

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: **81542**

Date ISDS Prepared/Updated: 16-October-2012

I. BASIC INFORMATION

1. Basic Project Data

Country:	Ethiopia	Project ID:	P124074
Project Name:	Ethiopia REDD+ Readiness Support		
Task Team Leader:	Edward Dwumfour		
Estimated Appraisal Date:	N/A	Estimated Board Date:	N/A
Managing Unit:	AFTN1	Lending Instrument:	TF Grant
Sector:	Environment, (100%)		
Theme:	Forests, Climate Change		
Financing (in USD Million)			
Financing Source			Amount
BORROWER/RECIPIENT			0
Forest Carbon Partnership Facility (FCPF)			3.6
Total			
Environmental Category:	B – Partial		
Is this a Repeater project?	No		

2. Project Objectives

Project Development Objective

The Project Development Objective of this grant is to strengthen the capacity of Ethiopia's institutions dealing with land use on REDD+.

Key Results

- i. The National REDD+ Secretariat within MoA is fully operational;
- ii. A national strategy to reduce emissions from deforestation and forest degradation (REDD+), including its legal and institutional framework, is prepared and validated by a broad spectrum of national stakeholders;
- iii.

An Environmental and Social Management Framework (ESMF) is prepared and validated through the use of a Strategic Environmental and Social Assessment (SESA). Depending on the outcome of the SESA, a Resettlement Policy Framework (RPF) and/or Process Framework may also be prepared;

Detailed Description of Project Components

COMPONENT 1: SUPPORT TO THE NATIONAL READINESS MANAGEMENT ARRANGEMENTS (US\$1.4 MILLION)

This component will support the structures that will lead the coordination and implementation of the REDD+ Readiness process in Ethiopia, including the National REDD+ Secretariat within the Ministry of Agriculture, the REDD+ Steering Committee (RSC) and the REDD+ Technical Working Groups (RTWG) at the national and regional levels by providing them with the adequate human, technical and operational resources. FCPF

Grant funds will finance the following:

- Staff hired to strengthen the National REDD+ Secretariat within the Ministry of Agriculture, to ensure it can deliver the activities planned as part of the REDD+ readiness process. This will include: a National REDD+ Coordinator, a Communications Specialist, a Safeguards Specialist and MRV Specialists. A senior expert on monitoring and evaluation will be hired to strengthen of the M&E framework for the Process, support the mid-term review process and gather information towards the preparation of the R-Package¹.
- Capacity strengthening targeted at the members of the REDD+ Secretariat, REDD+ Steering. As discussed under the “Implementing Agency Assessment” section, these are the structures responsible for leading the execution and strategic planning of the REDD+ process and for providing it with technical inputs. The grant will finance training, workshops and the operational costs associated with the meetings of the RSC and RTWG.
- Capacity building and institutional strengthening targeted at the decentralized levels (regions and woredas). Those regions where pilot projects are taking place will be prioritized, so as to ensure that the knowledge generated from the implementation of these pilots will enrich the REDD+ Strategy Implementation and inform the choice of legal and institutional options for the national REDD+ implementation framework.
- FCPF grant management, including recruiting a Procurement Specialist and a Financial Management Specialist, in addition to costs associated with yearly audits of the grant.

COMPONENT 2: SUPPORT TO THE DESIGN OF A NATIONAL REDD+ STRATEGY (US\$1.7 MILLION)

A REDD+ Strategy in Ethiopia will necessarily have to be multi-sectoral, placing special emphasis on the energy and agriculture sectors given the relevance of these sectors to deforestation and forest degradation. In addition, such a Strategy will also need to address governance and law enforcement issues. An indicative list of options for the National REDD+ Strategy has been elaborated in the Ethiopia R-PP and will serve as the basis for further dialogue. The final selection of strategic options and the eventual formulation of the REDD+ Strategy document will require further analytical work, consensus building, prioritization and operationalization. Ongoing and planned pilot REDD+ projects, ongoing projects and programs as well as key GoE documents such as the CRGE and the GTP, will also provide lessons for the development of the REDD+ strategy.

A Strategic Environmental and Social Assessment of REDD+ in Ethiopia will also be conducted to ensure that the social and environmental risks associated with the implementation of the proposed strategic options are well identified and addressed. Associated with SESA will be the preparation of an Environmental and Social Management Framework to allow the government to mitigate the residual risks of implementing the proposed REDD+ strategies.

Given the broad range of stakeholders involved, and the potential complexity of REDD+ processes in Ethiopia, a functional and easily accessible national feedback and grievance redress mechanism is critical from the earliest stages of R-PP implementation. In this regard, particular attention will be paid to geographically, culturally or economically isolated or excluded groups. The grant will support the design and early implementation of this mechanism. The FCPF Grant funds will be used to:

- Support multi-stakeholder consultation, mobilization and participation for the design of the national REDD+ strategy. This will follow the Consultation and Participation plan developed as part of the R-PP. The support will include the preparation of communication material targeted at different audiences;
- Conduct an in-depth analysis of drivers of deforestation and forest degradation in Ethiopia (including governance issues), identify potential pilot REDD+ projects and ensure knowledge exchange across

¹ The R-Package will summarize all the achievements of the REDD+ Readiness phase, and serve as the basis for the FCPF Participants Committee to assess the country’s progress in achieving REDD+ Readiness.

ongoing activities related to REDD+ (REDD+ pilot projects and other projects and programs in the area of agriculture, energy, forestry, etc.). and consolidate and disseminate knowledge on the strengths and weaknesses of Participatory Forest Management in Ethiopia;

- Conduct a Strategic Environmental and Social Assessment (SESA) of REDD+ in Ethiopia, and prepare an Environmental and Social Management Framework to mitigate the residual risks of implementing the RED+ strategy. This includes the multi-stakeholder consultations required to conduct the SESA.
- Finance the establishment or strengthening of a national feedback and grievance redress mechanisms. This will include an assessment of existing national institutional capacity for feedback and grievance redress and staffing to implement the identified redress mechanism during the REDD+ readiness process;

COMPONENT 3: PREPARATION OF THE NATIONAL IMPLEMENTATION FRAMEWORK FOR REDD+ (US\$0.5 MILLION)

This component will contribute to identify legal and institutional options to deliver REDD+ in Ethiopia. As such, the activities noted here are fully complementary with those identified in Component 2, and will be implemented in close coordination. This component will allow Government to assess options to design an institutional framework for REDD+ that is efficient, effective and deliver social and environmental co-benefits. Among the most important issues to address in this framework are how benefits associated with REDD+ are to be shared across stakeholders and levels; how REDD+ funds are to be managed (including the relation to the proposed CRGE Facility); how to deal with different sources of funds for REDD+ (donors, markets, etc.); how REDD+ projects fit into (nesting) a national framework for REDD+, among other issues. This component will contribute to the broader structure for managing climate change investment activities currently under design in Ethiopia through the CRGE. FCPF grant funds will finance:

- Identification of options for: i) development of an efficient, effective and fair mechanism for sharing benefits related to the implementation of REDD+; ii) mechanisms for managing funds at the national level and for distributing them to the local level; and iii) legal status of emission reductions (carbon credits) in Ethiopia;
- Support the development of a national registry for REDD+ initiatives, projects and to track financial flows to REDD+ activities.

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

The R-PP implementation process aims to develop a national level set of strategic frameworks under the REDD+ program and it is as such without specific locations. Specific physical characteristics cannot be covered under such circumstances. Implementation of the major components of the REDD+ supported activities and the R-PP will result in improving sustainable forest management in Ethiopia by refining the Ethiopian forest policy and strengthening institutions involved in forest management. Future REDD+ investments are also expected to contribute positively by decreasing deforestation and forest degradation as well as enhancing forests biodiversity and ecosystem services as well as contributing to building carbon stocks below and above ground. REDD+ supported activities will also maximise beneficial social, cultural, economical and environmental impacts.

However, there are many vulnerable groups, especially women and youth that are dependent on the natural forest resources both timber and non-timber forest products for their livelihoods and welfare. REDD+ supported activities will target these resources and it is possible that in some cases many vulnerable groups may be adversely impacted by the implementation of REDD+ supported activities and the R-PP activities.

Given that activities to be supported are upstream soft type activities and no specific locations can be identified and described at this point in time, the instrument that has been selected to screen the R-PP implementation

process is the Strategic Environmental and Social Assessment (SESA), a mechanism that is participatory and analytical at the macro level. A SESA allows: (i) social and environmental considerations to be integrated into the REDD+ Readiness process, in particular the REDD+ strategy; (ii) stakeholder participation in identifying and prioritizing key issues, assessment of policy, institutional and capacity gaps to manage these priorities and recommendations, and disclosure of findings in the REDD Country's progress reports on Readiness preparation; and (iii) the development of an Environmental and Social Management Framework (ESMF) that will be put in place to manage environmental and social risks and to mitigate potential adverse impacts related to future investments and carbon finance transactions in the context of the future implementation of REDD+. Thus, in order to ensure that the set of forestry frameworks as identified in the Ethiopia R-PP and future REDD+ investments address environmental and social concerns, the R-PP Grant will fund the preparation of the SESA and the ESMF. The ESMF will cover the application of the requirements of the Bank Policies and Operational Policies (BP/OP) on Environmental Assessment (BP/OP 4.01), Natural Habitats (BP/OP 4.04) and Forests (BP/OP 4.36). Depending on the outcome of the SESA, a Resettlement Policy Framework (RPF) and/or Process Framework may also be prepared, which would cover OP/BP 4.12 (Involuntary Resettlement).

With regard to the national institutional capacity for the implementation of safeguards, it is acknowledged that the national institutional capacity to address SESA is weak. However the government plans to draw lessons and build on the Environmental and Social Impact Assessment (ESIA) guidelines developed by the Federal Environmental Protection Authority (FEPA), the ESIA's conducted under a number of donor financed operations including the Productive Safety Net Program (PSNP), Sustainable Land Management Project (SLMP) and the Agricultural Growth Program (AGP) which include social aspects with the aim of generating lessons to build sustainable community assets, as well as the ESIA and social impact studies from the Bale Mountain Eco-region REDD+ forest carbon activities will all serve as a basis for informing the SESA/ESMF process.

Also, it is envisaged that a multi-stakeholder/disciplinary sub-group of qualified people to be established under the REDD+ Secretariat to coordinate the development and implementation (including monitoring) of the SESA and ESMF. This body would also ensure that institutional and capacity gaps for managing environmental threats and social risks are fully assessed. It would work very closely with the national REDD+ Technical Working Group (RTWG).

5. Environmental and Social Safeguards Specialists on the Team

Asferachew Abate (AFTN1)

Haddy Sey (CPFCF)

6.Last modified by		
Environmental Assessment OP/BP 4.01	Yes	In view of the nature of REDD + Readiness the borrower will use a Strategic Environmental and Social Assessment (SESA) in the context of REDD+ readiness. The strength of a SESA for REDD+ is that it will combine the analytical work and consultation in an iterative fashion to inform the preparation of the REDD+ strategy. The SESA will help ensure compliance with the Bank's safeguard policies by integrating key environmental and social considerations relevant to REDD+, including all those covered by the safeguard policies. The SESA will help the borrower formulate their REDD+ strategy in a way that reflects inputs from key stakeholder groups and addresses the main environmental and social

		<p>issues to be identified. The SESA includes an Environmental and Social Management Framework (ESMF) as a distinct output, which provides a framework for managing and mitigating the environmental and social risks related to investments and carbon finance transactions in the context of the future implementation of REDD+. The future investments and carbon finance transactions will still require specific environmental and social assessments, but these will benefit from the strategic context created by the SESA and ESMF. The ESMF will include standard methods and procedures, along with appropriate institutional arrangements for screening, reviewing, implementing and monitoring specific ESMFs to prevent adverse impacts as well as cumulative impacts. Thus Standard project-level environmental and social impact assessment will not be prepared for REDD+ as it is not appropriate.</p>
Natural Habitats OP/BP 4.04	Yes	<p>This policy seeks to ensure that all options proposed in the National REDD+ Strategy should take into account the conservation of biodiversity, as well as the numerous environmental services and products that natural habitats provide to human society. Overall, REDD+ activities are expected to have significant positive impacts on natural habitats, as the country puts in place an effective strategy to reduce loss of natural forests. This policy strictly limits the circumstances under which any Bank-supported project can damage natural habitats (land and water areas, in which most of the native plant and animal species are still present). The SESA will address issues related to natural habitats and potential impacts of the National REDD+ Strategy, which will later be included in the ESMF.</p>
Forests OP/BP 4.36	Yes	<p>Overall, REDD+ activities are expected to have significant positive impacts on forest, in that the main goal of the program is to reduce deforestation and forest degradation, while contributing to the well-being of forest-dependent communities. Potential impact of the National REDD+ Strategy on natural forests will be assessed through the SESA and included in the ESMF. The SESA and associated ESMF will reflect the requirements of the Bank's Operational Policy regarding forest management, in particular as these relate to the establishment of plantations.</p>
Pest Management OP 4.09	TBD	<p>Agricultural intensification and reforestation activities may form part of the final scope of the National REDD+ Strategy. While increased procurement of pesticides or use of pesticides is often associated with agricultural intensification, and could thus trigger this policy, it is assumed that the SESA process would lead to the</p>

		identification of environmentally sustainable alternatives, such as Integrated Pest Management practices in strategy options related to intensified agricultural activities. The SESA will address critical issues related to pest management upstream, as necessary. The policy has thus not been triggered.
Physical Cultural Resources OP/BP 4.11	TBD	This policy could be triggered if REDD+ activities promote actions in areas containing sites deemed physical cultural resources by the local communities (e.g. holy/secret sites such as sacred groves, sacred forests, etc.). Though it is not anticipated that the project will have negative impacts on any such sites, the existence of any such sites and the corresponding need to trigger this policy will be determined once the National REDD+ Strategy is completed.
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	TBD	REDD+ activities might trigger Involuntary Resettlement in situations involving land acquisition and/or involuntary restrictions of access to legally designated parks, protected areas, or forest management / reforestation areas. The policy aims to avoid involuntary resettlement to the extent feasible, or to minimize and mitigate its adverse social and economic impacts in cases where resettlement or other involuntary restrictions cannot be avoided. Through the SESA process, any issues related to land acquisition or involuntary resettlement will be identified, and a Resettlement Policy Framework and/or Process Framework will be prepared.
Safety of Dams OP/BP 4.37	No	N/A
Projects on International Waterways OP/BP 7.50	No	N/A
Projects in Disputed Areas OP/BP 7.60	No	N/A

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

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At this stage of REDD+ strategy development, there are no potential adverse environmental issues likely to be associated. Environmental issues may emerge during the implementation of REDD+ investments including the REDD+ pilots. Contrarily, the R-PP implementation, i.e., REDD+ strategy development could result in social risks particularly to vulnerable and marginalized groups such as women, youth and forest-dependent communities. This could be avoided by making the process all-inclusive, highly participatory and consultative and ensuring interest of vulnerable groups are considered and addressed. If the strategy fails to consider the particular interests of these groups such as access to forest resources and tenure issues, groups may be alienated, or deprived of sources of livelihoods or they could be unfairly treated in the sharing and distribution of benefits and rewards. The ESMF that will be an output of the SESA will address both potential environmental and social issues. An RPF and/or Process Framework may also be prepared, depending on the outcome of the SESA. Tools that are likely to developed and applied to mitigate and address environmental and social issues could include Environmental and Social Impact Assessments (ESIAs)/Environmental

and Social Management Plans (ESMPs), Resettlement Action Plans (RAPs), Process Frameworks and/or Resettlement Policy Frameworks (RPFs).

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

Future anticipated activities would focus on undertaking investments in the forestry sector. While generally, it is anticipated that these investments would promote sustainable forest management, some investments could be misdirected thereby impacting negatively on forests and natural habitats as well as vulnerable groups. Conventionally, appropriate instruments such as Environmental and Social Impact Assessments (ESIAs)/Environmental and Social Management Plans (ESMPs), Resettlement Action Plans (RAPs), Process Frameworks, and/or Resettlement Policy Frameworks (RPFs) etc would have to be prepared, prior to executing the investment activities.

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

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The institutional capacity at the Ministry of Agriculture and its satellite agencies at the regional and woreda (district) levels for the implementation of safeguards, particularly to address SESA is weak. However the government plans to draw lessons and build on the Environmental and Social Impact Assessment (ESIA) guidelines developed by the Federal Environmental Protection Authority (FEPA), the ESIs conducted under a number of donor financed operations including the Productive Safety Net Program (PSNP), Sustainable Land Management Project (SLMP) and the Agricultural Growth Program (AGP) which include social aspects with the aim of generating lessons to build sustainable community assets, as well as the ESIA and social impact studies from the Bale Mountain Eco-region REDD+ forest carbon activities will all serve as a basis for informing the SESA/ESMF process.

Also, it is envisaged that a multi-stakeholder/disciplinary sub-group of qualified people to be established under the REDD+ Secretariat to coordinate the development and implementation (including monitoring) of the SESA and ESMF. This body would also ensure that institutional and capacity gaps for managing environmental threats and social risks are fully assessed. It would work very closely with the national REDD+ Technical Working Group (RTWG).

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders for the REDD+ strategy development are the federal Ministry of Agriculture and its satellite agencies at the regional and woreda (district) levels, Ministry of Water & Energy and the federal Environmental Protection Authority and similar entities at the regional and woreda levels. Other stakeholders include forest-dependent communities and vulnerable groups such as women and the youth. The preparation of the SESA and other instruments will be conducted in a consultative and participatory manner. To ensure that vulnerable groups and forest-dependent communities comprehend the tools that would be prepared, the executive summaries of these instruments will have to be translated in the local languages of the respective forest areas and disclosed locally. Also, these documents will be disclosed in-country and at the Bank's InfoShop. It is also equally important to mount tailor-made awareness campaigns that target the spectrum of stakeholders, and to establish dispute and grievance redress/resolution mechanisms, particularly at local community level.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Was the document disclosed prior to appraisal?	N/A
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
Resettlement Action Plan/Framework/Policy Process	
Was the document disclosed prior to appraisal?	N/A
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	

Indigenous Peoples Development Plan/Framework	
Was the document disclosed prior to appraisal?	N/A
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment			
Does the project require a stand-alone EA (including EMP) report?	Yes []	No [X]	NA []
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes []	No [X]	NA []
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes []	No [X]	NA []
OP/BP 4.04 - Natural Habitats			
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes []	No [X]	NA []
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes []	No [X]	NA []
OP/BP 4.11 - Physical Cultural Resources			
Does the EA include adequate measures related to cultural property?	Yes []	No [X]	NA []
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes []	No [X]	NA []
OP/BP 4.10 - Indigenous Peoples			
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes []	No [X]	NA []
OP/BP 4.12 - Involuntary Resettlement			
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes []	No [X]	NA []
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes []	No [X]	NA []
The World Bank Policy on Disclosure of Information			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes []	No [X]	NA []
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes []	No [X]	NA []
All Safeguard Policies			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes []	No [X]	NA []
Have costs related to safeguard policy measures been included in the project cost?	Yes []	No [X]	NA []
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes []	No [X]	NA []
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes []	No [X]	NA []

III. APPROVALS

Task Team Leader:	Name: Edward F. Dwumfour	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Alexandra Bezeredi	Date:
Sector Manager:	Name: Idah Pswarayi-Riddihough	Date: