

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC5109

Project Name	ET Productive Safety Nets IV (PSNP 4) (P146883)
Region	AFRICA
Country	Ethiopia
Sector(s)	Other social services (70%), Public administration- Other social services (20%), General agriculture, fishing and forestry sector (1 0%)
Theme(s)	Social safety nets (60%), Natural disaster management (15%), Vulnerability assessment and monitoring (10%), Improving labor markets (15%)
Lending Instrument	Investment Project Financing
Project ID	P146883
Borrower(s)	FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
Implementing Agency	Ministry of Agriculture
Environmental Category	B-Partial Assessment
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Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Ethiopia is a large and diverse country. It is located in the Horn of Africa and is a land-locked country with an area of 1.1 million km²—about the size of Bolivia. Its bio-physical environment includes a variety of contrasting ecosystems, with significant differences in climate, soil properties, vegetation types, agricultural potential, biodiversity and water resources. Ethiopia is a country of many nations, nationalities and peoples, with a total population of 91.7 million (2012) . Only 17 percent of the population lives in urban centers, the great majority of them in Addis Ababa. At a current annual growth rate of 2.6 percent, Ethiopia’s population is estimated to reach 130 million by 2025, and is projected by the UN to be among the world’s top ten, by 2050. Ethiopia is vulnerable to terms of trade shocks from international food and fuel prices, and to large domestic weather-related shocks as the 2011/12 East Africa drought demonstrated.

Ethiopia has a federal, democratic government system, established in the early 1990s, with nine autonomous states ('regions') and two chartered cities. Decentralization of governance to the regional and district (woreda) levels has been actively pursued, intensively since 2003. The Ethiopian People's Revolutionary Democratic Front (EPRDF) has been in power in Ethiopia since 1991. EPRDF comprises four regionally-based parties from the four major regions (Amhara, Oromia, Southern Nations, Nationalities and Peoples (SNNPR), and Tigray). The long-serving Prime Minister, Meles Zenawi, (from Tigray) died in August 2012, and was succeeded by Hailemariam Desalegn (from SNNPR) who has pursued largely the same policies. The next national elections are scheduled for 2015.

Ethiopia has experienced strong economic growth over the past decade. Economic growth averaged 10.7 percent per year in 2003/04 to 2011/12 compared to the regional average of 5.0 percent. Growth reflected a mix of factors, including agricultural modernization, the development of new export sectors, strong global commodity demand, and government-led development investments. Private consumption and public investment have driven demand side growth, with the latter assuming an increasingly important role in recent years. On the supply side, growth was driven by an expansion of the services and agricultural sectors, while the role of the industrial sector was relatively modest. More recently annual growth rates have declined slightly, but still remain at high single-digit levels. Growth in the export of goods has also moderated in recent years and a decline was observed in 2012/13 for the first time since 2008/09. There have been bouts of high inflation in recent years and, while inflation is currently much lower, keeping it down remains a major objective for monetary policy.

Ethiopia is one of the world's poorest countries, but has made substantial progress on social and human development over the past decade. The country's per capita income of US\$370 per is substantially lower than the regional average of US\$1,257 and among the ten lowest worldwide. Ethiopia is ranked 173 out of 187 countries in the Human Development Index (HDI) of the United Nations Development Program (UNDP). However, high economic growth has helped reduce poverty, in both urban and rural areas. Since 2005, 2.5 million people have been lifted out of poverty, and the share of the population below the poverty line has fallen from 38.7 percent in 2004/05 to 29.6 percent in 2010/11 (using a poverty line of close to US\$1.25/day). However, because of high population growth the absolute number of poor (about 25 million) has remained unchanged over the past fifteen years. Ethiopia is among the countries that have made the fastest progress on the Millennium Development Goals (MDGs) and HDI ranking over the past decade. It is on track to achieve the MDGs related to gender parity in education, child mortality, HIV/AIDS, and malaria. Good progress has been achieved in universal primary education, although the MDG target may not be met. The reduction of maternal mortality remains a key challenge.

GoE is currently implementing its ambitious Growth and Transformation Plan (GTP; 2010/11-2014/15), which sets a long-term goal of becoming a middle-income country by 2023, with growth rates of at least 11.2 percent per annum during the plan period. To achieve the GTP goals and objectives, GoE has followed a "developmental state" model with a strong role for the government in many aspects of the economy. It has prioritized key sectors such as industry and agriculture, as drivers of sustained economic growth and job creation. The GTP also reaffirms GoE's commitment to human development. Development partners have programs that are broadly aligned with GTP priorities.

The World Bank Group's Country Partnership Strategy (CPS, FY13-16) builds on the progress achieved by Ethiopia in recent years and aims to help GoE address structural transformation and assist in the implementation of the GTP. The CPS framework includes two pillars. Pillar One, "Fostering competitiveness and employment", aims to support Ethiopia in achieving: (i) a stable macroeconomic environment; (ii) increased competitiveness and productivity; (iii) increased and improved delivery of infrastructure; and (iv) enhanced regional integration. Pillar Two, "Enhancing resilience and reducing vulnerabilities", aims to support Ethiopia in improving the delivery of social services and developing a comprehensive approach to social protection and risk management. Good governance and state building form the foundation of the CPS. In line with the GTP, gender and climate change have been included as cross-cutting issues to strengthen their mainstreaming across the portfolio. The programs of IFC and MIGA are well aligned with the CPS framework, contributing mainly to the strategic objectives under Pillar One.

Sectoral and Institutional Context

Ethiopia's improvements reflect a strong commitment of the Government to eradicating extreme poverty and achieve shared prosperity through investments in agriculture, social protection, health, education and other pro-poor sectors. Spending on "pro-poor" sectors (health, education, agriculture and natural resources, and rural roads and urban construction) has increased from 52 percent of general government expenditure in FY03 to 70 percent in FY 2011/12 (MOFED). The Productive Safety Net Program (PSNP) and Household Asset Building Program (HABP) represent an important contribution to the GoE's pro-poor development agenda, amounting to approximately 9% of pro-poor spending and 1.1% of GDP.

While progress has been made, food insecurity, malnutrition and vulnerability remain high. Twenty-nine percent of the population are absolute poor (World Bank, MOFED), and an estimated 43 percent (46 percent of the rural population) are vulnerable to absolute poverty. Furthermore, although the PSNP has provided an important safety net for many poor rural households, nearly half (12.2 million) of the 27 million people identified as vulnerable to absolute poverty and food insecurity live in non-PSNP woredas. This reflects the fact that while geography is one important determinant of vulnerability, much vulnerability is determined not by geography but by individual access to assets, lifecycle events and other factors.

Launched in 2005, the Productive Safety Nets Programme (PSNP), funded by the GoE and Development Partners, provides food and/or cash transfers to food insecure households in chronically food insecure woredas (those receiving food aid annually prior to 2005) in exchange for labor-intensive public works, while labor-poor households receives unconditional "direct support" transfers. The PSNP is embedded in the GoE's strategy and policy for food security and eradication of extreme poverty, and represented a pivotal departure from the cycle of annual emergency food aid appeals that had been commonplace in Ethiopia to a planned approach to food security and predictable drought risk management.

The first phase of the program focused on transition from emergency relief to a productive and development-oriented safety net. The second phase of the PSNP focused on consolidation of the progress made under Phase I and continued to strengthen technical capacity for program implementation. This phase saw significant expansion and some important improvements in program design and implementation. In 2008 and 2009, the GoE and Development Partners reviewed the successes and lessons learned from past implementation and designed the third phase of the program. Currently ongoing, the third phase focuses on integration and continues to

consolidate program performance and maximize the program's long-term impacts on food security by ensuring effective integration and coordination with other critical interventions. This has been focused on program-specific interventions, and creating linkages and coordination between existing programs. A second component, the Household Asset Building Program (HABP), provides technical assistance and business planning in order to build household assets and enable graduation from the PSNP.

PSNP and HABP have contributed significantly to improved food security in Ethiopia over the past 9 years. In the highlands regions, participants in the PSNP have seen their average months of food security rise from 8.4 months per year in 2006 to 10.1 in 2012. The majority of this increase occurred between 2010 and 2012, reflecting the important improvements in the quality of program implementation (e.g. in the size and timeliness of transfers as well as full family targeting) during this period. The public works program address root causes of vulnerability in PSNP communities, and is an important contributor to strengthening livelihoods opportunities by supporting the development of a productive watershed and linking rural communities to small towns where they can access inputs, markets, and services. Further, PSNP public works have led to important improvements in rural infrastructure and have contributed to improved access to education and health services. Finally, through public works, PSNP participants have constructed soil and stone bunds, which enhance water retention and reduce soil and water run-off; and protected land in area enclosures, which increases soil fertility and carbon sequestration.

HABP has implemented various capacity building activities including market value chain analysis, inputs and farm technologies provision, M&E and training of trainers. HABP has been shown to contribute to the increase in food security: the impact evaluation shows that in 2010, PSNP and HABP together increased food security 2.5 times more than PSNP alone. However, HABP design has been shown to be ambitious and complex, and the institutional arrangements lacked the necessary buy-in from key partners. There was also a lack of coordination and integration between PSNP and HABP. The new program will simplify livelihoods interventions in the program, and include it as a sub-component in the PSNP, continuing to focus on capacity building and technical support to livelihoods strengthening.

Despite its scale and longevity, PSNP remains less than a fully national (or even fully rural) safety net. The combination of geographical restrictions (PSNP is limited to those woredas identified as chronically food insecure in 2004) and pressure for graduation has meant that its (shrinking) coverage has fallen far below the total number of people who experience a food gap or levels of consumption below the food or basic needs poverty lines. On its own, it has not provided – and cannot provide – a comprehensive social protection program, and in isolation cannot lift chronically poor people out of poverty at the rate desired by the Government and development partners. PSNP has provided important disaster response to date, and this can be further improved with the full use of contingency budgets and the Risk Financing Mechanism (RFM).

Relationship to CAS

The proposed program will directly contribute to the two pillars of the World Bank's new global strategy of reducing absolute poverty and promoting shared growth through direct support to the most vulnerable coupled with targeted livelihoods strengthening. Ethiopia's Growth and Transformation Plan (GTP) sets the broad institutional framework for the next phase of the PSNP. The GTP's goal is to contribute to Ethiopia's achievement of middle income status by 2025, while its development objective is to sustainably increase rural incomes and national food and nutrition

security. The current GTP has four strategic objectives: 1) to achieve a sustainable increase in agricultural productivity and production, 2) to accelerate agricultural commercialization and agro-industrial development, 3) to reduce degradation and improve productivity of natural resources, and 4) to achieve universal food security and protect vulnerable households from natural disasters. GOE is now in the process of developing its GTP 2, and the PSNP 4 is developed in close consultation with key stakeholders in that process in order to ensure alignment.

Four complementary policies provide a more specific framework for the next generation program. In particular, the Social Protection Policy and the National Policy and Strategy on Disaster Risk Management (NPSDRM) Policy provide the majority of the foundational framework for PSNP 4. The program will also closely align with the National Nutrition Program (NNP) and the Climate Resilient Green Economy (CRGE).

PSNP is a cornerstone of Ethiopia's draft Social Protection Policy, which aims to provide an overall system and to create an enabling environment in which Ethiopian citizens have equitable access to all social protection services that will enhance their growth and development. The policy has identified social safety nets as one of its main pillars. Overall, the policy commits the Government to move beyond the partial, and fragmented, provision of social protection to establish a social protection system. Further, the policy recognizes that not all households will graduate from the PSNP in rural areas, thus requiring a long-term safety net for the poorest in the country. The next generation safety net and complementary livelihoods interventions can greatly contribute to the delivery of the national Social Protection Policy through: Protecting the most vulnerable households from further loss of livelihoods; preventing deterioration in livelihood security and promote households' livelihoods. PSNP is also one of the flagship program's under the DRM policy, providing significant support to the Government's investment framework for DRM.

The proposed program is closely aligned with the World Bank Ethiopia FY 2013-16 Country Partnership Strategy (CPS) as it supports GOE to meet the food security and DRM-related objectives of the GTP. The Country Partnership Strategy identifies four structural changes that will be required in order for the GTP objectives to be achieved: 1) Increased productivity and competitiveness of the industrial and services sectors for rapid and sustained job creation; 2) Transformation to modern and productive agriculture; 3) Strengthened systems to better respond to shocks and increase resilience; and 4) Improved government effectiveness.

The CPS pillars are consistent with the GTP and are: (1) Fostering competitiveness and employment by supporting a stable macroeconomic environment; increasing competitiveness and productivity; increasing and improving delivery of infrastructure; and enhancing regional integration; (2) Enhancing resilience and reducing vulnerabilities by improving delivery of social services and developing a comprehensive approach to social protection and risk management; (3) Good governance and state building.

PSNP 4 will directly support Pillar 2. Through close alignment with the social protection and DRM policies, the program will help enhance resilience and reduce vulnerabilities by improving delivery of social services and developing a comprehensive approach to social protection and risk management. The program will primarily support the achievement of three strategic objectives under Pillar 2:

- Enhancing the resilience of vulnerable households to food insecurity (through timely and predictable transfers, sustainable public works, appropriate livelihoods interventions and

contingency planning and financing to respond to shocks)

- Increasing adoption of DRM systems (through improved planning and through soil and water conservation-related public works)
- Strengthening sustainable natural resource management (NRM) and resilience to climate change (through NRM-related public works and livelihoods interventions)

The program will also support the fourth strategic objective under Pillar 2: Increasing access to quality health and education services. This will be done through the establishment of a harmonized targeting system with a single registry of beneficiaries, which will enable easier referrals of clients to complementary services, new conditionalities related to health and nutrition for direct support beneficiaries, and through public works. PSNP 4 will also contribute to the Increased and improved delivery of infrastructure strategic objective under Pillar 1. This will be done primarily through public works, and potentially also through increased labor market linkages under the livelihoods activities.

PSNP 4 will scale up social accountability activities currently implemented in collaboration with the Ethiopia Social Accountability Program 2 (ESAP 2), under the Promoting Basic Services Program (PBS). Through these activities it will contribute to "good governance and state building" under Pillar 3. In addition, with the PSNP helping Ethiopia to transition away from the cycle of annual emergency appeals, it is also contributing to a shift towards more transparency and accountability in a sector which globally has been struggling with corruption.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The Program Development Objective for the program is: Enhanced access to safety nets and disaster risk management systems, livelihoods and nutrition services for vulnerable households in rural Ethiopia.

This will be achieved through 1) support for the building of social protection and DRM systems, 2) delivery of safety nets and linkages to livelihoods services to vulnerable rural households, and 3) improved institutional capacity.

The project will also contribute to the higher level objectives of (i) improved household food security, nutrition and livelihoods, and (ii) enhanced household and community resilience to shocks. This is consistent with the higher level objectives of the ongoing APL series supporting the PSNP.

Key Results (From PCN)

The Program will support the building of comprehensive social protection and DRM systems. It will also deliver a strong and comprehensive safety net to vulnerable households in rural Ethiopia, and provide support for sustainable livelihoods opportunities for clients. It is proposed to measure progress towards these key results and attainment of the PDO through the following indicators:

1: Progress in transition to a system of social protection and disaster risk management. This result will measure the effectiveness of institutional arrangements and the harmonization of various processes (e.g. targeting, planning, monitoring and evaluation) across different programs. Key milestones will be identified during design to measure progress.

2: Increased number of months of household food security. This result will measure the net number of months of food security for program participants in current highland and lowland woredas, as well as in new woredas to which the program will expand.

3: Increased household assets. This result will measure the net increase in household assets as a result of enhanced access to livelihoods services.

4: Increased resilience of households to shocks. This result will measure the impact of shocks on the indicators for key results 1 and 2 (number of months of food security and household assets) in program areas in order to determine whether program participation has increased their resilience to shocks.

5. Increased access to nutrition services for program clients.

Results area 1 will be measured by administrative data combined with dedicated surveys and reviews. Result areas 2-4 will be measured through continued impact evaluation surveys, using both quantitative and qualitative methods to compare treatment and control areas before and after the program.

III. Preliminary Description

Concept Description

The new phase of the program (PSNP 4) will build on the significant lessons learned in previous phases, documented through bi-annual impact evaluations and a large number of studies and assessments. It also incorporates global experiences, in particular from Latin-America, South- and East-Asia and other countries in Africa. The new program will be integrated within a broader system and policy environment for social protection and disaster risk management. This move to a systems approach, supporting investments to build administrative and management systems, marks a natural progression of the program to date, as it has developed from transitioning Ethiopia's emergency system to a more predictable safety nets program, which will now be aligned under a national system. This will build on lessons from program coordination under the current phase of the program, but significantly move forward the integration and rationalization of programs by supporting the development of a system for effective delivery of social protection and DRM. Other important innovations in PSNP 4 are: including interventions in the program to enhance client households' access to sustainable livelihoods services (building on lessons from the HABP) so that the program provides an integrated set of safety net services and technical assistance for livelihoods strengthening to clients; and scaling up to a national rural program, in all regions over time. The program will continue to be implemented through government systems.

The scale to a national rural program will happen over time so as to ensure that capacity is built before program implementation begins in each area. Implementation will start with the existing caseload from the current program, followed by a phased introduction of woredas starting with those with greatest vulnerability: 1) the repeat transitory caseload in current PSNP woredas, 2) woredas that have become chronically food insecure since 2005, and 3) woredas that have had a transitory caseload since 2005. The program will also build strategic linkages between the development of the rural safety nets and the urban safety net (under development with the Ministry of Works and Urban) to ensure the use of complementary tools and a consistent approach under the same system.

Three components will contribute to the achievement of the overall PSNP development objective. These are:

Component 1: Systems Development (USD 150 million total). Support to the social protection and DRM systems will include targeting, registry, capacity development, and management information systems (MIS)

Component 2: Productive Safety Nets and Enhanced Access to Livelihoods Services (USD 2.5 billion total): This will be done through 3 sub-components delivering key services to the targeted households: (a) Safety nets transfers to chronically food insecure households. This sub-component will also include a mechanism to respond to transitory needs and improve disaster risk management, building on the lessons from the contingency budgets and risk financing in the current program. (b) Sustainable community assets and human capital investments; and c) Enhanced access for households to livelihoods services in crop and livestock, off-farm income generating activities, and labor/employment linkages

Component 3: Institutional and Management Development (USD 50 million total). This component will support institutional strengthening to implement PSNP 4, including resource management and social accountability.

Component 1: Systems Development:

Component 1 will support the strengthening of the social protection and DRM systems and the transition from independent programs to a system of integrated social protection and DRM service delivery. Supporting the transition to a system will entail support the key building blocks, tools and instruments of the systems, including for harmonized planning, targeting, single registry and information management across social protection programs and associated policies. For the DRM system, support will be focused on the development and implementation of appropriate response mechanisms for transitory needs, including early warning triggers and harmonized planning and monitoring.

The current community-based PSNP targeting system, which has worked very well particularly in highlands regions, will be retained and supplemented by a PMT-based poverty index. This will form the basis for the development of a unified registry database which will support harmonized targeting across various social protection interventions. Such a registry could bring together beneficiary data across different programs serving the same clients and harmonize PSNP beneficiary targeting with other social protection programming within the country. This will enable the provision of a suite of services (for instance, PSNP transfers as well as fee waivers for health services) to the same beneficiaries, identification of gaps in support, and analysis of the impact of different services. The registry will initially focus on PSNP areas, and expand over time to a true national registry.

Harmonized information management will support both the social protection and DRM agendas. It will entail harmonizing M&E systems with common indicators for related programs (e.g. public works and sustainable land management, pastoral community development), and a harmonized M&E data collection and analysis system. In addition, a program-specific MIS will be established, of which the single registry will be one element, to ensure effective knowledge management. A comprehensive public works database will also be a crucial part of the MIS. Establishing such an

MIS system will necessitate targeted capacity building efforts, involving both skills training and investments in information and communication technology.

In addition, the next phase of the program must develop clearer triggers and thresholds for intervention, and improve the contribution of the program to DRM systems and tools (e.g. early warning), including support for woreda risk profiles. The transitory response will continue to use the delivery mechanisms for support developed under the regular program transfers. Harmonized information management will enable the use of common triggers for DRM interventions, thereby enabling more rapid and effective responses to shocks.

Capacity building support will aim to improve the effectiveness of program management and implementation at all levels while supporting the transition to a system and the expansion of the program to all regions of the country. As the safety net expands geographically and becomes increasingly integrated within evolving social protection and DRM systems, the types of capacity required in terms of human resources, facilities, and institutions, will become more complex. The future safety net will need to incorporate a comprehensive capacity development strategy and action plan, and be supported by dedicated capacity development budgets. This could be done through a PSNP Capacity Development Support Facility, built into the management structures of the program.

Component 2: Productive Safety Nets and Access to Livelihoods Services

Component 2 will deliver a range of client services, including safety nets transfers, sustainable community assets and human capital services, and support for accessing livelihoods services. This will be done through the implementation of three sub-components described below.

Sub-component 2a will provide safety nets transfers to targeted households. The program will provide transfers to chronically food insecure households through public works, human capital conditionalities and direct support depending on the household's labor capacity. The next generation of the program will aim to improve transfers through increased timeliness and predictability; an increased shift to cash and improved cash-food parity (a new food basket with 15 kg of grain and 4 kg of pulses has been agreed); further piloting of innovative transfer mechanisms such as electronic payments or vouchers; enhanced role of transfers in helping households move towards sustainable graduation, including the provision of a lump-sum payment equal to 6 months of transfers upon graduation; and increased number of months of support for direct support beneficiaries

This sub-component will also support effective response mechanisms that provide appropriate and timely resources to transitorily food insecure households in response to shocks. In particular, this component will aim to support the development/improvement of a continuum of response that entails: 1) PSNP 4 covering the chronic caseload (expanded to all rural areas), and 2) A contingency budget at three levels (woreda, regional, federal) to address transitory needs and take preventative action when needed. Outside the program, this will be complemented by a humanitarian response for rapid onset and large scale crisis beyond contingency budget. This will require access to adequate information as well as clear triggers and thresholds for intervention. The single registry can serve as a mechanism that provides the necessary household-level information to enable rapid scale-up using the contingency budget.

Subcomponent 2b will support the development of community assets and improved livelihoods through public works and watershed planning. Continuing its successful participatory community

planning process, the program will aim to improve public works, building on lessons from the current program as well as international good practices, through increased technical quality of public works, particularly for road and water subprojects, improved planning and M&E; improved appropriateness of public works timing and subprojects in pastoral areas; and more appropriate work norms for women. Financing for administrative costs and capital inputs will be allocated to woredas to provide the necessary complementary inputs as well as technical supervision and monitoring for public works activities.

This sub-component will also introduce soft conditionalities to supplement the public works conditionality. This will include awareness raising and skills training for nutrition, financial literacy, and use of ante-natal services for pregnant women who are moved temporarily from public works to direct support.

Subcomponent 2c will support enhanced access for client households to livelihoods services, drawing lessons learned from the implementation of the current HABP, other livelihoods support in Ethiopia, including through the Agriculture Growth Program, and global lessons from CGAP and others. In particular, PSNP 4 will aim to better prepare households for sustainable graduation through: regular receipt of transfers and access to community assets (described above), access to technical livelihoods support, household savings, financial livelihoods support, and implementation of evidence-based graduation mechanisms. Clients will be linked to livelihoods services through three pathways: support to on-farm income generation, off-farm income generating activities, and links to labor/employment. The PSNP will provide technical support for households to access the three livelihood pathways, including 1) stronger links to extension for technical support, including mentoring and coaching in business and technical skills training for diversification into off-farm activities/entrepreneurship, and 2) workforce development and linkages to employment.

The program will also improve access to appropriate financial services, such as savings for all households, livelihoods transfers and linking households to financial institutions. HABP included savings mobilization by RUSACCOs and savings requirements by MFIs prior to lending, but relatively little focus on savings promotion at household level. The next phase will have a greater focus on household savings as a critical step and on village savings and lending associations (VSLAs) as an important entry point for households into the financial system. In addition, the program will continue to support linkages to credit-providing institutions for households, but will not directly deliver credit to clients. It will also introduce livelihoods transfers. These transfers will be predicated on household participation in skills training and savings activities.

PSNP 4 will seek to ensure that program graduates do not fall back into food insecurity by improving graduation mechanisms and introducing risk mitigation measures for graduates. Piloting of the Graduation Prediction System (GPS) suggests that evidence-based graduation rates would be 28% lower than the targets set by the system as it currently operates. This finding reveals the need for implementing evidence-based graduation, and for the absolute separation of the target setting process from the assessment of graduation of individual households in the next phase. In addition, measures must be put in place to mitigate the risks of recent graduates, for instance through the continuation of certain types of support (e.g. health fee waivers) beyond graduation, and the ability to re-enter the program if necessary.

Component 3 Institutional and Management Development

Component 3 will provide institutional support to GoE to improve overall program management. It will support institutional and management strengthening activities focusing on: 1) Program management at all levels; 2) Monitoring and evaluation; 3) Transparency and accountability; and 4) Knowledge Management.

Monitoring and evaluation support will aim to improve the collection and analysis of monitoring and evaluation indicators in order to enable evidence-based decision-making. Strengthened transparency and accountability support, including grievance redress mechanisms, will be developed during the design. PSNP 4 will also strengthen its support to gender development, and a Gender Action Plan will be developed for the program.

The World Bank will use Investment Project Financing (IPF) for this operation. A Program for Results (P4R) was considered, but given the significant systems building components and need to coordinate with the 10 other development partners to ensure continued a common approach, it was agreed that a switch to a P4R should not be done at this time. Indicative discussions with the 9 other Development Partners to the program, indicate that they will all continue financing the program in the new phase.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04		x	
Forests OP/BP 4.36		x	
Pest Management OP 4.09	x		
Physical Cultural Resources OP/BP 4.11	x		
Indigenous Peoples OP/BP 4.10	x		
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50	x		
Projects in Disputed Areas OP/BP 7.60			x

V. Financing (in USD Million)

Total Project Cost:	2700.00	Total Bank Financing:	500.00
Financing Gap:	684.00		
Financing Source		Amount	
BORROWER/RECIPIENT		100.00	
International Development Association (IDA)		500.00	
US Agency for International Development (USAID)		550.00	
DENMARK Danish Intl. Dev. Assistance (DANIDA)		25.00	
UK British Department for International Development (DFID)		500.00	
EC European Commission		55.00	
CANADA, Govt. of		100.00	

IRELAND, Govt. of	68.00
NETHERLANDS Netherlands Development Association	68.00
World Food Program	50.00
Total	2016.00

VI. Contact point

World Bank

Contact: Camilla Holmemo
 Title: Senior Economist
 Tel: 5358+6091 /
 Email: cholmemo@worldbank.org

Borrower/Client/Recipient

Name: FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
 Contact: Ato Fisseha Aberra
 Title: Director, Intl Financial Inst Cooperation Directorate
 Tel: 251-11-1113247
 Email: infopr@mofed.gov.et

Implementing Agencies

Name: Ministry of Agriculture
 Contact:
 Title:
 Tel:
 Email:

VII. For more information contact:

The InfoShop
 The World Bank
 1818 H Street, NW
 Washington, D.C. 20433
 Telephone: (202) 458-4500
 Fax: (202) 522-1500
 Web: <http://www.worldbank.org/infoshop>