Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 12/14/2023 | Report No: ESRSA03197

I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P180076	Investment Project Financing (IPF)	LLRP II	2024
Operation Name	Lowlands Livelihood Resilience Project, Phase Two (LLRP II)		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Ethiopia	Ethiopia	EASTERN AND SOUTHERN AFRICA	Agriculture and Food
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Ministry of Finance	Ministry of Irrigation and Lowlands	18-Jan-2024	29-Mar-2024
Estimated Decision Review Date	Total Project Cost		
10-Jan-2024	440,000,000.00		

Proposed Development Objective

To enhance the livelihoods resilience of pastoral and agro-pastoral communities to impacts of climate change in the lowlands of Ethiopia.

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

No

C. Summary Description of Proposed Project Activities

[Description imported from the PAD Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

Description The proposed Lowlands Livelihood Resilience Project, Phase Two (LLRP II) is a follow-on operation to the ongoing Lowlands Livelihood Resilience Project (LLRP, P164336). LLRP is a six-year (2019-2025) IPF operation with an original allocation of US$451 million, (US$350m IDA, US$90m IFAD co-financing and US$11m cash and in-kind community contributions). The PDO of LLRP is to “improve the livelihood resilience of pastoral and agropastoral communities in Ethiopia”. Four years since its effectiveness (November 21,2029), the project has been going well and to

date the disbursement stands at 79 percent. Addressing vulnerability and enhancing resilience of PAPs to impacts climate change induced disasters and other challenges has become a high priority for the GoE. Given the multiple challenges encountered the PAPs in the lowlands of the country, significant development resources continued to be diverted to emergency disaster management. To address the critical challenges of the PAPs in a more integrated and systematic way, the GoE has requested more technical and financial support for the lowlands and the PAP communities. Therefore, the Lowlands Livelihood Resilience Project, Phase Two (LLRP II) is proposed to support the GoE's initiatives in building pastoral and agro-pastoralists livelihood resilience to the impacts of climate change and other disasters. Therefore, building on the achievements and experiences of LLRP, the proposed project (LLRP II) will continue serve 3 million PAPs in the 100 woredas of the Seven LLRP supported regions (Afar, Benshangul-Gumuz, Gambella, Oromiya, Somali, South Ethiopia and Southwestern Ethiopia). The government is also planning to include Diredawa administration to the project. This will help to further capitalize and sustain gains made so far under phase one on resilience building and livelihood improvements, thereby contributing towards the national level food security and resilience building strategic efforts. The project will address the critical challenges facing the PAP communities towards enhancing their resilience to climate change with an integrated approach, including rangelands as an entry point for investments. The project design is well informed by lessons from LLRP, and other similar projects supported by Bank and other development partners. Compared to LLRP, LLRP II incorporates several new features to enhance its effectiveness: a) Emphasizes disaster risk management for system resilience, through introducing one new component on Pastoral Risk Management for Resilience. b) Places greater focus on climate change mitigation and adaptation and aligns with the new corporate requirement on Paris Alignment. c) Expands geographical coverage to include one region (Diredawa). d) Shifts towards strategic investments for disaster preparedness and resilience building , prioritizing them over social service subprojects. e) Adopts a One Health approach. f) Integrates innovative grants and improved technologies through SmartPack approach for climate smart and resilient livelihoods g) Addresses causes of conflict and fragility through risk management and natural resource management, with focus on nature based solutions such as natural rangelands and pasture management. h) Promotes integrated water resources management, considering human and livestock needs alongside natural resources management, and i) Enhances institutional coordination and partnership between sector ministries and international organizations. The proposed project will have four components; (i) Pastoral Risk Management for Resilience (PRMR); (ii) Integrated Rangeland Management (IRM) (iii) Climate Smart and Resilient Livelihoods (CSRL), and (iv) Project Management M&E and Policy Engagement. Component 1: Pastoral Risk Management for Resilience (PRMR): (Initial allocation of US$214M) aims to enhance disaster risk management and climate change mitigation and adaptation capacities at all levels through two interrelated sub-components. The first sub-component focuses on strengthening integrated early warning and response systems, which addresses climate-related hazards and involve multiple agencies. The second sub-component supports the planning and implementation of climate-smart disaster preparedness and strategic investments to build resilience among the PAP households and communities. Component 2: Integrated Rangeland Management (IRM) (Initial estimate US$63M): building on the experiences of LLRP I, will use natural rangelands as an entry point for a participatory, integrated, nature based and climate smart investments to improve the production, productivity, and health of the rangeland resources that will in turn contribute to the improvement of the livestock productivity and the livelihoods of the PAPs and the resilience of the rangeland ecosystem. The component will have three complimentary sub-components that include (1) Participatory Rangeland and Pasture Management (2) Rangeland Health Monitoring and Institutional Capacity Building and 3) Conflict Management, Access to Key Natural Resources and Renewable Energy. Moreover, it will coordinate its activities with component 1 (PRMR) and 3 (CRSL) to inform each other to ensure complementarity. Technical assistance will be sought from EIAR and CGIAR institutes including ILRI, ICARDA etc., for innovative and improved feed technologies and practices for lowlands. The project will make use of research out puts and innovations developed through the Bank and CGIAR cooperation under the Accelerating Innovations by CGIAR on Climate Change Research (AICCRA) project. Component 3:

Climate Smart and Resilient Livelihoods (CSRL) (Initial Allocation US$88M: This component, with a primary focus on Livestock and Crop (Agro-Pastoralism), will introduce and finance climate-smart practices and approaches that will tackle the critical challenge of agricultural (livestock and crop) production and productivity, resilience to climate risks, and mitigation of GHG emissions from livestock and land use change, to enhance sustainable PAP livelihoods. Research-proven improved varieties, breeds and technologies bundled into smart packs and fit to dryland areas will be prioritized and promoted. The smart pack will include feed, health, breed, good animal husbandry and marketing strategies. The component will support piloting of digital and private sector led crop and livestock extension approaches. The project will implement these activities with targeted technical supports from CGIAR institutes, including ICARDA, ILRI, CYMMIT, etc.) and UNFAO as deemed necessary. To improve nutrition and dietary diversity in PAP communities, commercialization of honey, fishery, meat & live animals, and poultry value chains will be promoted. This component will also reduce gender-related barriers to participation of women in value-adding livestock initiatives by empowering them through the training programs and engaging them in leadership positions in the groups created by the project. The component will include two complimentary sub-components:(1) Support Climate-smart Livestock and Crop Productivity and Value chains and (2) Livelihoods Diversification and Commercialization. Component 4: Project Management, Monitoring, Evaluation and Learning (Initial allocation US$35M); This component will facilitate overall institutional coordination and partnerships among sector ministries, non-governmental and international organizations; manage project implementation procedures and processes; monitoring of implementation and outcomes; learning sharing; knowledge management and policy engagement at all levels of project execution. The component includes two subcomponents: (1) Project Management and M&E; and (2) Knowledge Management and Policy Engagement.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

[Description of key features relevant to the operation's environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 10,000]

The LLRP II will be implemented in the lowlands areas of eight (8) regions, including the seven (7) regions covered by the parent LLRP (Afar, Benshangul-Gumuz, Gambella, Oromia, Somali, South Ethiopia, and Southwest Ethiopia) and the Dire-Dawa administrative region where pastoral and agro-pastoral communities reside. Physical and biological environment: The physical environment of the pastoral and agro pastoral areas of Ethiopia are mostly arid and semi-arid, intersected by large rivers such as the Baro, Awash, Wabe-Shebelle, Omo-Gibe and Genale-Dawa. These areas are lowlands less than 1,500 masl. Rainfall is erratic and mean annual rainfall is generally less than 900 mm, annual mean temperatures are above 180C, and these areas are mostly faced with recurrent drought. The project area is exposed to climate change hazards (rising temperature, intensified precipitation and extreme flooding and drought. The vegetation cover of the regions where LLRP II is proposed to be implemented is savanna type (bushed grassland with patches of woodland). Natural habitats and national parks that are found in the project areas include the Awash and Yangudi Rasa National Parks (Afar Region), Yabello Sanctuary in Borena (Oromia Region) and the Babile Wildlife Sanctuary (Somali Region) and Gambella National Park (Gembella Region). In these parks, there are a number of mammals, birds, reptiles, amphibians, fishes, and invertebrates uniquely adapted to the arid and semi-arid conditions. However, none of the project activities will be implemented inside the national parks.

Socio-economic environment: The seven project benefiting regions (except Dire Dawa) fulfill the criteria of historical underserved people and are categorized under the ESS7. The main economic stay of the pastoralist and agro-pastoralist in the arid and semi-arid lowlands is livestock rearing and to some extent mixed farming. These activities have in the

long term resulted in rangeland degradation and encroachment by invasive plant such as Prosopis juliflora. In these areas, feed and water supply are getting scarce from time to time due to over grazing and exploitation of ground water in unsustainable manner. Overgrazing coupled with the invasion of noxious weeds in some places of the project areas have led to the loss of indigenous plant species and biodiversity. The regions of the project areas are characterized by water shortage, frequent drought, shortage of grass/fodder, outbreak of human disease (particularly, malaria), livestock diseases and gender disparities in accessing productive assets which are the main sources of vulnerability. Besides, they are characterized by poor infrastructure developments, limited social services (and therefore low education and literacy levels), susceptibility to natural hazards, increasing competition for scarce resources and limited livelihood opportunities.

Major lessons learnt and considered for LLRP II include; (i) introduction of disaster risk management to the overall resilience framework of the project, (ii) enhanced focus and coordinated capacity building support across components including inclusion of a dedicated capacity building officer to the project structure, (iii) systematically address the disproportionate impacts of climate on women and vulnerable community groups through specific and targeted supports across components particularly under component 3, (iv) Focused and targeted support for research and policy agendas as compared to the broader support under LLRP phase one, (v) enhanced institutional and implementation arrangement with better coordination and partnership mechanism between key government and nongovernmental organizations as well high level technical supports from international organizations, deployment of Third-Party monitoring agency to inaccessible projects areas, (vi) consideration of improved and modern technologies and innovations and approaches, such as: early warning and action system, automation of woreda risk profiling and DPRSIPs, CIS, interactive and satellite based RMS, digital financing, private sector and digitized extension service, collar-mount Tse-Tse fly control, Climate Change adaptation and resilience tracking tool, establishing a dedicated hotline number for short message service (SMS) for the project's GRM accessible to the public, integration of all the systems under the project in to integrated MIS system including GEMS Kobo toolbox and Power BI, etc., and (vii) consideration of Third-Party Monitoring Arrangement for inaccessible project areas.

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

[Description of Borrower's capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 10,000]

The Project Coordination Unit (PCU), which is currently under the Ministry of Irrigation and Lowlands (MILLs), has more than ten years of experience in implementation of World Bank financed projects. The World Bank financed projects which were or have been implemented by the Federal PCU include Pastoral Community Development Project (P075915); Pastoral Community Development Project II (P108932); Pastoral Community Development Project III (P130276); and Lowlands Livelihood Resilience Project (P164336). As a result, it has developed the capacity to manage environmental and social risks of projects. For the ongoing project (Lowlands Livelihood Resilience Project (P164336)), the client has recruited two environmental and social risk management (ESRM) experts (one social and one environmental) and GBV/SEA/SH specialists in the federal PCU and six ESRM experts at regional PCUs. It has also assigned E&S focal persons at the operational/Woreda levels. The federal and regional E&S experts have been trained on the environmental and social framework (ESF) of the World Bank. Similarly, E&S experts or focal persons who are working at Woreda levels were trained on the parent project Environmental and Social Management Framework

(ESMF), Social Assessment (SA) including the Social Development Plan (SDP) and Resettlement Policy Framework (RPF), which were prepared for the parent project.

In sum, experience/lessons from the parent project show that the ESRM arrangement in place is satisfactory. Activities that have been implemented in compliance with the requirements of the ESF of the project among others include: i) deployment of safeguards staff/focal persons from the federal PIU to woreda levels; ii) training of the experts/focal persons on the GRM; iii) screening of the project activities based on their environmental and social risks; iv) preparation of site-specific environmental and social risk management tools where appropriate; v) environment, health and safety considerations in the construction bid documents; vi) good environment, health and safety (EHS) compliance monitoring and reporting; and vii) allocation of budget for EHS risk management and monitoring activities. The design of the proposed project will consider lessons learned so far from the ongoing LLRP and other related projects by development partners, including integrating climate change mitigation and adaptation with disaster risk management.

The PCU will maintain the existing ESRM arrangement of the parent project including the E&S staff and focal persons for the purpose of LLRP II and will hire additional staff for the newly added regions, like Dire Dawa city administration including Woreda focal persons. If there is any turnover of E&S staff, replacements will be recruited immediately. The World Bank will organize refresher ESF training for all E&S staff and focal persons soon after the effectiveness of LLRP II. Compliance with environmental and social standards shall be monitored in different ways by the Bank team, PCU and the regional PCUs. The regional PCUs will prepare quarterly and annual social and environmental monitoring reports which will be reviewed by the World Bank. There will be independent environmental and social audit every two years. The Regional/Woreda Environmental Protection Authority (EPA) will review and endorse site-specific ESRM instruments and will also monitor compliance with the regulatory requirements.

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

A. Environmental and Social Risk Classification (ESRC) — Substantial

A.1 Environmental Risk Rating — Substantial

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

As it has been the case for the parent project, LLRP II is expected to have a range of environmental benefits as it will support invasive plant species (Prosopis juliflora) control activities in addition to financing rangeland management, energy-efficient technologies, and soil and water conservation measures. However, there are also potential negative environment, health and safety risks and impacts that could result from the LLRP II activities. The EHS risks and impacts could result from some of the project activities/investments which will be supported under i) Component 1 such as small-scale irrigation, rural access roads, energy-efficient technologies (solar), livestock clinics/laboratories and flood control structures; and ii) Component 2 such as smallholder irrigation and feed/forage production and management. The anticipated risks/impacts are elaborated below: New water supply schemes from groundwater could lead to unmanaged local livestock movements and ecologically destabilizing overgrazing. Development of water resources often involves balancing competing qualitative and quantitative human needs with the rest of the environment. This is a particularly challenging issue in the absence of a clear allocation of water rights which should be resolved with the participation of appropriate parties in advance of project design and implementation. Both

surface water and groundwater supplies can become contaminated with potentially toxic substances of natural and anthropogenic origins, including pathogens, toxic metals (e.g., arsenic), anions (e.g., nitrate), and organic compounds. Groundwater could be depleted as a result of water development activities, and pumps could malfunction if excessive amounts of water are discharged. SSI may lead to an increase in water extraction, soil salination, soil nutrient management concerns, water consumption, pesticide management (although the project will not finance any pesticide), crop residue and solid waste management concerns, and potential risks to biodiversity and ecosystem. Other environmental issues and ecological impacts of livestock production include small scale GHG emissions; hazardous material management from animal clinics and labs and solar panels); animal disease outbreaks; threats to biodiversity and the environment from pasture and farmland expansion, or the introduction of new animal breeds, seed, and plant and crop species; and possible failure of small dam structures could cause safety risks. Construction of flood control, feed and food stores could lead to generation of wastes, noise, and consumption resources such as water and other construction raw materials. There are also various occupational health and safety (OHS) issues that may result from the project activities such as physical hazards, biological hazards, and chemical hazards. Component 4 will support Type 2 TAs such as policy engagement on strategic issues for the sector (including policy gap assessments and dialogue forums), and targeted research works (at federal level) pertinent to the overall project development objectives. Experience from the implementation of the parent project (LLRP) shows that the risks and impacts from the project's subprojects are site-specific, small in scale and readily manageable. Hence, the environmental risk of the LLRP is rated as Substantial considering security and climate disaster risks. However, LLRP II has to come up with a more holistic approach to address climate change-related risks such as drought and flooding. This includes the introduction of a new and dedicated Disaster Risk Management and Climate Change Mitigation and Adaption component.

A.2 Social Risk Rating Substantial

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

The LLRP II is expected to have positive social impacts corresponding to its development objectives including building community resilience to climate change and drought, strengthening social capital in dispute resolution, and building the capacity of the public sector to provide services. However, there are also potential social risks due to the nature of the proposed subproject activities, and the social risks for the proposed project is rated 'substantial'; the same as the parent project's social risk rating. The social risk and impacts that may result from the proposed project are (i) land acquisition especially for activities related to Component 1, 2 and 3 (such as water resource rehabilitation and development, small holder irrigation rehabilitation and development, rural access roads, livestock infrastructures (cold-chains, clinics, laboratories, diagnostic centers, markets, abattoirs, etc.); (ii) there might be a risk related to elite capture as a result of insufficient community and relevant stakeholder engagement/consultation as per the ESS10 and ESS7 requirements; (iii) the project activities may also create or exacerbate the existing social discrimination or exclusion and vulnerability of the disadvantaged and vulnerable groups in the subproject implementing areas, particularly those living in relatively remote and conflict-affected areas; (iv) social tensions/conflicts may be induced by competition over the existing natural resources as well as the proposed subproject activities including access to water and road resources as well as livestock infrastructures; (v) there might be forced labor, child labor, discriminatory hiring practices, and poor safety and health measures during the construction of infrastructures, development and rehabilitation activities as well as in the supply chain associated with the production of solar equipment and others. Besides, there may be labor influx and associated risks including risks to community health and safety including gender-based violence, sexual exploitation and abuse, and sexual harassment (GBV/SEA/SH); (vi)

security risks including temporary inaccessibility of the project implementation areas for the implementation, follow up and monitoring of sub-projects activities, criminal targeting of project assets (robbery/ theft), safety hazards at project sites, demonstrations/ civil unrest and others in the implementation areas; and (vii) other possible risks and impacts on communities may include dust from construction activities, construction noise, as well as road accidents or fatalities. The prevailing conflicts will affect the implementation of the proposed project.

[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 8,000]

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

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts Relevant

[Explanation - Max. character limit 10,000]

As noted in Section II.A, there are various Environmental, Social, and Health (EHS) risks and impacts that could result from the proposed activities. These include EHS risks and impacts during the construction/rehabilitation/operation of small-scale irrigation schemes, animal health clinics/laboratories, rural roads, storage facilities, etc. These risks include inappropriate use, handling, and disposal of agrochemicals including pesticides or other agrochemicals; overuse of water and water contamination by agrochemicals; degradation of soils; direct and indirect impacts on biodiversity and ecosystems; local environmental pollution e.g., air, waste, noise, and water pollution because of the construction activities; and GHG emissions though not anticipated to be significant. The occurrence of human wildlife conflict may be possible and consequently, in some cases incidents of loss of livestock and human life can be encountered. There are also community and workers health and safety hazards (occupational health safety risks to workers during construction activities; community health and safety risks due to gender-based violence, waterborne diseases, small dam failure, traffic, road safety concerns, etc.). With interventions on natural resources, some ecosystem services could be affected through water use, restriction of access to natural resources, etc. Potential social risks include those related to the potential need for land acquisition including temporary or permanent resettlement, impacts on underserved vulnerable groups, labor and working conditions including labor influx, child labor, forced labor, discriminatory hiring practices, risks related to community health & safety during construction work (such as rehabilitation and development of access, infrastructures, facilities and so on), as well as potential GBV/SEA/SH risks, lack of proper community consultation and stakeholders engagement, social tensions/conflicts induced by competition over the existing natural resources. Possible impacts on communities may include dust from construction activities, construction noise, road accidents or fatalities, and so on. To identify and manage environmental and social risks and impacts of the LLRP II (P180076), the project prepared updated versions of the parent Environmental and Social Management Framework (ESMF), Resettlement Framework (RF), and Social Assessment SA (including the social development plan (SDP)) , based on ESF requirements. The ESMF includes, among others, screening, risk assessment, general mitigation measures, guidance for site-specific instrument preparation, exclusion/eligibility criteria for the avoidance of high impact subprojects, a supervision template to monitor implementation of mitigation measures (i.e., review of bidding and contractual documents, field supervision mission), provisions for the vulnerable groups, etc. Subproject specific ESIAs/ESMPs will be prepared during the implementation stage as appropriate following the procedure specified in the ESMF. The required number of ESIA/ ESMP instruments will be determined with

consideration of grouping the subprojects based on subproject number, similarity of topology and geographical location. A Security Risk Assessment (SRA) has been conducted by the client to minimize the risk of conflict and insecurity situation in the project implementation areas, including Benishangul-Gumuz, Afar, Gambella, and parts of Oromia regions. Based on the SRA, a Security Management Plan (SMP) is prepared. The Plan incorporated the mechanisms for delivery of activities in the context of the evolving security situation. The preparation of the SRA and SRMP were completed prior to project appraisal. The client has prepared an Environmental and Social Commitment Plan (ESCP) outlining the measures to be implemented during the project lifetime that included implementation arrangements, monitoring and reporting on implementation of ESRM tools and plans in line with the ESF prior to appraisal. Besides, the client has developed and disclosed a Stakeholders Engagement Plan (SEP), Labor-Management Procedures (LMP), and Sexual Exploitation and Abuse, and Sexual Harassment (SEA/SH) action plan. The client will adopt technically and financially feasible measures to avoid or minimize water usage so that the Project's water use will not have significant adverse impacts on communities following the Bank's Good Practice/Guidance Note. The small dams to be financed in this Project shall be designed and implemented in compliance with ESS4 and other good international industry practices. The small irrigation schemes, especially small dams, will be designed and implemented in compliance with the requirements of ESS4. Small dams that could cause safety risks and large dams will not be financed by this project. The technical assistance (TAs) activities which will be financed under Component 4 are not expected to have adverse environmental and social risk as they do not involve feasibility or design studies that can have significant downstream risks. However, all TAs shall be designed and implemented in compliance with the requirements of the ESF and the OESRC Advisory Note on TAs. The requirements set out in paragraphs 14-18 of ESS1 will be applied to technical assistance activities as relevant and appropriate to the nature of the risks and impacts. The terms of reference (ToR), work plans, or other documents defining the scope and outputs of technical assistance activities will be prepared in such a way that the advice and other technical support provided is consistent with ESSs. The ESMF and ESCP include exclusion criteria for activities that may have significant/high adverse environmental and social risks. These include: o Sub-projects/ Activities that have significant adverse Environmental and Social risk and impacts which cannot be easily managed or mitigated to acceptable level. o Sub-projects/ Activities that may cause damage to physical and cultural resources. o Activities that involve construction of reservoir dams that are above 15 meters height. o Involve removal or conversion of forests and other designated natural resources and wildlife reserved areas. o Activities that may cause degradation of biodiversity and living natural resources as well as on habitats of significant value for biodiversity such as critical and natural habitats. o Involve land use changes such as drainage of wetlands and cultivation. o Activities that may potentially affect the quality or quantity of water or a waterway shared with other nations. o Activities that may cause significant loss of biodiversity. o Activities that may have any potential adverse direct impacts on village centers (because it is located inside a village or close enough to a village); o Activities which are likely to have significant adverse environmental and social impacts that are sensitive, diverse, irreversible or unprecedented use.

ESS10 - Stakeholder Engagement and Information Disclosure Relevant

[Explanation - Max. character limit 10,000]

Stakeholder engagement is key to the success and sustainability of the project development objectives. Besides, it will help to engage stakeholders to incorporate views from all stakeholders through meaningful consultations and feedback to improve the environmental and social sustainability of the project, enhance its acceptance, and make a significant contribution to successful project design and implementation. The MILLs has prepared, consulted upon, and disclosed an inclusive country-level Stakeholder Engagement Plan (SEP) in accordance with the requirements of

ESS10 with consideration of the nature and scale of potential risks and impacts. The SEP will be implemented throughout the project implementation period. During project preparation (i) initial stakeholder consultations were conducted to inform stakeholders to disseminate the relevant project activities including information on project benefits, and additional consultations with the local communities are conducted during the preparation of ESMF, SA, SEA/SH Action Plan, and LMP. The communities were informed about the project activities, E&S risks and impacts of the project, mitigation measures, the developed SEP, and other E&S risk management instruments under preparation for the project. The stakeholder and community consultations are being carried out at federal, regional, Woreda, and Kebele levels. At the federal level, consultations were conducted at the LLRP coordination office. Different stakeholders have participated in the consultation including FAO Ethiopia, EMI, MoA, MoWSA, ILRI/AICCRA, LLRP, MoP, and FEPA. Besides, consultation was conducted with five regional levels of relevant stakeholders including Benishangul Gumuz, Dire Dawa city, Southwest, and Somali Region to assess the potential benefits and impacts of the LLRP II components' activities. The main issues raised during the consultation were (a) how to analyze and facilitate the potential risk management process in compliance with the relevant National Legislation; (b) the applicable World Bank's E&S Framework (ESF) and other requirements for the implementation of sub-projects under the project in a coherent manner; (c) discussion on the potential benefits and risks of LLRP II components such as Pastoral Risk Management, Integrated Rangeland Management, Climate Smart and Resilient Livelihoods, and (d) the roles, responsibility as well as the potential benefits to community. The ultimate outcome of the stakeholder and community consultation sessions is to come up with clear, comprehensive, and practical guidance to the client on integrating an environmental and social due diligence process into the LLRP II implementation. In addition, the consultation findings were captured during the preparation of the ESRM instruments to avoid, minimize, and mitigate the environmental and social risks and impacts that are likely to arise during the planning, design, and implementation of sub-project level activities. In addition, during subprojects implementation, consultation will be conducted with all stakeholders like the regional, woreda, and kebele level experts, community members, women, and vulnerable groups, among others. Building on the experiences of the parent LLRP, the client will seek stakeholder feedback and opportunities for proposed future engagement, ensuring that all consultations are inclusive and accessible (both in format, language, and location) and through channels that are suitable in the local context. SEP has been prepared for the project. The SEP includes a summary of stakeholder consultations made such as how the stakeholder inputs are considered in the design and preparation of E&S instruments. If major changes are made to the SEP, the SEP will be revised and redisclosed publicly. Besides, the borrower will engage in meaningful consultations with all stakeholders throughout the project lifecycle, paying attention to the inclusion of historically underserved communities and disadvantaged groups (including the elderly, persons with disabilities, female-headed households, orphans, and vulnerable children). In addition, the SEP ensures that vulnerable groups including historically underserved communities can access project benefits. The stakeholder engagement process shall ensure that their views and concerns are incorporated in project design and implementation, and that risks are adequately assessed and mitigated. Due to the presence of historically underserved communities in all project implementation areas, any specific engagement requirements for their participation are provided in the SEP. Stakeholders for the project include: (i) directly and indirectly likely to be affected stakeholders, including pastoralist and agro-pastoralist communities, farmers, relevant government offices at national (such as ATI, EIAR, DRMC, and ECC) regional, zonal, woreda and kebele level, Development Partners including Japan Social Development Funds (JSDF), local organizations including informal institution, NGOs/CSOs (like ILRI and UN-FAO), religious leaders and environmental public sector agencies; and (ii) other interested parties, including politicians (national and regional state leadership), research institutes international, national, and local media, social media activists, and the public at large. The SEP includes a grievance mechanism (GM) to ensure complaints and concerns of stakeholders are adequately managed. A grievance redress

mechanism (GRM) guideline prepared for parent LLRP is updated/revised and will be used to strengthen and support the establishment of project GRMs. The revised GRM guideline captures the specific protocols to address sensitive complaints related to GBV/SEA/SH, corruption, and procurement and contract management. A Grievance redress committee will be established in the new project implementing Woreda and Kebele level composed of the local community to ensure accessibility and transparency of the GRM.

ESS2 - Labor and Working Conditions Relevant

[Explanation - Max. character limit 10,000]

ESS2 is relevant due to potential risks to labor and working conditions for applicable workers including direct and contracted workers as well as the voluntary use of community labor (associated with civil works especially those associated with the activities to be financed under Component 1&2 such as small-scale irrigation, rural roads, storage facilities, and other small infrastructure). It is anticipated that workers under the four categories: direct, contracted, community and primary supply workers will be engaged in the proposed project activities. The project implementing entity has prepared a Labor Management Procedures (LMP) as part of the ESMF which identified the main labor requirements and labor risks associated with the Project based on the requirements of ESS2 and national labor laws and disclosed prior to appraisal. The LMP summarizes procedures to address labor issues including, but not limited to: (i) child labor and forced labor; (ii) contracts of employment and terms and conditions of employment, (iii) protection of wages including fair treatment, non-discrimination, and equal opportunity of Project workers, (iv) occupational, health and safety issues which will be applicable to all Project workers, (v) labor influx and associated risks including GBV; (vi) security provisions for workers involved in the distribution of innovative technologies and different agricultural inputs; (vii) grievance mechanism for workers with accessible means to raise workplace concerns.; and (viii) codes of conduct for project workers including norms of conduct with SEA/SH provisions. Considering that the project intends to procure solar equipment, a language on forced labor will be incorporated in the procurement contracts. The LMP has specified the circumstances in which bidders will be required to provide a Forced Labor Performance Declaration (to cover past performance), and a Forced Labor Declaration (to cover future commitments to prevent, monitor, and report on any forced labor, cascading the requirements to their own sub-contractors and suppliers). Further, the LMP addresses the use of voluntary community workers through (i) including provisions to verify and document that work is truly voluntary (not coerced) and benefits are not conditioned to participation, (ii) ensuring that conditions are agreed and include proper OHS arrangements and access to project grievance mechanism, and (iii) providing clarity on the responsibility for managing community labor and applying the LMP to community workers. Proposed OHS risk mitigation measures among others include as: (a) identification of potential hazards to Project workers during construction and operational phases; (b) provision of preventive and protective measures, including elimination of hazardous conditions or substances; (c) training of Project workers and maintenance of training records; (d) documentation and reporting of occupational accidents, diseases, and incidents; (e) emergency prevention and preparedness and response arrangements to emergency situations; (f) remedies for adverse impacts such as occupational injuries, disability, and disease. Contractors will be required to prepare and implement Occupational Health & Safety Plans (OHSP) following the World Bank Group General and relevant industry specific Environment, Health, and Safety (EHS) Guidelines, adopt a code of conduct for all workers and establish a worker specific GM (accessible for direct and contracted workers) before commencement of the civil works. General guidance on the management of OHS risks is included in the ESMF. Bidding documents for the small infrastructure activities shall include budget provisions for the management of labor issues including all OHS provisions. The project will ensure a basic, responsive grievance mechanism to allow workers to have a venue to inform management of labor

issues, such as a lack of PPE, and unreasonable overtime via the client. The client must report any incidents or accidents that could occur in connection with the project workers.

ESS3 - Resource Efficiency and Pollution Prevention and Management Relevant

[Explanation - Max. character limit 10,000]

ESS3 is relevant as the activities to be financed under Component 1, 2 and 3 involving construction of community infrastructure such as small-scale irrigation schemes, rural roads, storage, and other facilities can contribute to environmental pollution such as air, soil, noise, and water pollution. Small scale irrigation can lead to an increase in application of pesticides and other agrochemicals (although the project will not finance any agrochemicals) that can account for environmental pollution due to pesticide containers, waste pesticides, and pesticide packaging material risks. Pests should be managed, through a process of integrated pest management (IPM) which combines chemical and non-chemical approaches to minimize the impacts of pesticides on the environment. Pesticides should be used only to the extent necessary under an IPMP in line with applicable WB EHS Guidelines. Pesticides products that contain active ingredients restricted under applicable international conventions will not be used. Where pesticide use is warranted, they should be stored, handled, and applied in a manner consistent with the recommendations for hazardous materials management to prevent, reduce, or control the potential contamination of soils, wildlife, groundwater, or surface water resources caused by accidental spills during the transfer, mixing, storage, and application of pesticides. A guidance for management of hazardous chemicals, including Integrated Pest Management Guideline have been annexed to the ESMF. Where relevant, Waste Management Plan will be prepared and implemented following ESMF procedure. For subprojects that may involve the use of pesticides, an IPMP will be developed and implemented through (i) collection of data on pesticide use, type of product, frequency of application, and application method from the responsible implementing bodies for planning, procurement, and application of the pesticides, (ii) assessing the risks and impacts of pesticides based on the information collected, (iii) selecting appropriate mitigation and management alternative, and (iv) developing an implementation monitoring plan. The use of solar energy for pumping water from wells is considered a positive step for energy use in these mostly arid and semi-arid borderlands, where grid electric connection is not available. However, hazardous wastes may be generated from solar energy generation activities including due to inefficient waste disposal and management of damaged batteries, solar appliances, and panels. Chemical degradation of soil may result from unsuitable land management techniques. Chemical degradation of soil may result from insufficient or inappropriate use of mineral fertilizers, failure to recycle nutrients contained in crop residues, and failure to correct changes in soil pH that result from long-term use of nitrogen fertilizers and excessive use of poor-quality water, resulting in salinization. The Project is not expected to result in significant emission of greenhouse gases due to the CDD nature of Project activities. There are also potential risks associated with overuse of limited water resources for irrigation activities, cumulative impacts of small-scale water use and waterlogging. Hence, when irrigation is used, the project implementing entity will implement irrigation water conservation techniques such as feasible water-efficient irrigation systems and regular maintenance of the irrigation system, as well as that of its associated channels and infrastructure; and avoiding over-irrigation, which may result in leaching of nutrients and contaminants. Furthermore, per the Bank “GPN on ESS3 for Water Use”, the following will apply for subprojects that may have high water demand (e.g., irrigation). A detailed water balance will be developed, maintained, monitored, and reported periodically during implementation. Hydrological Balance Analysis (including groundwater abstraction when applicable) should inform the design and the development of drought management measures would be recommended depending on the level of risk. Opportunities for improvement in water use efficiency will be identified and implemented during implementation. If a subproject or

group of subprojects within a basin, sub-basin, or watershed have high water consumption (e.g., irrigation coupled with other water uses), water resources assessment and implementation of water management measures at basin, sub-basin, or watershed level will be made. In such a case, a watershed hydrological assessment including water balance is prepared as part of environmental and social assessment instruments I.e., ESCP and ESMF. The ESMF includes the mitigation measures on water use such as improving water efficiency through technologies, water use scheduling, reducing water loss in the system, and increased water use monitoring. Other measures to be considered include water use caps, mandated environmental flows, and setting operating rules, where applicable. In sum, as some subprojects will use a valuable natural resource, i.e., water for either agricultural or animal feed production through irrigation, efficient utilization of the resource will be factored in the design (prior to ESMP preparation) and in the operation of these subprojects. The same efficient use of construction materials (such as extraction of sands and gravels) will be adopted and whenever possible be part of the design process for construction activities, which were presented as part of the ESMF. All issues related to ESS3 has been assessed as part of the ESMF, and site-specific assessments will be conducted as part of ESIAs/ESMPs during the project implementation period. Besides, the project activities will be implemented in compliance with the relevant World Bank Group Environmental, Health, and Safety Guidelines.

ESS4 - Community Health and Safety Relevant

[Explanation - Max. character limit 10,000]

Community Health and Safety risks are likely to be associated with activities under Component 1, 2 and 3 which involves construction of small- scale infrastructure. For civil works, it is anticipated that most of the unskilled workers will be sourced from the community at the subproject sites and that semi-skilled and skilled workers are likely to be nationals from outside of the subproject implementation area. The likelihood and extent of such an influx will need to be considered as part of the ESIA/ESMP that will be prepared for sub-projects. Labor influx , if any, can lead to the risk of sexual exploitation and abuse and sexual harassment (SEA/SH) especially of women and girls due to the presence of workers in the communities. SEA/SH Prevention and Response Plan were prepared as part of the ESMF and disclosed to address the risks including access to complaints mechanism and services for survivors during implementation but prior to the start of any civil works. The action plan includes an assessment risk, , plan for sensitization/awareness raising for the community and intended training activities for workers; mapping of service providers, reporting and response frameworks, and establishment of GBV sensitive GRMs. The SEA/SH Prevention and Response Plan will be adopted by subprojects and site-specific instruments (ESIAs/ESMPs) will consider the risks and measures proposed in the plan. In addition, the SEA/SH specialist will be hired at the FPCU level within three (3) months of the project Effective Date. Construction activities may pose potential health and safety concerns for the inhabitants within the vicinity of works, especially when construction is carried out near a village/community. In conducting technical assistance and capacity building activities, community health safety risks may arise in association with field survey, workshop, and stakeholder engagement. Transport of materials, equipment and workers will use existing roads which may cause disruption or accidents resulting in injuries. Use of green technologies, including biodigesters may cause health and safety concern to the community due to potential explosion, asphyxiation, disease, and hydrogen sulfide poisoning risk. For mitigating the risk of green technology, emergency preparedness and response procedure will be prepared as part of site specific ESIA/ ESMP. There are also potential community HS risks due to (1) water borne diseases resulting from irrigation areas/activities, and (2) supply of water to communities that may not meet applicable drinking water standards (e.g., drinking untreated ground water). Mitigation measures have been included in the ESMF, and the risks and measures will be further assessed and proposed as part of site specific ESMPs/ESIAs.

This includes measures such as the development of traffic management procedures, engagement with stakeholders to advise them of the risks and monitoring requirements. Site specific environmental and social risk management tools will cover specific measures to address traffic risk mitigation measures. As part of the ESMF and subproject E&S risk management tools, the client has potential community health and safety risks and impacts emanated from the generation of wastes, particularly from wastes, noise, and dust, transportation and disposal of solar panels, batteries, pesticide containers, and other construction materials, etc., in the project sites during construction and operation. With interventions on natural resources, some ecosystem services could be affected through water use, restriction of access to natural resources, etc. The project will not finance any large dam and small dams that can cause safety risks in line with ESS4. However, small dams may be built or rehabilitated for irrigation or flood management. As such, the client will make sure that such small dams are designed and constructed in such a way that potential community health and safety risks are minimized or avoided. It will ensure that dam safety measures are designed by qualified engineers and it will be supervised by the project civil engineer and / or supervising firm during the construction phase of small dams in accordance with Good International Industry Practice such as Food and Agriculture Organization, Manual on Small Earth Dams: A Guide to Siting, Design and Construction (FAO, 2012; World Bank Good Practice Note on Dam Safety, 2020; and World Bank Small Dam Safety Technical Note4, 2021). There are security concerns in various part of Ethiopia. These security risks can influence the project's ability to undertake meaningful implementation of the project activities. To address security risks, a security risk assessment has been conducted and security risk management plans (SRMP) have been prepared based on the ESF requirements, particularly ESS 4 related to security. The SRMP will be adopted by subprojects and site-specific instruments (ESIAs/ESMPs) will consider the risks and measures proposed in the SRMP. In addition, the SRA/SRMP will be updated to capture the local context during the implementation in each region. The technical team has considered the preparation of a Disaster Risk Assessment (DRA) to assess disaster risks and associated disaster risk management measures to mitigate them (including relevant risk of drought, flooding, etc.) in the ESMF as well as part of site-specific ESIAs/ or ESMPs.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement Relevant

[Explanation - Max. character limit 10,000]

ESS5 Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement ESS5 is applicable for the proposed project. Land acquisition, restrictions on land use, and involuntary resettlement may result from subprojects such as water resource rehabilitation and development, smallholder irrigation rehabilitation and development, rural access roads, livestock infrastructures (cold chains, clinics, laboratories, diagnostic centers, markets, abattoirs, etc.), multipurpose emergency stores, flood control structures, feed and food stores, small scale agro-processing facilities, agricultural products collection and storage facilities, energy-efficient technologies (solar, biogas, wind, etc.), water-saving technologies (household drip irrigation, mulch farming, etc.), and other related activities under component 1, 2 and 3. For the parent project, a Resettlement Policy Framework (RPF) was prepared and disclosed based on OP 4.12 and national law requirements to mitigate impacts and risks related to land acquisition. So far, in the parent project, there is no physical displacement due to project activities, but there was land acquisition and economic displacement. Accordingly, 12 households have encountered economic displacement, and a total of 14.31 Ha land were acquired (two in Gambelia, three in Oromia, four in SNNP, and one in Afar regional states) for subproject activities and compensation were made as per the plans prepared based on the RPF. The RPF is revised based on the ESF requirements, particularly ESS 5 in addition to the applicable national legislations and disclosed prior to project appraisal. The revised RF has resettlement principles and procedures including for setting eligibility criteria for resettlement entitlements, organizational arrangements, and the establishment of a project-level Grievance

Mechanism (GM) to be used during the preparation of site-specific instruments to address potential land acquisition issues. In addition, the RF indicates procedures to address any impact due to restrictions/loss of access to natural resources by the project activities. Component 1, 2 and 3 subproject activities of LLRP II will be screened for resettlement impacts, and proportionate Resettlement Plans (RPs) will be prepared and implemented where applicable before the commencement of any subproject activities that involve private land acquisition. Further, to the livelihood losses due to land acquisition, the project will develop and implement livelihood restoration plans (LRPs) to address any economic losses due to land use change/displacement of land users because of project activities as part of the RPs. In the case of small-scale land acquisition through voluntary land donation (VLD), VLD guidelines are developed and annexed into the RF to ensure adherence to the principles and VLD protocol outlined in ESS5 satisfactory to the Bank. The prepared RF provides an overall approach for assessing impacts on existing land tenure systems (individual or collective) as a result of subprojects involving infrastructure rehabilitation and development. In addition, the framework provides principles and procedures to address project impacts on defined, unclear, overlapping, and insecure land tenure systems. Site-specific RPs will be prepared to mitigate impacts on land tenure systems, including loss of livelihood and income, food insecurity, disproportionate harm to vulnerable groups, loss of ecosystem services, etc. Similarly, the RF outlines procedures to address water rights and restriction of access to resources due to project activities. Some of the subprojects will compete for available water resources for drinking, animal watering, and other domestic uses, thereby affecting the livelihood of the PAP communities. Subprojects could also restrict access to land, water, and ecosystem services on which the communities' livelihood depends. Site-specific RPs or process frameworks will be prepared and include measures to address impacts on water rights and access to resources.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources Relevant

[Explanation - Max. character limit 10,000]

Given the CDD nature of the project investment, no large-scale habitat conversion or major biodiversity loss is anticipated. Some of the project activities such as control of invasive species (Prosopis juliflora) will have positive outcomes on the biodiversity of project areas. Hence, preparation of a standalone biodiversity management plan is not anticipated at this stage. However, there may be localized/ small scale risks to biodiversity and habitats because of small-scale irrigation activities, rural roads, and other investments. The project activities may have impacts on biodiversity and ecosystems because of pollution. Inappropriate use of pesticides or waste disposal can result in contamination of air, soil, and water resources which in turn could cause loss of biodiversity including destroying beneficial insect populations which act as natural predators for some pests and bees. If any potential adverse impacts on biodiversity are identified based on E&S screening of the subprojects (following a screening procedure included the ESMF that helps to exclude protected areas and critical habitats), the subproject E&S risk management instruments (ESIAs/ESMPs) will include mitigation measures for potential risks on biodiversity. Such screening can help with the scoping of priorities for further assessment, if complete avoidance is not possible, thus reducing unnecessary biodiversity and/or ecosystem impacts. Screening should be conducted to identify species and sites of importance within the project sites. Tools, such as the Integrated Biodiversity Assessment Tool (IBAT) can facilitate access to key international data sets. In case of significant impacts due to subprojects in or potentially adversely affecting non-critical habitats (those habitats that are not legally protected or proposed for protection and do not have as high a conservation value), if any, Biodiversity Management Plans (BMPs) will be developed. Potential risks to ecosystem services were assessed as part of the ESMF. There are some sensitive natural habitats and protected areas in the

Regional States which will implement the project such as Awash and Yangudi Rasa National Parks (Afar Region), Yabello Sanctuary in Borena (Oromia Region), the Babile Wildlife Sanctuary (Somali Region), and Gambella National Park (Gembella Region). However, no project activity will be implemented near or in these protected areas as it has been the case for the parent project. The ESMF and the ESCP subprojects eligibility criteria therefore will cover exclusion of any investment that may involve alien species and any significant risks to biodiversity, animal welfare, results in land conversion, or affects legally protected natural resources. Subprojects in critical habitats or potentially adversely affecting critical habitats will be excluded from the project. Where relevant, the client will follow measures outlined in the IFC Good Practice Note on Improving Animal Welfare in Livestock Operations. This would entail among others that genetic selection should always consider the health and welfare of animals; animals chosen for introduction into new environments should be suited to the local climate and able to adapt to local diseases, parasites, and nutrition; the physical environment should allow comfortable resting, safe and comfortable movement, including normal postural changes, and the opportunity to perform types of natural behavior that animals are motivated to perform; etc. Further details are available in the Good Practice Note, which were used during the development of the ESMF.

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

[Explanation - Max. character limit 10,000]

The proposed activities of LLRP II may potentially impact the historically underserved people who meet the criteria of ESS7 since the project will be implemented in Afar, Somalia, Gambella, Benishangul, and areas where there are pastoralists and agro-pastoralists in Oromia and Southern region, who meet the requirement of historically underserved people in Ethiopia. A Social Assessment (SA) including a Social Development Plan (SDP) was prepared and disclosed for the parent project (LLRP). The parent project's SA including SDP was updated based on the ESS7 requirements for the purpose of LLRP II. The social risks and impacts relating to ESS7 are assessed in the Ethiopian context through an enhanced SA (including SDP) based on an extensive engagement process with potential project beneficiaries including those who will be identified as vulnerable groups and underserved peoples. The SA targets the historically underserved people and vulnerable groups, and the SDP emphasized to ensure benefit sharing mechanisms during implementation of subprojects. The SDP have concert actions that will enhance the benefit-sharing mechanism for them with an appropriate budget. The concerns and preferences of historically underserved people should have been addressed through meaningful consultations and integrated into subproject designs. Free, Prior, and Informed Consent (FPIC) does not apply for the project as the project targeted the entire HUPs and the a SA has included SDP to address the concerns of the underserved groups and HUP. Provisions for implementation of benefit sharing in subproject design are also included in the ESCP and key findings of the SA has also informed the project design. The SA (including the SDP) has been consulted on by and disclosed prior to project appraisal. The main issues raised during the consultation were (a) how to analyze and facilitate the potential risk management process in compliance with the relevant National Legislation; (b) the applicable World Bank's E&S Framework (ESF) and other requirements for the implementation of sub-projects under the project in a coherent manner; (c) discussion on the potential benefits and risks of LLRP II components such as Pastoral Risk Management, Integrated Rangeland Management, Climate Smart and Resilient Livelihoods, and (d) the roles, responsibility as well as the potential benefits to community. The ultimate outcome of the stakeholder and community consultation sessions is to come up with clear, comprehensive, and practical guidance to the client on integrating an environmental and social due diligence process into the LLRP II implementation. In addition, the consultation findings were captured during the preparation

of the E&S risk management instruments to avoid, minimize, and mitigate the environmental and social risks and impacts that are likely to arise during the planning, design, and implementation of sub-project level activities. A detailed matrix outlining the GRM, benefit-sharing approach, participation, monitoring and evaluation, potential social risks, and mitigation actions are included in the SA specifically in the SDP. Besides, due to the presence of vulnerable groups and historically underserved people in all project implementing regions, any specific engagement requirements for their participation were provided in the SEP. The SEP will ensure the participation of these groups in the project benefits and development process as outlined under ESS10. As a key focus of the project is to ensure these vulnerable groups can access project benefits, the stakeholder engagement process during project implementation shall ensure that their views are incorporated in subproject activities design and implementation and that risks, particularly those affecting women and girls, are adequately assessed, and mitigated. The project will ensure that the Grievance Mechanism to be established (in new subproject implementing areas) and strengthened under ESS10 should be fully accessible for these communities.

ESS8 - Cultural Heritage Relevant

[Explanation - Max. character limit 10,000]

No adverse impacts on cultural heritage are anticipated at this stage. However, the Chance Finds Procedure shall be adopted for precautionary reasons for infrastructure investments to address unknown archeological or historical remains and objects. An exclusion criterion to avoid cultural heritage sites is included in the ESCP and ESMF. Moreover, if significant impact will be foreseen during implementation, a cultural heritage management plan will be developed.

ESS9 - Financial Intermediaries Not Currently Relevant

[Explanation - Max. character limit 10,000]

No FI will be involved

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways Yes

OP 7.60 Operations in Disputed Areas No

B.3 Other Salient Features

Use of Borrower Framework No

[Explanation including areas where "Use of Borrower Framework" is being considered - Max. character limit 10,000]

None

Use of Common Approach No

[Explanation including list of possible financing partners – Max. character limit 4,000]

none

B.4 Summary of Assessment of Environmental and Social Risks and Impacts

[Description provided will not be disclosed but will flow as a one time flow to the Appraisal Stage PID and PAD – Max. character limit 10,000]

Environmental Risks: As it has been the case for the parent project (LLRP), LLRP II is expected to have a range of environmental benefits as it will support invasive plant species (Prosopis juliflora) control activities in addition to financing rangeland management, energy-efficient technologies, and soil and water conservation measures. However, there are also potential negative environment, health and safety risks and impacts that could result from the LLRP II activities. The EHS risks and impacts could mainly result from the project activities/investments which will be supported under i) Component 1: such as small-scale irrigation, rural access roads, energy-efficient technologies (solar), livestock clinics/laboratories and flood control structures; and ii) Component 2 such as smallholder irrigation and feed/forage production and management. New water supply schemes from groundwater (for livestock and human use in the pastoralist areas) could lead to unmanaged local livestock movements and ecologically destabilizing overgrazing. Development of water resources often involves balancing competing qualitative and quantitative human needs with the rest of the environment. This is a particularly challenging issue in the absence of a clear allocation of water rights which should be resolved with the participation of appropriate parties in advance of project design and implementation. Both surface water and groundwater supplies can become contaminated with potentially toxic substances of natural and anthropogenic origins, including pathogens, toxic metals (e.g., arsenic), anions (e.g., nitrate), and organic compounds. Groundwater could be depleted as a result of water development activities, and pumps could malfunction if excessive amounts of water are discharged. Small scale irrigation may lead to an increase in water extraction, soil salination, soil nutrient management concerns, water consumption, pesticide management (although the project will not finance any pesticide), crop residue and solid waste management concerns, and potential risks to biodiversity and ecosystem. Other environmental issues and ecological impacts of livestock production include small scale GHG emissions due to CDD nature of the activities; hazardous material management from animal clinics and labs and solar panels); animal disease outbreaks; threats to biodiversity and the environment from pasture and farmland expansion, or the introduction of new animal breeds, seed, and plant and crop species; and possible failure of small dam structures (no large dam will be financed). Construction of flood control structures, feed and food stores could lead to generation of wastes, noise, and consumption resources such as water and other construction raw materials. There are also various occupational health and safety (OHS) issues that may result from the project activities such as physical hazards, biological hazards, and chemical hazards. Component 4 will support Type 2 TAs such as policy engagement on strategic issues for the sector (including policy gap assessments and dialogue forums), and targeted research works (at federal level) pertinent to the overall project development objective. The potential downstream strategic level EHS risks of these Type-2 TAs will be assessed as part of the ESMF once the TAs are clearly defined. Experience from the implementation of the parent project (LLRP) shows that the risks and impacts from the project's CDD subprojects are site-specific, small in scale and readily manageable. Hence, the environmental risk of the LLRP is rated as Substantial considering contextual security and climate disaster risks. However, LLRP II has to come up with a more holistic approach to address climate change-related risks such as drought and flooding. This includes the introduction of a new and dedicated Disaster Risk Management and Climate Change Mitigation and Adaptation component.

Social Risks: The proposed project is expected to have positive social impacts corresponding to its development objectives, including building community resilience to climate change and drought, strengthening social capital in dispute resolution, and building the capacity of the public sector to provide services. However, there are also potential social risks due to the nature of the proposed subproject activities, and the social risk for the proposed project is rated 'substantial'; the same as the parent project's social risk rating. The key Social related risks and impact are (I) instability in the some of the project implementing areas such as Benishangul-Gumuz, Afar, Somalia, and Gambella regions, (ii) land acquisition especially for activities related to Component 1, 2 and 3 (such as water resource rehabilitation and development, small holder irrigation rehabilitation and development, rural access roads, livestock infrastructures (cold-chains, clinics, laboratories, diagnostic centers, markets, abattoirs, etc.); (iii) there might be a risk related to elite capture as a result of insufficient community and relevant stakeholder engagement/consultation as per the ESS10 and ESS7 requirements; (iv) the project activities may also create or exacerbate the existing social discrimination or exclusion and vulnerability of the disadvantaged and vulnerable groups in the subproject implementing areas, particularly those living in relatively remote and conflict affected areas ; (v) social tensions/conflicts may be induced by competition over the existing natural resources as well as the proposed subproject activities including access to water and road resources as well as livestock infrastructures; (vi) there might be forced labor, child labor, discriminatory hiring practices, and poor safety and health measures during the construction of infrastructures, development and rehabilitation activities, as well as in the supply chain associated with the production of solar equipment and others. Besides, there may be labor influx and associated risks including risks to community health and safety including gender-based violence, sexual exploitation and abuse, and sexual harassment (GBV/SEA/SH); (vi) security risks including temporary inaccessibility of the project implementation areas for the implementation, follow up and monitoring of sub-projects activities, criminal targeting of project assets (robbery/ theft), safety hazards at project sites, demonstration/ civil unrest and others in the implementation areas. The prevailing conflicts will affect the implementation of the proposed project; and (vii) other possible risks and impacts on communities may include dust from construction activities, construction noise, as well as road accidents or fatalities.

To address and mitigate the risk and impacts related to the project activities, the client has developed the relevant E&S risk management instruments, such as Environmental and Social Commitment (ESCP), Stakeholder Engagement Plan (SEP), Labor Management Procedures (LMP), SEA/SH Prevention and Response Action Plan, and Security Risk Assessment (SRA), including action plan developed and disclosed prior to the project appraisal. In addition, the parent Social Assessment (SA) including the Social Development Plan (SDP), Environmental and Social Management Framework (ESMF), and Resettlement Policy Framework (RPF) are updated based on the requirements of the World Bank ESF and consulted upon and disclosed prior to the project appraisal; and will be implemented throughout the project period.

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by implementation?

[Description of expectations in terms of documents to be prepared to assess and manage the project's environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 10,000]

To address and mitigate the risks as well as impacts related to the project activities, the project has prepared Social Assessment (SA) including the Social Development Plan (SDP), Environmental and Social Management Framework (ESMF), and Resettlement Framework (RF) based on the requirements of the World Bank Environmental and Social Frameworks (ESF) and consulted upon, and disclosed prior to the project appraisal. In addition, Environmental and Social Commitment (ESCP), Stakeholder Engagement Plan (SEP), Labor Management Procedures (LMP), SEA/SH Prevention and Response Action Plan, and Security Risk Assessment (SRA), including action plan are developed and disclosed prior to the project appraisal, and will be implemented through out the project lifetime. Moreover, the site-specific instruments, such as ESIA/ or ESMPs will be prepared and disclosed prior to commencement civil work.

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