. Their activities will be monitored by the District authority. The District Land Bureaus will play a major role in RAP implementation by:

- Establishing the sub-project level Resettlement and Compensation Committees at Sector/ Cell level;
- Clarifying the policies and operational guidelines of these Resettlement and compensation Committees;
- Establishing standards for unit rates of affected assets and compensation estimates, according to the standard units appended to the RPF, adjusted for local conditions where necessary; and

- Coordinating and supervising implementation by Resettlement and Compensation Committees as stipulated in the RPF and national/ District guidelines.

75. The District Responsibilities: The District is represented by a member of each of the key departments and agencies at the various levels of the District government (including the District Land Bureau), and supervises and monitors all activities at the District Level. Given the importance of ensuring proper implementation of investments within the Districts, the District teams will play a crucial role in ensuring alignment of resettlement and compensation arrangements. The District in collaboration with MINAGRI would play a major role during RAP implementation by ensuring that appropriate compensation procedures are followed; and review, sign-off and approval on all documentation (e.g. screening forms, completed RAPs, grievance forms, consultation plans).

76. Resettlement and Compensation Committees: In keeping with Rwanda's decentralization policy, the responsibility for the development and implementation of the RAPs will be at Sector and Cell level. Once resettlement has been identified via the screening process in relation to this Program interventions, District Land Bureau (DLB) representatives will be responsible for electing members of an investment Resettlement and Compensation Committee. This committee does not currently exist, but is proposed as part of the Program Action Plan, and will operate at sector level. It is proposed to be coordinated by the DLB, due to the executive powers of the DLB. This committee will plan for, coordinate and monitor resettlement, compensation and relocation activities, as well as supervise compensation payments to the recipient project affected parties (PAPs). A large part of their responsibility will be consultation with potential PAPs. The local Resettlement and Compensation Committee would comprise the following:

- Representative from Sector or Cell Land Committee;
- Representative from the Land Adjudication Committee;
- Representative from the District Development Committee (in particular from the Social Department);
- Representative from any other key sector office involved in the resettlement process;
- Key representative from the implementing organization (Farmer cooperative, and local civil society organization);
- A representative PAP; and
- SPIU representative (ideally the Rural Sociologist or Community Development expert)

77. This committee should meet on a regular basis (as determined by the needs of the project) to ensure that resettlement activities are appropriately designed and executed. It is recommended that a representative be elected to act as a coordinator who would act as the key contact with PAPs and therefore facilitate implementation of consultation, public participation and grievance mechanisms. These actors are described in greater detail below and will have the responsibility for:

- validating inventories of PAPs and affected assets;

- allocating land, where required, to permanently affected households;
- supervise the valuation process
- monitor the disbursement of funds;
- guide and monitor the implementation of relocation;
- coordinate activities between the various organizations involved in relocation;
- facilitate conflict resolution and addressing grievances; and
- provide support and assistance to vulnerable groups.

78. Sector/ Cell Land Committees: The Sector and Cell land committees will be independently mandated as a part of the revised land legislation implementation. These committees are also a decentralization effort of the Government of Rwanda. They report to the District Land Bureau, and are responsible for monitoring the role of the DLB in their relevant Sector/Cell. In particular, they are responsible for providing field information to the District Land Commission and District Land Bureaus relating to land use, approving land expropriation, and approving all land use changes in their particular Sector/ Cell. They also ensure documentation of land tenure at these levels. The members of the Sector and cell land committees include:

- Representative of a farmers' cooperative;
- Representative of sector level local agricultural administration;
- Member of education services i.e., teacher;
- Representatives of individual farmers; and
- Vulnerable groups (preferably women, as according to the Constitution 30 per cent of each committee must be made up of women).

79. Land Adjudication Committees: The Land Adjudication Committee is responsible for coordinating individual land registration and ensuring appropriate compensation payment is made for individual land expropriated. It will ensure that compensation payments are included in the requests for funds, and that they are allocated accordingly. Land Adjudication committees are a traditional legal institution implemented only when there is conflict over land ownership. Only when disputes are referred to them will they have a role to play, in conflict and dispute resolution. A key role is the management of land ownership conflicts, part of which involves helping vulnerable people to appeal in case of grievances. The members of the Land Adjudication Committee include:

- Farmer elders;
- Representative of Cell agricultural department; and
- Representative of Sector/Cell Land committee.

80. **Farmer Cooperatives:** Some of the investments will be managed and implemented by a local community-based organization, in the form of a farmer cooperative, a water user association or a NGO. Support will be provided by SPIU and/or District specialists to ensure they have the capacity to undertake this implementation role effectively. They will have an important role to play in implementing resettlement activities, which will be specified by the Resettlement and Compensation Committee. Appropriate capacity building and support will be provided by the District expert and/or service provider (local NGO) where necessary.

81. **Village Level Land Committees:** At the Village/Umudugudu level, there are village-level mediators (abunzi) whose work is to hear disputes, especially land disputes. The abunzi, or mediation committees, have mandatory jurisdiction over land disputes involving amounts that are less than three million RwF, which means over most land disputes. The Abunzi also have mandatory jurisdiction over succession and boundary disputes involving less than three million RwF. The abunzi will be used in the PSTA program as the first stop for resolving disputes and grievances following land acquisition. They will be involved in the compensation process from the beginning to the end. They will also be used in the design of the ARAP as much as possible in order to ensure that community buy in is present at an early stage hence reducing disputed or grievances.

82. **Consolidated Land Use and Benefit sharing:** The experience from the past and on-going project design and implementation in Rwanda suggests a clear policy and practice of community consultation and participation as essential to the assure fairness and sustainability of the projects and programs. This practice has afforded potentially affected community an opportunity to contribute to both the design and implementation of the project activities and reduce the likelihood for conflicts between and among community. The consolidation of land use and administration in Rwanda is based on long standing traditional and cultural practices making public consultation with the rural communities, indispensable. Effective and close consultation with PAPs is a pre-requisite for project success. In recognition of this, particular attention would be paid to public consultation with potentially affected individuals, households, homesteads when benefit sharing under consolidated land use or resettlement and compensation is involved. Public consultation will take place at the inception of the planning stages when the potential land use is being considered. The participation strategy would evolve around the provision of a full opportunity for involvement. Therefore, as a matter of strategy, public consultation would be an on-going activity taking place throughout the entire project cycle. For example, public consultation would also occur during the preparation of the (i) the socio-economic study, (ii) consolidation of land use and benefit sharing plan, (iii) the resettlement and compensation plan (iv) the environmental impact assessment and (v) during the drafting and reading of the compensation contract.

3. Common Framework for Engagement

83. The overall coordination of prioritization, implementation and monitoring of outputs, outcomes and impacts for the Rural Roads component of the PSTA 3 program will be the responsibility of the steering committee for feeder roads development, led by MINAGRI. RTDA/MINIFRA will be providing technical support. The Common Framework of Engagement (CFE) would govern and frame the modalities of engagement in implementing the Rwanda Rural Feeder Road Development (RRFD) program, while each member is implementing a slice of the whole national RRFD program components

through which the entire objectives of the RRFD program could be met successfully. With the beneficiary communities at the center of planning, the project components complementarily respond to community-empowerment and competence as well as demonstration of RRFD construction, rehabilitation and maintenance in support of commercial and professional agriculture and improved way of life. They jointly contribute to the following eight major outcomes: i) an effective and efficient RRFD program catalyzing and facilitating office that serves as a liaison and knowledge-house within the Post-harvest Taskforce of MINAGRI. The office is staffed with able and competent staffs in all aspects of the program implementation; ii) Umudugudu-level administrative bodies of each district have effective rural labor recruitment, deployment and financing mechanism and the labor required for implementation of RRFD segments in all relevant Umudugudu-jurisdiction; iii) Routine rural feeder-road repair and maintenance teams are in place and transparent fee collecting and financing mechanisms is established and guaranteed for periodic repair and maintenance of rural feeder-roads by communities at Umudugudu-level; iv) livable wages to the rural masses through labor-based RRFD construction, rehabilitation and periodic maintenance works on a sustainable basis; v) by the end of the third year of the RRFD implementation period, there are at least 6 trained technicians at each sector, and at least one local and formally registered Feeder-road Construction Entrepreneur Team (FCET) at each sector with a minimum package of implementation facilities; vi) 9302 km of existing dilapidated feeder-roads upgraded and re-constructed, 12,900 km of feeder roads additionally constructed and 9000 km of basic access farm-roads constructed a new as per the specific standards stipulated for each of these feeder roads; vii) a monitoring and evaluation system identifying lessons of success and failure compiled by the RRFD-PIU office; and viii) MINAGRI, Development Partners and other collaborators have effectively implemented the CFE document as stipulated and agreed by parties. The ultimate outcome from cumulative impacts of the above-indicated 8 outcomes is to avoid hindrance to transportation of improved agricultural inputs and marketable agricultural commodities as well as improving all-time access of communities to social services.

4. Program Capacity and Performance Management Assessment of Adequacy and Identification of Gaps

84. The proposed PforR operation is designed as a programmatic results-based approach in the agriculture sector. The Program is based on well-functioning Government fiduciary systems and practices, including contract and financial management, governance and anti-corruption systems, social and environmental regulations and systems, and technical capacities as demonstrated over the last 13 years in implementing World Bank supported projects/programs in the sector.

85. Additionally, MINAGRI has demonstrated strong monitoring and reporting against results and indicators in the Bank-financed operations. The PforR operation also is designed to reinforce and strengthen the Government's own systems for delivery of key agriculture services, while putting in place processes to expand the role of the private sector in service provision.

86. To ensure sustainable implementation of activities under the PforR program, MINAGRI must ensure a dedicated staff is assigned to serve as an Environmental and Social Safety Officer (EO), who will work with the Districts and will provide oversight of environmental and social aspects of the construction contracts, including the enforcement of all monitoring requirements. Presence of such designated safeguards staff has been a key factor in successful environmental and social risk management

under the ongoing LWH and RSSP projects. The Districts will be supported by the ministries at the central level (MINAGRI, RTDA). The Environmental Officers of the Districts under the Environment and Water Resource Management Units are responsible for environmental and social safeguard aspects of development projects, but due to capacity limitation their engagement is restricted to minor community level development actions. For feeder road investments, RTDA is in the process of establishing a central level Environmental and Social Management Unit, with capacity building to be provided by the project management Consultancy Firm engaged under the RFRD project.

87. Given MINAGRI's demonstrated technical and administrative capacity in implementing the sector's strategic programs, proven track record and well-functioning monitoring, fiduciary, environmental and social systems, and effective implementation of Bank-financed investment projects (IPFs), it is a natural progression to adopt the PforR instrument for this operation, as opposed to another Investment Project Financing (IPF) or Development Policy Lending (DPL) as the instrument's key features include: (i) improve the efficiency of government program(s) of expenditures, using program systems, (ii) disburse directly against results; (iii) help build institutions and capacity under the program(s) being supported, and (iv) enhance partnerships with other donors in supporting the same government program of expenditures. The proposed PforR operation would help to consolidate these major programs, as well as provide enhanced support and accompanying reforms to other key strategic components of the PSTA 3, thereby generating greater sector-wide impacts. The instrument will also enable the Bank to use its convening power to bring on board other Development Partners (DPs) to close the anticipated financing gap.

88. The previous section described the existing environmental and social management system of GoR in the agriculture sector including the policy and legal framework, the key sector institutions and the country's environment and social management procedures. This section analyses the performance of the key institutions with regard to the provisions of the legal and regulatory framework and highlights the challenges therein. It also describes the challenges and needs with respect to the capacities of the key sector institutions.

89. The central government, through MINAGRI, provides policy, coordination and financing leadership for PSTA 3 program. Implementation approaches vary with a mix of national, district, community, and private program delivery.

90. The Program implementing agencies operate within a well-defined regulatory system for safeguarding environment and water resources and ecologically significant areas from degradation. The system includes protection of groundwater sources from interference, excluding activities that are likely to have significant adverse impacts on eco-sensitive areas, coastal areas and wetlands. For the schemes that are to be located on forested lands, and near protected areas, there is a well-defined procedure that involves seeking permission from the Forest Department. The procedure with respect to schemes in the proximity of sites with historical or archaeological value (protected monuments) involves seeking permission from the Ministry of Sports and Culture. However, the implementation of the existing provisions faces challenges due to insufficient capacity for implementation and monitoring and overstretched regulatory authorities.

91. The state's approach for enhancing source sustainability in scheme planning includes source selection based on technical assessments and community consultation. There is a need for mainstreaming this approach of sustainability planning in all schemes.

92. The proposed Program to support PSTA 3 will be implemented by the MINAGRI, in line with its current organizational and functional structure and actors: four departments (Planning, Inspection, Crop Production, and Animal Resources); two Task Forces (Irrigation and Post-Harvest Infrastructure); two semi-autonomous implementing agencies: RAB and NAEB; four SPIUs which implement donor-supported projects: African Development Bank, Belgium Technical Cooperation, IFAD and World Bank; and 30 Districts:

93. MINAGRI SPIU: will have the responsibility for delivery of majority of sub-programs under the PforR. The SPIU will work with the District authorities responsible for environmental management and social aspects, including those related to resettlement and compensation, to ensure that the relevant policies are properly applied across all relevant subprojects. Its initial role will be to undertake screening and assessment of potential subprojects to determine whether resettlement and/or compensation will be required. The SPIU will provide capacity building and technical support in all aspects of the project, including resettlement. It will work closely with the District authorities to ensure that funds are allocated as per the approved RAP.

94. RAB and NAEB were created in 2010, with RAB responsible for research in staple crops, and NAEB – export crops. The implementation of research and extension has been decentralized; however, both institutions face challenges with coordination of the research programs and support services between the zones (districts), the central level, and setting priorities for the Districts among the different institutions. Another challenge is lack of technical and professional staff in the Ministry and at the local level.

95. This Assessment highlights several challenges that will need to be addressed during Program implementation, which include:

(a) Insufficient capacity for monitoring and evaluation for MINAGRI, RAB and NAEB, especially at the local level. LWH and RSSP projects implementation has benefited from a team of experienced safeguards staff, who has worked in the project team for a number of years. These projects also benefitted from joining of the two separate PIUs into a joint team. However, the LVEMP and RFRD projects have witnessed a high staff turnover and lack of experienced personnel in the implementing entities, which is a risk of significantly impacting the timely delivery of ongoing operations. Lack of capacity and limited exposure to managing projects supported by development partners will require essential staffing and skills to manage the added responsibility under the PforR program to be able to effectively manage the environmental and social risks.

(b) Insufficient regulatory framework in at least two areas that were identified as impacts for the Program: use of agro-chemicals and safety of irrigation structures:

i. Agro-chemicals: While the management of agro-chemicals is governed by the Organic Law and the list of prohibited chemicals and pollutants, there remains a need for implementation and monitoring

framework to support the current legislation. As per sectoral SEA recommendation, such framework should be managed by REMA, rather than MINAGRI.

ii. Irrigation infrastructure: Most of investments in irrigation dams involving similar risks have been mostly implemented by GoR together with development partners applying international standards and regulations, rather than relying solely on national systems.

(c) On social management aspects, the challenge for the sector institutions under the Program is to ensure that the decentralized decision making, transparency and accountability is institutionalized to enhance sustainability of investments. This will require capacity building of all the stakeholders at all levels in all districts.

96. For the PforR program the issue of sufficient capacity is a critical success factor, which can be resolved by utilizing provision of technical support, institutionalizing the capacity development and streamlining project management tasks in the functional units of the Districts. This will help the GoR to create a critical mass of human resource for decentralized rural infrastructure management.

97. In addition, these challenges can be addressed at the program level. Program 4 on Institutional Development and Agricultural Cross-Cutting Issues will include (a) a comprehensive capacity building program for agriculture sector staff on all levels in MINAGRI, RAB and NAEB; and (b) subprogram on Environmental Mainstreaming in Agriculture, which will promote sound environmental management in agricultural practices, including such key areas as soil conservation, soil nutrient management, use of chemical fertilizers and pesticides, water management, sustainability of irrigation structures and the construction of rural feeder roads.

98. To further support effective management of environmental and social risks under the program, and to provide clear guidelines to technical staff, especially at the local level, it is recommended that GoR develops an Environmental and Social Implementation Manual (ESIM), which can serve as a guiding framework for Environmental and Social Impact Assessment and developing Resettlement Action Plans for program investments. This tool is envisioned to provide technical guidance for District staff, and is consistent with the Rwandan system, bridges the gaps between the existing system and OP/BP 9.00. The ESIM will be finalized by GoR (MINAGRI, REMA and RNRA) before program effectiveness.

5. Analysis of Program Environment and Social System Relative to ESSA Core Principles

99. Overall, the existing system in Rwanda is consistent with the core principles of OP 9.00. However, implementation needs to be strengthened. This section presents the environmental and social benefits, risks and impacts of the Program. The risks have been identified using the Environmental and Social Risk Screening Worksheet and cover the likely environmental and social effects, the environmental and social context, the Program strategy and sustainability, the institutional complexity and capacity, and the reputational and political risk.

<p>Core Principle # 1: Promote environmental and social sustainability in the Program design; avoid, minimize, or mitigate adverse impacts, and promote informed decision-making relating to the Program's environmental and social impacts</p>
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Strengths:

- a) Informed decision making relating to the environmental issues in the Agriculture sector is evident in the GoR's policies and programs.
- b) The GoR has well-defined legal/regulatory systems for safeguarding the community interests and ecologically significant areas from pollution.
- c) The GoR's approach for enhancing sustainability in Agriculture investment planning is based on technical assessment and community consultation.

Gaps:

- a) The implementation of the existing legal/regulatory provisions faces challenges (due to weak monitoring, overstretched regulatory authorities, multiple regulations, etc.).
- b) The implementation is further challenged by the lack of human and financial resources at the Districts and lower levels of implementation.

Opportunities:

- a) The state has experience of integrating rules and procedures for environmental and social management in individual Agriculture investments – for example, LVEM, LWHP, RSSP and LAFREC projects. Strengthened environmental and social management rules and procedures have been developed by GoR to manage the impacts of the above mentioned projects.
- b) There is a need for continuous mainstreaming an approach for inclusion, equity and sustainability through community involvement in planning and designing of all Program investments to support the sustainability of the Program investments.

Risks:

- a) Addressing the environmental management needs in a national program depends on capacity building of the key sector organizations both in terms of human resources and training, and strong monitoring.
- b) Poor implementation of the strengthened environmental and social management rules and procedures, especially at the local level, is a possible risk.

Core Principle # 2: Avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program

Strengths:

- a) ESIA procedure applied to all civil works is well known to all project stakeholders.
- b) There is an established procedure for protection of physical cultural resources by Ministry of Youth, Sport and Culture. In addition, the Genocide sites are protected, conserved and managed by Rwanda National Commission for the Fight Against Genocide.

Gaps:

- a) Weak institutional capacity at the local level to adopt and enforce routine screening for ecological sensitivity and coordination with relevant authorities.
- b) Assessment of indirect and cumulative impacts is an emerging field requiring additional capacity, as more project sites will be supported by PSTA3.

Opportunities:

- a) Program 4, subprogram on Environmental mainstreaming provides an opportunity to include environmental due diligence, including management of cultural resources, into capacity building program envisioned as part of this PforR implementation.

Risks:

- a) Several subprograms were identified to have potential impacts on natural habitats and physical cultural resources. Program 1: construction of irrigation infrastructure and agrochemicals use and to lesser extent land husbandry activities; and, Program 2: indirect impacts of agricultural research. The risks are related to potential inability to apply practical and operationally feasible early screening practices for environmentally sensitive areas and chance finds or physical cultural resources during construction of civil works, which may lead to adverse impacts on ecologically sensitive areas and physical cultural resources. The risk is deemed to be minor if the Borrower applies appropriate site scoping and screening procedures in the early screening practices for site selection. This can be supported through the planned Bank implementation support program for the PforR.

Core Principle # 3: Protect public and worker safety against the potential risks associated with: (i) construction and/or operations of facilities or other operational practices under the Program; (ii) exposure to toxic chemicals, hazardous wastes, and other dangerous materials under the Program; and, (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards

Strengths:

- a) The GoR’s contract conditions for contractors include provisions for public and worker safety (for example, regulations on use of explosives, provision of barricades at construction site, use of personal protection gear by workers, disposal of construction debris and waste water, preventing creation of conditions conducive to disease vectors, etc.).
- b) The state has also issued guidelines/regulations on aspects concerning public and worker safety risks from construction/operation of facilities.
- c) The legal/regulatory system in the country includes provisions for safeguarding water resources and ecologically significant areas from pollution and is thus applicable to regulating the disposal of toxic chemicals, hazardous wastes, etc.
- d) Rwanda has developed “Small Dam Safety Guidelines”, providing support to projects undertaking construction of small irrigation structures. The guidelines were published under LWH project in 2009 and updated in 2012.

Gaps:

- a) Implementation capacities need to be strengthened to monitor and supervise the safety and protection provisions.

Opportunities:

- a) Adoption at the sectoral scale of the good Environment & Social Management practices developed as part of MINAGRI preparation of RSSP and LWH Projects, which includes references to technical guidelines on dam safety, waste management, and public and worker safety relevant to PSTA 3.
- b) Adoption of “Small Dam Safety Guidelines” for all projects involving small irrigation structures within MINAGRI and other ministries.

Risks:

- a) Systematic implementation of these provisions requires enhancing awareness in the key sector organizations and strengthened monitoring.
- b) Resources availability for implementation of ESMPs.

Core Principle # 4: Manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement, and assist the affected people in improving, or at the minimum restoring, their livelihoods and living standards.

Strengths:

- a) The legal/regulatory procedures and policies for expropriation of land in the country adequately respond to the relocation and compensation for loss of assets, services, homes and land.

Gaps:

- a) There is a lack of human and financial resources to mitigate and monitor the involuntary resettlement.

Opportunities:

- a) The experience from the existing projects in MINAGRI and other rural development projects offer examples of good practice, lessons and guidance to mitigate involuntary resettlement and restoration of livelihood.

Risks:

- a) There is a risk of lack capacity to ensure the fair process in assigning compensation and providing benefits of the program to the vulnerable households.

Core Principle # 5: Give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups

Strengths:

- a) The 2003 post genocide constitution prohibits all forms of discrimination based upon ethnicity, while guaranteeing all people equal rights. Article 11 states “Discrimination of whatever kind based on, inter alia, ethnic origin, tribe, clan, color, sex, region, social origin, religion or faith, opinion, economic status, culture, language, social status, physical or mental disability or any other form of discrimination is prohibited and punishable by Law”. Article 14 further states “The State shall, within the limits of its capacity, take special measures for the welfare of the survivors who were rendered destitute by genocide against the Tutsi committed in Rwanda from October 1st, 1990 to December 31st, 1994, the disabled, the indigent and the elderly as well as other vulnerable groups”. Thus, Rwanda has ensured that ethnic affiliation does not trump the rule of law.
- b) In order to expedite the delivery of justice, the Rwandan Government has returned to the traditional “Gacaca” Court system. The local Gacaca courts, meaning ‘justice on the grass’, combine traditional local justice with modern jurisprudence, with the aim of achieving truth, justice, and reconciliation. The Gacaca courts have been the most thorough process in bringing the rank and file of genocide to justice and to resolve any other local conflict.
- c) The legal/ regulatory system is robust enough to promote decentralized planning, implementation and social accountability. In addition, special provisions exist to safeguard the interest of the vulnerable and provision of subsidies to the vulnerable households.

Gaps:

- a) Weak capacity to implement provision of the legal, policy and regulatory provisions and lack of system to disseminate information, promote social accountability and address grievances at village level.

Opportunities:

- a) To on-going effort of GoR to deepen and strengthen decentralized decisions making and planning process and fiscal decentralization will support and empower the District governments to move towards a more demand driven approach and respond to the needs of the people and especially the vulnerable at Cell levels. The decentralized planning process will facilitate community planning in preparation, implementation and supervision of the PSTA investments and services.
- b) The decentralized planning and empowered districts could potentially strengthen transparency & accountability and a more responsive and efficient Grievance Redress system.

Risks:

- a) The decentralized planning may encourage bottom up approach, but the central control of budget for implementation may erode the trust between the districts and the communities.

Core Principle # 6: Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes

The history of genocide in the country has led the GoR to ensure equality for all as citizens of Rwanda setting aside ethnicity. There are no conflicts or territorial disputes in the project area.

6. Inputs to Program Action Plan to Address Identified Risks and Gaps

100. Overall, the ESSA shows that the MINAGRI's Environmental and Social systems are adequate for the Program implementation, with implementation of actions to address the gaps and to enhance performance during implementation. Drawing upon this background, this section identifies the specific actions that are to be implemented in order to address the identified risks, gaps/challenges and needs.

6.1 Actions to Address Identified Environmental Risks and Gaps

101. **Summary of key environmental impacts, risks and gaps:** The key environmental impacts, risks and gaps identified in the preceding sections are summarized below:

- a) Potential Negative Impacts: impacts on ecologically sensitive sites, construction phase impacts during civil works, occupational health and public safety risks, dam safety issues, impacts on water resources due to increased use of agrochemicals. Certain hotspot areas are likely to present more risk with respect to these impacts.
- b) Challenges in implementation of the existing legal/regulatory provisions due to multiple regulations and insufficient human resources at regulatory authorities requiring strengthening of the capacity of the implementing agencies to comply with the relevant regulations and stronger monitoring of the implementation of procedures at the District levels.
- c) Need for mainstreaming the approach to sustainability planning with community involvement into all Program schemes.

102. **Identified Actions:** In order to address the identified environmental impacts, risks and gaps the following key actions have been identified:

- (a) **Exclusion of high-risk interventions:** Activities that are judged to be likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people, and activities that involve procurement of works, goods, and services under contracts whose estimated value exceeds specified monetary amounts (high-value contracts) and require mandatory review by the Bank's Operations Procurement Review Committee (OPRC) are not eligible for Program-for-Results financing, and are excluded from the Program.

Table 6. Suggested criteria for ineligible infrastructure for financing under the PforR

Infrastructure	Characteristics
Irrigation infrastructure	Schemes that involve construction or rehabilitation of dams which fall under International Commission on Large Dams (ICOLD) definition of large dams (15m or higher; and/or dams of 5-15m height with >3 million m3 reservoir volume) or schemes with high population density downstream (e.g. a settlement) ¹¹ from the dam; groundwater-based schemes in overexploited and critical basins that do not integrate source sustainability measures; and schemes involving highly polluted surface water sources.
Natural Habitats	Investments with significant negative impacts on ecologically important areas, according to GoR environmental regulations. Such areas of ecological sensitivity include the National Parks (Volcanoes, Akagera and Nyungwe Forest), as well as other protected areas, such as forests (e.g. Gishwati and Mukura), lakes, such as Muhazi, Cyambwe, Rwampanga, Rweru, Nasho, Gisaka, Bugesera, and the Northern lakes (Bulera and Ruhondo).

(b) ***Strengthening the existing GoR system for environmental management:*** The Program Action Plan includes measures on strengthening the GoR’s procedures and capacity for environmental management of the Program. This action is – ‘Implement strengthened environmental management rules and procedures for the Program, supported by necessary capacity building measures to the sector institutions’.

(c) ***Inclusion of ESIA,*** cumulative impact assessment and other environmental due diligence aspects in subprogram dedicated to Environmental Mainstreaming in Agriculture.

The following are the implementation modalities of these actions:

7. Implementation of Program Action Plan - Environment

103. MINAGRI has an existing set of Environmental Management tools (e.g. ESMFs, ESIA, SESA, ESMPs) describing strengthened procedures and providing technical guidance for environmental management of PSTA 3 interventions (this has been included as part of the Program Operational Manual) for the Program. The key elements of the strengthened environmental rules and procedures are described below:

a) A Compliance Checklist to ensure that activities that are not legally permissible are not undertaken and that requisite permissions are taken before any scheme/intervention is financed.

¹¹ Based on Organic Law (2005) implementation there are no settlements in the marshlands, however, should a significant settlement be identified downstream from the irrigation structure, such site should be excluded from the PforR program. As population density in Rwanda is the highest in Africa (416 people per km², in 2012), a presence of a settlement downstream from the dam would increase its risk profile.

b) Environmental and Social Impact Assessment (ESIA), which is a systematic process of identifying potential impacts and mitigation plan for schemes/interventions that pose environmental risk by virtue of their location, scale or nature. The interventions identified as requiring an ESIA include:

- Program 1: construction of irrigation infrastructure and agrochemicals use and to lesser extent land husbandry activities;
- Program 2: indirect impacts of agricultural research;

The risks are related to potential inability to apply practical and operationally feasible early screening practices for environmentally sensitive areas and chance finds or physical cultural resources during construction of civil works, which may lead to adverse impacts on ecologically sensitive areas and physical cultural resources.

c) Technical guidelines on good environment management practices concerning siting, design, operation, maintenance, etc., of schemes/interventions.

d) Monitoring arrangements on environmental management that include internal and third-party monitoring of the environmental performance of the Program (with additional emphasis on the identified environmental hotspots) twice during the Program duration. The key indicators on environmental management to be tracked through the monitoring are:

- Indicator 1: Number of interventions for which ESIA have been prepared and integrated into the detailed scheme reports/plans and contract documents as a percentage of schemes/interventions identified as requiring the same.
- Indicator 2: Percentage of schemes/interventions that are in compliance with the legal/regulatory requirements on environment.

e) The environmental laws and regulations apply to the entire PSTA 3 program of the GoR. The ESSA recommends include into the ESIM an outline of good practices and facilitate adoption of the strengthened procedures and the technical guidance for the entire PSTA 3 program of the GoR. The process of development of the manual includes a technical review and formal endorsement by MINAGRI. The application of manual should commence from the first year of the Program.

f) Capacity building and technical assistance on environmental management through strengthening of human resources, and through training is part of the Program Action Plan that includes the following elements:

1. **Human resources:** The human resources to be positioned in the key sector institutions starting from the first year of the Program are:

- i. Environment Management Specialists at the SPIU level in MINAGRI. Such specialists will work in close collaboration with NAEB and RAB.
- ii. Identified District-level staff that will be working with environmental management staff from REMA and RDB.

- iii. Positions to support sector-wide capacity building: adoption of Environment Management within the PSTA3 program context at the national level, including RAB and NAEB.

2. **Training:** As part of Technical Assistance and Institutional Capacity building, training programs on national legislation requirements and good environmental management practices and procedures will be organized for staff of the District, Sectors and Cells. The implementation will be on the basis of a detailed training calendar starting from the first year of the Program.

7.2 Actions to Address Identified Social Risks and Gaps

Summary of key social impacts, risks and gaps

104. The overall risks associated with social aspects are moderate. The assessment identified gaps in capacity for implementation and monitoring, social accountability and grievance redress at village level and weaknesses in terms of capacity for effective management of demand responsive approach and accordingly identifies actions to address the gaps, captured in the integrated Program Action Plan along with environmental actions.

Identified Actions:

105. The agreed actions to mitigate/ manage identified social risks are as follows:

- a) The Environmental & Social Implementation Manual to inform Program implementing organizations about key aspects of social aspects such as: resettlement, equity and benefit sharing, social inclusion processes and procedures, roles and responsibilities of all stakeholders and sub-program cycle to facilitate planning, implementation and post implementation. The Ministry has a Resettlement Policy Framework and Process Framework prepared for other Agriculture projects which will remain relevant for this Program.
- b) Establish systems to promote social accountability. Social audit function will be assigned to the existing Cell level committees to audit plans to ensure that they are in compliance with inclusion, community consultations, land acquisition, benefit sharing and provision of services to vulnerable groups and households.

The following are the implementation modalities of these actions:

Implementation of Program Action Plan - Social

106. The key elements of social management rules and procedures include the following:

- a) Community Sub-project Cycle: The Environmental & Social Implementation Manual will include a section on social impact & development management to inform the implementing partners about the processes and procedures, roles and responsibilities of all stakeholders and sub-project cycle to facilitate planning, implementation and post implementation. The broad elements of the sub-project cycle are:

- orientation of implementing partners on the ‘guiding principles’ – inclusion, participation, transparency, and accountability and on their roles and responsibilities
- rapport building and awareness through communication program
- community consultation and planning processes to strengthen cell/village level planning;
- consultative process of women to facilitate prioritization of their needs to be reflected in district/cell plans
- selection and training of resettlement and social audit committees on roles and responsibilities
- establishing grievance mechanism
- disseminating information on the findings of social audit committee and settlement of grievances at the community/village level

These will be further detailed (scope, objective, implementation arrangement, planning, implementation, post implementation, social accountability, grievance redress, participatory monitoring and learning, etc.) in an Environmental & Social Implementation Manual to be prepared in local language (Kinyarwanda).

- b) Systems to promote social accountability. Local committees with the social audit function will ensure that they are compliant with inclusion, participatory processes and access to benefits by the vulnerable groups.
- c) Grievances Redress Mechanism. Will accept, resolve conflicts and document all grievances.
- d) Capacity building and technical assistance on social management through strengthening of human resources, and through training and IEC. The key elements are as following:
- Strengthening communication program for dissemination of information. The IEC program will be prepared as a comprehensive communication strategy in the ESIM to disseminate complete information about the program, implementation and post implementation to enable Districts and communities to take informed decisions.
 - Deepening decentralized decisions making process. The District technical teams will facilitate implementation of Environmental & Social Implementation Manual, mobilize and prepare plans at Cell/village level and consolidate at District/National. In addition, these technical teams will further assist to ensure that informed consultations are organized for proposed investments in the districts/cells that have dominant female headed households and vulnerable groups.
 - Monitoring the progress on implementation of strengthened social management rules and procedures for the Program including review of the land requirement and practice and procedure adopted to ensure availability of land, fairness of compensation and benefit sharing under commercial farming.

- Strengthening of staffing. A comprehensive training plan will be developed for different implementing partners to strengthen capacity of MINAGRI/Districts to provide training on environmental and social management as part of Technical Assistance program.

8. Recommendations for Risk Rating

107. Based on ESSA findings and agreed-upon mitigation and improvement measures, the overall environmental and social risks of the Program are assessed as Moderate. The Program involves a number of physical activities; however, most that are envisaged have moderate risk with limited potential environmental and social impacts. Those with potential environmental and social impacts can effectively employ mitigation measures, given sufficient capacity of the implementing agency.

Table 7: Program environmental and social risk ratings

<i>Risk</i>	<i>Assessment</i>
<p><i>Associated or Likely Social and Environmental Effects</i></p> <p><i>(This section describes the potential benefits, impacts and risks that are likely to be associated with the Program.)</i></p> <p>Environmental effects:</p> <ul style="list-style-type: none"> • Potential loss or conversion of natural habitats? • Potential pollution or other project externalities? • Changes in land or resource use? <p>Social effects:</p> <ul style="list-style-type: none"> • Nature/scale of involuntary resettlement or land acquisition required? • Potential impacts on vulnerable communities? • Changes in resource access? 	<p>The proposed Program’s high level strategic objectives include, per PSTA 3: “support to intensification and commercialization of the Rwandan agricultural sector” and “focus on both increased production of staple crops and livestock products, and greater involvement of the private sector to increase agricultural exports, processing and value addition”.</p> <p>Key activities: Increasing soil conservation and land husbandry, irrigation and water management, agrochemical use, markets and seed development, nutrition, extension, strengthening farmer cooperatives and organizations, entrepreneurship and facilitate market access, development of priority food and export crop value chains, agricultural finance, and market-oriented infrastructure for post-harvest.</p> <p>The overall proposed program has potentially significant environmental benefits. The program may include: (i) soil conservation and land husbandry program - contributing to more sustainable land and water management and decreased erosion; (ii) mechanization, soil fertility management and seed and livestock development – improving agricultural practices and increasing food security in the country. The proposed activities would be undertaken within already existing sites of agricultural land use. However, the program may include new irrigation schemes, which are proposed to be similar in scale to RSSP1-3 project sites.</p> <p>The environmental impacts of the program are not anticipated to be large scale or irreversible. The results</p>

	<p>identified in the project do not require any individual civil works that may have significant negative impacts on environment. Based on the previous activities implemented by MINAGRI within the WB supported portfolio, the program is not likely to have an impact on natural habitats or create environmental pollution, with exception of temporary localized construction phase impacts for any proposed infrastructure activities. The program is also not likely to cause negative changes in land use pattern and/or resource use. Positive changes in resource use would be promoted through new irrigation schemes included in the operation.</p> <p>Social. The positive social effects of the proposed program are potentially significant, as the main objective of the program is to increase the productivity and commercialization of agriculture and improve quality and accessibility of agriculture services and thus improve the incomes and overall welfare and quality of life of citizens, especially the rural poor and vulnerable. The proposed operation targets farmer groups, focusing on poverty reduction and increasing food security. No significant change in land use or large-scale land acquisition is expected for the proposed PforR. MINAGRI has a proven track record in implementing projects ensuring the inclusion of vulnerable households and groups in the project design and implementation, developing projects that target people with disabilities and elderly, youth groups, and women’s groups. Learning from the participatory planning process from the existing projects, such as, Lake Victoria Environment Management Project, the Ministry has adapted this participatory approach to project design through regular public consultations with the project beneficiaries, including project affected people. The Ministry has an adequate information flow at the district and grass roots levels to ensure a participatory approach to the decentralized planning process to the project design and implementation. In addition, a grievance and redress mechanism is in place at the district level to mitigate complaints from the communities.</p> <p>The program activities are not likely to change land use as it will be focused on intensifying production within the existing agricultural lands.</p> <p>Risk Assessment: Moderate.</p>
<i>Environmental and Social Context</i>	<u>Environment:</u>

<p><i>(This section describes the geographical coverage and scope of the Program and environmental and social conditions in the Program area that may have significance for Program design and implementation.)</i></p> <p>Environment:</p> <ul style="list-style-type: none"> • Does the environmental setting of Program pose any special challenges that need to be taken into account? • Program activities in or near sensitive habitat areas? • Potential cumulative or induced effects? <p>Social: Area of social sensitivity; vulnerable groups?</p> <ul style="list-style-type: none"> • Potential cumulative or induced effects? 	<p>Based on the experience within the existing WB supported portfolio and Rwandan legislative framework, the PSTA 3 activities are not likely to affect sensitive natural habitats, such as national parks and other protected areas. At the same time, the program needs to ensure the investments are selected and implemented to ensure that (1) ecologically sensitive sites are not negatively affected; (2) to the program activities are designed taking into account potential cumulative negative impacts on the environment; and (3) the climate change risks are incorporated into the technical designs.</p> <p><u>Social:</u></p> <p>The proposed program targets vulnerable households, such as, female, child and elderly headed HH, unemployed youth and the genocide victims. No significant change in land use or large-scale land acquisition is expected for the proposed PforR.</p> <p>MINAGRI has a proven track record in implementing projects while incorporating vulnerable groups into the project design, developing projects that target people with disabilities and elderly, youth groups, and women’s groups. The Ministry has adapted participatory approach to project design through regular public consultations with the project beneficiaries, including project affected people. The Ministry has taken decentralized approach to project implementation, ensures timely grievance resolution and adequate information flow to project stakeholders.</p> <p>Risk Assessment: Moderate.</p>
<p><i>Program Strategy and Sustainability</i></p> <p><i>(This section situates the Program, and its environmental and social management systems, within the country’s broader development strategy, with particular emphasis on identification of factors that may impede successful Program management over time.)</i></p> <p>Strategic context: What is the long-term vision of this Program in relation to the country’s development strategy?</p>	<p>The PforR responds to GoR’s national strategy for stimulating rapid and sustainable economic growth and reducing poverty as articulated in <i>Vision 2020</i>, the national vision and policy framework with key priorities for the country’s development by the year 2020, and further laid out in the Second Economic Development and Poverty Reduction Strategy Paper (EDPRS 2) delineates the agriculture sector as a key sector and a significant engine of growth for the country.</p> <p>The proposed PforR is designed as a programmatic results output-based agriculture sector-wide approach. The program is based on well-functioning Government fiduciary systems and practices including contract and financial management, governance and anti-corruption systems,</p>

<p>Does it include explicit environmental and social management objectives?</p> <p>Do Program activities commit, constrain or alter decisions of future generations?</p> <p>Are there any potential roadblocks to ensuring the environmental and social sustainability of the Program after implementation?</p>	<p>social and environmental regulations and systems and technical capacity as demonstrated over the last 13 years in implementing World Bank supported programs in the sector. The PforR is also designed to reinforce and strengthen the Government's own systems for delivery of key agriculture services.</p> <p>The Program commits to the needs of the future generation. With a strong impact on agricultural production and productivity the program will contribute to diversify farm incomes, especially important for targeting the youth and very poor.</p> <p>If the land and expropriation policy which has been updated and approved by the Cabinet is not legislated by the parliament by the end of the year, it could potential pose a roadblock during implementation.</p> <p>Likewise -The designation of National Parks, demarcation of buffer zones for the protected forests and the demarcation of protection zones for rivers and lakes is underway. The un-clarity of these buffer and protection zones can potentially be a roadblock.</p> <p>The last mission was assured that these exercises will be completed by the end of the year, ahead of the implementation of the project.</p> <p>Risk Assessment: Moderate.</p>
<p><i>Institutional Complexity and Capacity</i></p> <p><i>(This section describes organizational, administrative and regulatory structures and practices, as they relate to environmental and social assessment, planning and management.)</i></p> <p>Does the Program involve multiple jurisdictions or implementing partners?</p> <p>Capacity or commitment of counterpart to implement regulations and procedures?</p> <p>Is there a track record of commitment and</p>	<p>PSTA 3 is implemented by the Ministry of Agriculture and Animal Resources (MINAGRI) 4 departments: Inspection, Planning, Crop Production and Animal Resources, 2 Task Forces; Irrigation and Post-Harvest Infrastructure, 2 semi-autonomous implementing agencies; Rwanda Agriculture Board (RAB), and National Agriculture Export Board (NAEB), four Single Program Implementation Units: World Bank, IFAD, African Development Bank and Belgium Technical Cooperation, and 30 districts.</p> <p>The central government provides policy and financing leadership for the program, but implementation responsibilities rest with the task forces, RAB, NAEB, SPIUs and Districts. Implementation approaches vary with a mix of national, district, community, and private program delivery.</p> <p>The program will be implemented by MINAGRI, which has</p>

<p>implementation experience on environment and social aspects?</p> <p>Are there any known institutional barriers that would prevent the implementation of this Program?</p> <p>Is there sufficient institutional capacity to address the environmental and social impacts of this Program?</p>	<p>a proven track record of commitment and expertise implementing projects with environmental and social risks. The Ministry has completed two phases of the RSSP program and has two more projects (RSSP3 and LWH) under implementation. All WB supported portfolio has consistent satisfactory ratings for environmental and social management. MINAGRI SPIU working with WB projects has 4 experienced full time staff members focusing on E&S aspects of project implementation. These staff members have been an integral part of the overall implementation team, proactively managing E&S risks, while promoting benefits of the projects. The SPIU has successfully collaborated with the District staff that has continuously assisted the projects in achieving compliance on E&S matters.</p> <p>The Ministry is organized by single project implementation units (SPIUs) that work with different development partners. All SPIUs, aside from meeting the financing requirements from the DP, comply with the national legislation on environmental and social matters.</p> <p>Other program implementing agencies such as RAB and NAEB will work with MINAGRI and benefit from the proposed technical assistance to increase their capacity for management of environmental and social risks.</p> <p>Risk assessment: Moderate</p>
<p><i>Reputational and Political Risk Context</i></p> <p><i>(This section describes environmental and social issues, trends or other factors that may cause the program, the country, or the Bank to be exposed to significant reputational or political risk.)</i></p> <p>Potential governance or corruption issues</p> <p>Are there any political risks associated with this sector or proposed Program?</p> <p>Is the sector or Program known to be controversial?</p>	<p>The program does not present reputational and political risks. MINAGRI can further reduce the program risks, especially on the social side, if the Program adopts proactive documentation and public disclosure similar to its practice under DP sponsored projects.</p> <p>The GAC expert will be assessing governance and corruption issues.</p> <p>There are no political risks associated with the sector and proposed program.</p> <p>No.</p> <p>Risk assessment: Low</p>

<p>Overall Assessment:</p> <p><i>(This section describes the overall risk profile for the Program, based on the team's subjective weighting and aggregation of all factors identified above. Environmental and social risk factors should be summarized separately).</i></p> <p>Is the proposed Program suitable for PforR or would it be better suited to a specific investment loan?</p>	<p>At this stage, the overall environmental and social risks potentially associated with PforR support for PSTA 3 activities are anticipated to be largely moderate, however, there is a potential for program to have cumulative negative effects, if individual investments are not screened and assessed to identify environmental and social risks.</p> <p>The persistence of rural poverty requires a long term programmatic approach. Time bound SIL is not the best approach to alleviation of poverty that requires persistent and diversified investments to improve productivity and off-farm activities to the poor HHs. MANAGRI is committed to the long term vision and the Bank must work within the system through a PforR.</p> <p>The overall environmental and social risks potentially associated with PforR support for PSTA 3 activities are anticipated to be moderate. However, at this point the specific sites are not known, therefore there is a potential for the PforR supported irrigation sites to be located in marshlands with existing water infrastructure, which can increase the likelihood of cumulative negative effects.</p> <p>Overall risk assessment: Moderate</p>

9. Inputs to the Program Implementation Support Plan

108. The following Table presents the implementation plan of the environmental and social actions of the PAP with time lines. The Plan of Action includes the agreed-upon measures that will be periodically monitored by the World Bank team during Implementation Support Missions. Other inputs to Implementation Support Plan specific to Environmental and social effects include:

- Reviewing implementation progress and achievement of Program results and DLIs;
- Working with the client to resolve any identified implementation issues;
- Assist the client to carry out institutional capacity building;
- Monitoring the performance of Program systems, including the implementation of agreed E&S strengthening measures in the Program Action Plan; and
- Monitoring changes in Program risks as well as compliance with the provisions of legal covenants.

Table 8: Implementation Plan Actions – Environmental and Social Effects

Sub-action description (Social)	Deadline	Responsible party	Completion measurement
In collaboration with participating ministries and agencies develop a consolidated ESIM based on existing government guidelines	Within the first six months of Implementation starting in first year	MINAGRI/ SPIU	Consolidated ESIM
Capacity Building: Conduct training on the understanding and application of the ESIM at the National and District level.	On-going, starting in first year	MINAGRI	Increase in trained staff at the district level.

Annex 1: Summary of Public Consultations

1. The consultation workshop on Program Environmental and Social Systems Assessment for the proposed Program was held on September 9, 2014 at the Ministry of Agriculture in Kigali. The objective of the consultation was to discuss the findings of the Environmental and Social System Assessment (ESSA) among the stakeholders to obtain their views and suggestions as per the World Bank's OP 9.00.2.
2. The Project Director General Planning MINAGRI welcomed the participants and briefed the participants on the PforR Program under preparation and explained the purpose of the consultation workshop and requested the various stakeholders to give their feedback on the ESSA findings. He emphasized the good practices regarding the management of the environmental and social impacts within the existing projects and set the tone on continuing to improve the mitigation of the E&S impacts in the PforR program from the lessons learned from similar interventions.
3. The Task Team Leader provided an overview of PSTA3 program and the government's strategy to enhance the growth of the sector through the four main Programs and 24 sub-programs proposed in the PforR program.
4. The presentation on the Environmental & Social System Assessment was made by the Environmental and Social Development Specialists, World Bank. The presentation covered the social and environmental management in the PforR instrument and how they differ from the standard Investment Lending instrument. More specifically, the presentation included the Core Principles to be applied in the Program, the strengths, risks and opportunities identified, the potential E&S impacts and risks, the existing systems in place and an assessment of their performance and the existing institutional arrangement (including the legal and regulatory system) for mitigation and recommendations in the Program Action Plan.
5. Following the presentations, the participants contributed significantly during the interaction and discussion session. Some comments (see the list below) pertained to more technical aspects of the project, critically the options for youth employment. The specific comments and inconsistencies have been reflected in the updated ESSA. In general the participants were of the opinion that the ESSA report has identified the impacts and risks adequately and proposed ways to address all the key environmental and social issues concerning the proposed Program. It was also recommended to balance analysis and implementation to ensure that adequate assessments are done (commensurate to project risks) while providing sufficient time for implementation.
6. At the end of the session, participants were invited to continue their engagement with MINAGRI and PSTA3 programs, including the PforR through participation at the district and national level, including Agriculture Sector Working Group meetings.

List of comments and suggestions provided

The comments, suggestions and clarifications offered by the participants that are relevant to the strengthening of the environmental and social systems have been reflected in the updated final ESSA. Specific comments and suggestion are as follows:

- The DG Planning MINAGRI suggested that public hearing is a crucial part of any project. It is important to continue this practice for all investments under PforR. This is an established practice at the district level to design and manage all development interventions and reflected in the ESSA.
- There was a suggestion to develop clear and succinct guidelines to develop ESIA's to save time in conducting assessments for specific activities. These guidelines have been developed by REMA and are reflected in the ESSA.
- RDB is testing a system for online submission of ESIA's and other project documentation for review. The recommendation was to utilize the on-line process when finalized and approved. Reflected in the ESSA.
- The Social/Env expert from LWH-RSSP commented that Land Valuation is governed by one Valuation institution that is tasked with accrediting private valuers and that there is currently a list of commercial evaluators, who can provide services to citizens. The ESSA already reflects this.
- Clarification was sought to the reference "Support organizations to be hired" – Agreed and reflected in the ESSA.
- DG Planning suggested that the Agriculture Sector Working Group platform will be used for continued dialogue and discussion, this platform open to all interested parties who would like to contribute any ideas to the PSTA3 programs. Agreed and reflected.
- A suggestion was made to include additional implementation actors that are contributing to PSTA3: (1) IPAR that conducts independent studies and research and will be involved in the results verification protocol; (2) NISR conducts surveys for measuring poverty levels; (3) MINSANTE and MINEDUC (which are involved with nutrition education, etc.) and (4) Ministry of Gender and Family Promotion. These actors are not responsible for managing environmental and social issues.
- The representative from Veterinarians Without Borders (VSF –Belgium) suggested that the biogas program managed by MININFRA and Energy, Water, and Sanitation Authority (EWSA) could be considered by the government as an alternative source of fuel. This is beyond the scope of ESSA.
- Suggestion to rephrase the potential solution to food insecurity - intensification of agricultural practices, and not consolidation of land use. The program identifies both to strengthen productivity.
- Suggestion to highlight training as a solution to identified capacity gaps, rather than producing guidelines and other centralized tools. Agreed and reflected in the ESSA.
- RNRA representative highlighted that the staff shortage will be resolved when the newly created Agriculture and Economic Development units at the District level become functional. Agree.

- Social audit committees should not be established as separate entities; rather the function of audit will be assigned to the existing local level committees. Change reflected in the ESSA.
- DG Planning suggested leveraging ESSA developed for Governance PforR for the Agriculture PforR and other similar programs. Agree and reflected in the ESSA.
- Suggestion to provide a role to CSOs in terms of institutional responsibilities to increase sustainability of the program and improve ownership by citizens. Agree and reflected in the ESSA.
- Suggestion to invite assistance from REMA and RNRA to help MINAGRI with environmental and social management at the District level. This concern is already reflected in the ESSA.
- Increase sustainability of the program by building awareness, providing educational support on including environmental and social approach into the agricultural curricula in Rwanda. This is already reflected in the ESSA and the overall PforR.
- Clarification that the two task forces will join RAB, rather than being stand-alone entities within MINAGRI. Accepted and reflected in the ESSA.
- The sites for investments will need to be selected to ensure that benefits (economic, environmental and social) outweigh the risks. The ESIA's recommended in the ESSA covers this concern.
- Balance analysis and implementation to ensure that adequate assessments are done (commensurate to project risks) and there is sufficient time for implementation. Agree, the ESSA identifies conducting ESIA to facilitate this concern.
- How can the program contribute to off-farm activities, for instance there are a number of initiatives for food and export crops. Agro processing is viewed as one of the solutions to provide opportunities to relieve pressure on land. Not a concern for ESSA; the overall Program responds to the youth employment through off farm opportunities by strengthening Value Chain interventions.

ESSA Consultations September 9, 2014 List of participants

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Name	Organization	Title	Email
HABIBU BATO <i>Habibu</i>	SPIU LWA-RSSP	Safeguard Specialist	habibugen@yahoo.fr
Didier SAGASHYA	RNRA/Lands Affairs	Deputy DG	didier.sagashya@RNRA.RW
BANANEZA Emmanuel Emmanuel Octave	WHA	MONITORING, EVALUATION AND REPORTING EXPERT	emmanuelbananeza@gmail.com
Alfred MWESIGYE	OAF-TUBURA	Government Services officer	alfred.mwesigye@oncafund.org
Maxime Dieudonné	OAF - TUBURA	Government Services Manager	maxime.dieudonne@oncafund.org
MARTIN STEEL	VSF-Belgium	Country Programme Mgr.	m.steel@vsf-belgium.org
Erickson Bisesa	WVR	Strategy & Sector Team Leader	erickson_bisesa@wvi.org
Cynthia Lasi	World Vision	Deputy National Director	Cynthia_lasi@wvi.org
SEZIBERA Alain	RDB/Environmental and	Environmental Analyst	alain.sezibera@rdb.rw
BIRINGIRO Edwin	PINAGRI SPIU work	Head of MIS Department	besdr@yahoo.fr
Name	Organization	Title	Email
DURANGWA Raphael	PINAGRI	IT Planning	durangwa.raphael@gmail.com