

**INTEGRATED SAFEGUARDS DATA SHEET  
APPRAISAL STAGE**

**Report No.: ISDSA9403**

**Date ISDS Prepared/Updated:** 12-Jul-2014

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**I. BASIC INFORMATION**

**1. Basic Project Data**

<b>Country:</b>	Ethiopia	<b>Project ID:</b>	P146883
<b>Project Name:</b>	ET Productive Safety Nets 4 Program (PSNP 4) (P146883)		
<b>Task Team Leader:</b>	Camilla Holmemo		
<b>Estimated Appraisal Date:</b>	30-Jun-2014	<b>Estimated Board Date:</b>	21-Oct-2014
<b>Managing Unit:</b>	GSPDR	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Other social services (70%), Public administration- Other social services (20%), General agriculture, fishing and forestry sector (1 0%)		
<b>Theme(s):</b>	Social safety nets (60%), Natural disaster management (10%), Vulnerability assessment and monitoring (10%), Improving labor markets (10%), Nutrition and food security (10%)		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No

<b>Financing (In USD Million)</b>			
Total Project Cost:	3390.00	Total Bank Financing:	500.00
Financing Gap:	1274.00		
<b>Financing Source</b>			<b>Amount</b>
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)			412.00
EC European Commission			130.00
CANADA, Govt. of			115.00
IRELAND, Govt. of			68.00
NETHERLANDS Netherlands Development Association			68.00
SWEDEN Swedish Intl. Dev. Cooperation Agency (SIDA)			23.00
UN Children's Fund			25.00
World Food Program			100.00
Total			2116.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

## 2. Project Development Objective(s)

The Program Development Objective for the program is: Increased access to safety net and disaster risk management systems, and complementary livelihood and nutrition services for food insecure households in rural Ethiopia.

This will be achieved through 1) support for building core instruments and tools of social protection and DRM systems, 2) delivery of safety net and enhanced access to livelihoods services for vulnerable rural households, and 3) improved program management and institutional coordination.

The project will also contribute to the higher level objectives of (i) improved household food security, livelihoods and nutrition, 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.

## 3. Project Description

PSNP 4 builds on the significant lessons learned in previous PSNP phases, documented through bi-annual impact evaluations and a large number of studies, assessments and missions. 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 framework 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, and significantly move forward the integration and rationalization of programs by supporting the development of a system for effective delivery of social protection and DRM. Because the HABP design was ambitious and complex, institutional arrangements (including coordination and integration with the PSNP) lacked the necessary buy-in from key partners. PSNP 4 will simplify livelihoods interventions in the program with an aim to enhance clients' access to livelihoods services as a sub-component within the PSNP. The HABP will no longer continue. Thus, PSNP 4 will provide an integrated set of safety net services and technical assistance to enhance livelihoods strengthening to clients. The program will continue to be implemented through government systems, in partnership with Non-Governmental Organizations (NGOs) and service providers. It will also build strategic linkages with the urban safety net (under development with the Ministry of Urban Development, Housing and Construction) to ensure the two programs use 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 144 million total; USD 27 million IDA). Support to the social protection and DRM systems will include targeting, registry, capacity development, management information systems (MIS), early warning triggers and response mechanisms.

Component 2: Productive safety nets and enhanced access for PSNP households to livelihoods services (USD 3.031 billion total; USD 451 million IDA): this will be done through 3 sub-components delivering key services to the targeted households: (a) safety nets transfers to chronically food insecure households, and support to a scalable response mechanism for transitory needs; (b) sustainable community assets and human capital investments; and c) enhanced access to complementary livelihoods services for client households through crop and livestock production, off-farm income generating activities, and labor/employment linkages.

Component 3: Institutional and Management Development (USD 219 million total; USD 22 million IDA). This component will support sustainable capacity development and institutional strengthening to implement PSNP 4.

Component 1: Systems Development

Component 1 (USD 144 million total; USD 27 million IDA) would 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. It will finance key building blocks, tools and instruments of the systems, including for targeting, single registry and information management. For the DRM system, support will focus on improving response mechanisms for transitory needs and integrating risk reduction planning into public works, including development of early warning triggers and harmonized planning and monitoring.

The current community-based PSNP targeting system, which has worked very well particularly in highlands regions, would be retained and supplemented by a proxy-means test (PMT) based poverty index. This would provide the foundation for the development of a unified registry database which would form the basis of targeting and exit of PSNP client households. Over time, the registry would

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 would 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 and duplications (double dipping) in support, and analysis of the impact of different services. The registry would initially focus on PSNP areas, and expand over time to a comprehensive national registry. In accordance with GOE policies, the registry will be developed by and housed in the Ministry of Labor and Social Affairs (MOLSA). A consultancy will be contracted to develop the registry once the program is effective. A more detailed description of the targeting and registry is in Annex 8.

Harmonized information management will entail M&E systems with common indicators for related programs (e.g. public works, sustainable land management and pastoral community development), and a harmonized M&E data collection and analysis system. In addition, a program-specific MIS would be established to ensure effective monitoring of performance and facilitate improved program management in determining client eligibility and monitoring payments and program performance. A comprehensive public works database would also be a crucial part of the MIS. Given the decentralized nature of Ethiopia and the program, the MIS will be developed to be functional at both federal and regional levels. Establishing the MIS system would necessitate targeted capacity building efforts at all levels, involving both skills training and investments in information and communication technology.

Using an adaptable social protection approach, the program would finance the development of clearer early warning triggers (indicators) and thresholds for intervention linked to the MIS. Harmonized information management would enable the use of common triggers for responding to emergencies, thereby enabling more rapid and effective responses to shocks. To support risk reduction planning, the program will support development of woreda risk profiles, risk reduction and contingency plans.

The program would focus on improving the appeals system to address current weaknesses, and complementing it by the development of a detailed grievance redress system and manual. It would also scale up the collaboration with the PBS supported Ethiopia Social Accountability Program (ESAP) to strengthen and standardize the application of social accountability tools consistent with international good practice. This will support the use of social accountability as an element of Ethiopia's good governance policy.

The program would also prioritize capacity development, building on the lessons from the Safety Nets Support Facility in the ongoing program. This would include development and implementation of a comprehensive capacity development strategy and setting up of a National Capacity Development Facility to support institutionalized capacity development and knowledge management at federal, regional, zonal, woreda and kebele levels.

## Component 2: Productive Safety Nets and Links to Livelihoods Services

Component 2 (USD 3.031 billion; USD 451 million IDA) will finance a range of support to program clients, including safety nets transfers, sustainable community assets and access to human capital services, and support for enhancing households' access to livelihoods services. This will be done through implementation of the three sub-components described below.

Sub-component 2a - safety nets transfers to chronically food insecure households, and support to a

scalable response mechanism for transitory needs - (USD 2.52 billion; USD 371 million IDA) will finance safety nets transfers to targeted households. The program will provide transfers to chronically food insecure households based on completion of public works labor and/or soft conditionalities related to health and nutrition, based on a household's level of economic and social vulnerability. The program will aim to strengthen the impact of transfers through improved timeliness, appropriateness and accessibility; 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 and vouchers; the provision of a lump-sum payment equal to 6 months of transfers upon graduation to enhance sustainability; increasing the period of support for permanent direct support beneficiaries from 6 to 12 months; and communication and training on better ante-natal, nutritional and health habits. The management of direct support transfers will gradually move to MoLSA after confirming the capacity of the ministry is adequate at all levels. The primacy of transfer will continue to be an import principle of the program.

This sub-component will also support effective response mechanisms that provide appropriate and timely resources to transitorily food insecure households in response to shocks. The program will support the 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. This will require access to adequate information as well as clear triggers and thresholds for intervention. The single registry in combination with the early warning information system will provide the necessary household-level information to enable rapid scale-up using the contingency budget. The transitory response would continue to use the delivery mechanisms for support developed under the regular program transfers.

Subcomponent 2b - sustainable community assets and human capital investments - (USD 300 million; USD 45 million IDA) will support the development of sustainable community assets and improved enabling environment for livelihoods through watershed development planning and public works. Continuing its successful participatory community planning process, the program will aim to further improve public works, building on lessons from the current program as well as international good practices, through increased attention to the 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. These will include awareness raising and behavioral change communication (BCC) for nutrition, training for financial literacy, and use of ante-natal services for pregnant women who are moved temporarily from public works to direct support as well as for public works participants as they prepare for graduation. The Community Based Nutrition Program (CBN), part of the NNP, currently provides growth monitoring, BCC for improved infant and young child feeding practices (IYCF), and referral to nutrition sensitive programs and PSNP 4 will link clients to these services.

Subcomponent 2c - enhanced access to complementary livelihoods services for client households through crop and livestock production, off-farm income generating activities, and labor/employment linkages - (USD 211 million, USD 35 million IDA) will support households' access to livelihoods

services and opportunities, drawing on lessons learned from implementation of the HABP, other livelihoods support in Ethiopia, including through the Agriculture Growth Program, and global lessons from CGAP and others. In particular, PSNP 4 will facilitate access to technical and financial livelihoods support services and household savings promotion. Households will receive tailored support through three potential pathways: on-farm income generation for crop and livestock, off-farm income generating activities, and/or links to labor/employment. This will entail stronger links to extension services for client households, including on-farm extension, mentoring and coaching in business and technical skills training for diversification into off-farm activities/entrepreneurship, and linkages to employment services.

The program will also support improved access to appropriate financial services, such as voluntary savings promotion, livelihoods transfers and linking households to micro-level financial institutions. The program will have a greater focus on household savings as a critical step in livelihoods strengthening and on village savings and lending associations (VSLAs) as an important entry point for households into the financial system, and will continue to support RUSACCOs. It will also introduce livelihoods transfers as grants. These transfers will be predicated on household participation in skills training and savings activities. In addition, the program will continue to support linkages to micro finance institutions for households, but will not directly deliver credit to clients.

PSNP 4 will seek to improve graduation mechanisms and introduce risk mitigation measures to ensure that program graduates do not fall back into food insecurity. It is necessary to implement evidence-based graduation for individual households. 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 (USD 219 million; USD 23 million IDA) will provide institutional support to GoE to improve overall program management. It will finance the management budgets at federal and regional levels for activities related to ensuring effective management of the program. These budgets are used to finance contract staff and technical assistance, logistics support, training and per diems, among other costs required to support effective implementation. In particular, financing will be provided for planning, implementation, and technical oversight of public works, including the resources necessary for the full functioning of the Public Works Coordination and Public Works Focal Units; and more effective financial, commodity, and procurement management. At federal and regional levels, dedicated management budgets will be given to each of the key implementing agencies (including MOFED, NRMD, EWRD, MOLSA and FSCD) to ensure adequate overall program management and coordination. This component will also support the implementation of safeguards requirements, including the ESMF and further support will be provided to support systems assessments, audits and impact evaluation surveys. Finally, Component 3 will support the development and implementation of a performance management system, including performance benchmarking, regular dissemination of performance results, and incentives for improving performance. A detailed project description is in Annex 2.

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

As in the previous phases of the PSNP, the Public Works program will continue to be developed by the communities based on a watershed development approach, using the integrated, multi-sector

landscape management approach of the government's Community-Based Participatory Watershed Development Guideline (CBPWDG) and Rangeland Management Guideline. These Public Works sub-projects, together with activities related to household asset-creation, will comprise an annual program of several thousand small-scale and micro-scale sub-projects carried out in food-insecure rural areas across all regions of Ethiopia, to be rolled out over time. PW sub-projects will be small-scale, and their impacts will be site-specific and limited. They will include Natural Resource Management sub-projects including soil & water conservation, social infrastructure including community roads, health posts, school renovation and Farmers Training Centers, community water projects and livelihoods-based subprojects such as small-scale irrigation.

The condition of the community watershed determines to a large extent the ability of its residents to engage in household asset-building and income-generating activities such as cereal or vegetable production, animal fattening, beekeeping, etc. Thus as the watersheds become developed, community PW Action Plans typically show an increasing emphasis on livelihoods-related subprojects. The design of PSNP IV will facilitate this gradual change of focus.

The Climate Smart Initiative (CSI) developed during PSNP III has determined that the PW program has an important role to play in mitigating the effects of climate change, and reducing the vulnerability of already food insecure communities. Thus climate change requirements are incorporated in the procedure for planning PW under PSNP IV. The requirements for Disaster Risk Management (DRM) in terms of both risk mitigation and adaptation are also incorporated in the new design of PSNP IV.

The community PW action plans will be more nutrition-sensitive by incorporating into the community PW planning process subprojects designed to increase access to a more diversified diet, enable production of nutrient rich crops, increases production of complementary food, etc. Nutrition sensitive PWs subprojects will be accompanied by behavior change communication.

Based on livelihood groups, the rural areas in which the Public Works and livelihoods investments will be implemented have been classified by the Ethiopian Development Research Institute (EDRI) as the “Five Ethiopias” consist of: (a) drought prone highlands; (b) moisture reliable cereals areas; (c) moisture-reliable enset areas; (d) humid moisture-reliable lowlands; and (e) pastoral areas.

Each Public Works sub-project will be screened utilizing an Environmental and Social Management Framework (ESMF), which builds upon the PW ESMF procedure used in PSNP III. Livelihoods investments at household level will be implemented in all of these regions and will be subject to the Strategic Environmental Assessment (SEA) procedure as outlined in the ESMF.

## 5. Environmental and Social Safeguards Specialists

Ian Leslie Campbell (GSPDR)

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6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	Many of the PW subprojects, though intended to impact the environment positively, will have

	<p>some potential for negative environmental impacts if not designed and implemented following good practice. Thus given that there will be a large number of such projects, OP 4.01 is triggered. The Environmental and Social management framework (ESMF) Screening process refers for Special Attention any sub-projects with one or more of the following features: (i) Involves disposal of medical waste, (ii) Likely to use pesticides or other agro-chemicals, (iii) Incorporates a dam, (iv) involves land acquisition, or loss of assets or access to assets. For sub-projects with medical waste, a GOE Medical Waste Management Guide for Rural Health Clinics will be applied, and was disclosed under APL II. For sub-projects likely to use pesticides, see OP 4.09 below. Sub-projects with a dam are required to be designed by a qualified engineer, and constructed by a qualified contractor under the supervision of a qualified engineer. Dams in excess of 15m are ineligible (see OP 4.37 below). For sub-projects involving land acquisition, see OP 4.12 below.</p> <p>After this initial screening, the ESMF procedure further screens the principal features of each sub-project to ascertain whether it is of Environmental Concern. This is then followed by preliminary environmental and social screening to identify any site-specific potential impacts that might warrant an EIA.</p> <p>The approach to PSNP 4's ESMF procedures for livelihoods investments is to identify any household level activities which might give rise to negative cumulative environmental or social impacts if carried out at scale in each woreda. This identification is made by drawing up a woreda environmental profile highlighting the strengths and weaknesses of the ecosystem and social issues in that woreda, and matching the strengths and weaknesses to the types of activity that households are likely to wish to undertake. The result of this analysis, in which the PW woreda staff participate, is a list of HABP activities which should not be allowed in order to meet compliance with OP 4.01. The state of the</p>
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		bio-physical and social environment of the woreda and the appropriateness of the negative list is reviewed on an annual basis under the ESMF Monitoring System.
Natural Habitats OP/BP 4.04	No	All sub-projects that might trigger OP 4.04 are eliminated at Screening stage.
Forests OP/BP 4.36	No	All sub-projects that might trigger OP 4.04 are eliminated at Screening stage.
Pest Management OP 4.09	Yes	This policy is triggered under the assumption that successful small-scale irrigation projects might lead to greater agricultural activity which may require pest control management efforts. For this purpose, the GOE Integrated Pest Management Plan Guide was disclosed under APL II.
Physical Cultural Resources OP/ BP 4.11	Yes	OP 4.11 is triggered, since it applies whenever OP 4.01 applies, and because although deemed unlikely in view of the small scale of the sub-projects, the possibility of ‘chance-finds’ cannot be ruled out. The policy is addressed in the ESMF screening process at three stages: (i) Any sub-project located within a known cultural heritage site is earmarked as a sub-project of Environmental Concern, to be referred to the Regional Environmental Protection Authority, who will decide if an EIA is required, (ii) Assessment for potential disturbance to cultural or religious sites is carried out as part of the site-specific sub-project Screening, which also contributes to a decision whether to earmark a sub-project for possible EIA, (iii) Inclusion of assessment of potential cultural heritage impacts in the EIA of sub-projects, where EIA is found to be necessary, and (iv) Monitoring of sub-project implementation by DAs and wereda staff, in liaison with the Regional Bureau of Tourism and Culture.
Indigenous Peoples OP/BP 4.10	Yes	It has been determined that the majority of the people in the project area meet the criteria of OP 4.10 and, therefore, PSNP 4 will trigger this safeguard policy. An enhanced Social Assessment and Consultation reflecting the requirements of OP 4.10 is currently being undertaken under a TOR agreed between the World Bank and MoA. The PAD summarizes the key elements of these requirements and the identified mitigating measures under the enhanced Social Assessment

		and Consultation will be incorporated in the design of PSNP 4.
Involuntary Resettlement OP/BP 4.12	Yes	PW subprojects involving the physical movement and resettlement of households will not be eligible under the PSNP 4. These will be eliminated during the screening process. However, cases may occur that involve change of land use or restriction of access to communal assets at both community and household level. Where such loss of assets or access to assets is involuntary, the procedures under OP 4.12 will be implemented. For this purpose a Resettlement Policy Framework (RPF) will be developed by Government and disclosed before Appraisal.
Safety of Dams OP/BP 4.37	Yes	Any subproject that might incorporate a dam more than 10 metres in height will be ineligible for the PSNP PW programme, and will be specifically eliminated in the first stage of the sub-project Screening process. Smaller dams will be constructed subject to implementation of the FAO dam safety measures in Ethiopia, which forms part of the ESMF.
Projects on International Waterways OP/BP 7.50	Yes	This policy is triggered because of the small-scale irrigation projects expected in watersheds of three international waterways. For PSNP III, Government and the Bank notified the concerned countries in accordance with this policy. Further notification will be provided to cover the period of PSNP 4. This issue will be addressed in the course of project preparation.
Projects in Disputed Areas OP/BP 7.60	No	All sub-projects that might trigger OP 7.60 are eliminated at Screening stage.

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

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

From an environmental and social safeguard standpoint, the proposed operation is a Category B project, since impacts of the project, for the most part, will be minimal, site-specific and manageable to an acceptable level.

#### Productive Safety Net Program

One of the key objectives of the PSNP is to address the underlying causes of food insecurity, to which land degradation is universally agreed to be a major contributor, particularly in highland areas. Thus the design of the PSNP public works program is intended to have environmentally

positive impacts. Under Phase II these activities, which include, for example, soil and water conservation and improvement of community infrastructure, have already been shown to constitute a vehicle for significant positive environmental transformation and enhanced productivity.

Nonetheless, negative impacts may occur if the locations or designs of the community activities do not follow good environmental practice, or if they are incompatible with optimum overall management of the watershed. Such impacts, which would be limited in scale and site-specific, could include, for example:

#### Community Road Construction and Rehabilitation Impacts

- Alteration of drainage patterns and increased flooding and soil erosion from road construction and materials excavation sites
- Right of way removal of vegetation and natural habitats
- Sedimentation of aquatic systems from soil erosion and runoff
- Impact of increased human use on adjacent habitats and wildlife
- Involuntary or voluntary displacement or loss of land or resources or access to resources normally used by individuals or the community for cultivation, livestock grazing, fuelwood, etc.
- Stagnant pools at excavation sites that create breeding sites for mosquitoes
- Potential for disturbance of cultural and historic sites and resources
- Increased in and out population migration due to improved access
- Unplanned, haphazard land use development created by improved access
- Temporary displacement or loss of access or livelihood due to construction detours

#### Small-scale Irrigation Development Impacts

- Changes in natural drainage patterns upstream and downstream
- Depletion of surface or groundwater sources
- Deterioration in soil quality due to poorly managed irrigation; potential waterlogging and salinisation of soils, leading to agricultural abandonment and land degradation
- Runoff from irrigated fields and potential for agricultural chemicals to pollute water bodies
- Abstraction effects on source streams and related aquatic ecosystems
- Lowering of water quality due to agricultural runoff
- Increased pest and disease control problems due to the promotion of monoculture
- Reduced biodiversity due to focus on cash crops
- Potential for disturbance of cultural and historic sites and resources, and damage to nearby sites resulting from changes in the water table or salinisation.
- Stagnant waters and disease vectors arising from poorly managed irrigation systems
- Increased use of agricultural chemicals with related human health concerns

#### Watershed Treatment and Water Harvesting Impacts

- Increased access can aggravate soil erosion problems, especially in higher gradient topography
- Poorly maintained drainage controls and in-stream structures can lead to eventual failures and increased flooding problems
- Reduced downstream nutrient levels from dams that reduce stream transport of organic material and sediment
- Social tensions arising from issues and rights of water allocation
- Mosquito and related health concerns arising from stagnant pools

- Impacts on cultural and historic sites and resources through changes in the water table
- Social problems arising from poorly managed regenerated catchment areas

#### Afforestation and Revegetation Impacts

- Effects of some tree species (e.g., eucalyptus) in reducing groundwater levels
- Long term effects of forest harvesting on hydrologic systems and stream characteristics
- Possible reduction in tree and plant species diversity arising from the introduction of new plantations and re-vegetation schemes
- Effects of monocultures on ecosystem diversity, function and sustainability
- Changes in habitat characteristics and potential effects on endemic wildlife species
- Social problems arising from issues related to the ownership and user of new forests
- Effects of grazing bans on the cost of rearing livestock and shift of grazing pressures to other areas

#### Livestock, Pasture and Water Points Development Impacts

- Compaction of soils from increased activity around new water sources
- Potential contamination of water sources and needs for controls on human use
- Concentrations of livestock at specific watering sites/routes that result in overgrazing of vegetation and related land degradation
- Potential social tensions over access to pastoralists water sources

#### Drinking Water Sources Development Impacts

- Increased water withdrawals could exceed groundwater recharge rates in some areas
- Development of springs may affect availability of downstream water supply
- Physical impacts of increased human traffic near water stations
- Potential contamination of open wells by livestock and human uses
- Reduced availability of aquatic ecosystems due to water abstraction
- Increased dependence on new water supply systems that prove to be unreliable
- Sanitation and health concerns associated with the operation of new drinking water sources
- Land use and social issues and tensions over the siting of and access to new water sources

#### School, Health Posts or Farmers Training Centres Construction, Rehabilitation or Expansion Impacts

- Site disturbance and potential drainage alterations from construction activities and expansion of facilities
- Involuntary or voluntary displacement or loss of lands or resources or access to resources normally used by individuals or the community for cultivation, livestock grazing, fuelwood, etc.
- Water shortages due to increased demands on existing sources
- Increased production of human and medical wastes and potential for contamination of waterbodies and groundwater
- Increased timber harvesting on nearby lands for construction materials
- Construction impacts on sensitive wildlife habitats and aquatic systems
- Increased pollution from site development and operations, including medical waste
- Sanitation and health issues related to increased human presence and medical waste disposal
- In-migration and settlement generated by rehabilitated facilities

#### Component 3: Livelihoods Support through Three Pathways

Since each household-level activity will be at micro-scale, and as the procedures under this Component will include the assessment of the agro-ecological suitability of the activity, including screening for potential negative impacts, no significant site-specific negative impacts are expected from individual household-level activities. The only environmental or social concerns might be potential cumulative negative impacts in the longer term of large numbers of households adopting new activities in fragile environments over a number of years. This might include, for example, an increase in livestock ownership with resultant potential over-grazing and environmental degradation, or a falling water-table in a woreda due to large numbers of households adopting shallow-well irrigation.

#### Safeguards Issues

This project triggers seven safeguard policies: The Environmental Assessment Policy (OP 4.01), related to the possible impacts mentioned above, for which an ESMF has been developed and disclosed; the Pest Management Policy (OP 4.09), predicated on the possibility of small quantities of pesticides being employed in small, community-level irrigation projects; the Physical Cultural Resources Policy (OP 4.11), because although deemed unlikely in view of the small scale of the sub-projects, the possibility of ‘chance-finds’ cannot be ruled out; the Indigenous Peoples Policy (4.10), which is applied under the present agreement between GoE and the WB, for which an enhanced Social Assessment and Consultation reflecting the requirements of OP 4.10 has been undertaken; the Involuntary Resettlement Policy (4.12), predicated on the possibility that although sub-projects potentially involving physical relocation are ineligible, there might occur cases involving change of land use or loss of assets or reduction of access to assets. In such cases the procedures of OP 4.12 will be implemented, for which a Resettlement Policy Framework (RPF) has been developed and disclosed; the Safety of Dams Policy, predicated on the possibility that although dams of more than 10 metres in height are ineligible, smaller dams might have safety issues, for which compliance with the FAO Small Dams Safety Measures in Ethiopia is required; and the International Waterways Policy (OP 7.50), because of small-scale irrigation projects that may be implemented in watersheds of international waterways.

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

Activities under PSNP 4 are expected to include watershed development interventions and improved farming and land-use management systems, under the community watershed development approach of the government. These are expected to make contributions to positive environmental regeneration and transformation, which is one of the objectives of the PSNP. As stated above, any potential long-term or cumulative impacts that might have been caused by PSNP PW activities such as infrastructure will be detected through the Screening and mitigating procedures, and addressed. At the same time, potential long-term cumulative impacts that might have been caused by the implementation of large numbers of similar Livelihoods Strengthening activities will be managed by annual monitoring of impacts at woreda level, and corrective action taken. In view of this, no indirect or long-term negative impacts are anticipated from the project.

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

The principal project design alternative considered was to provide the cash or food on a predictable basis, but as direct support, i.e., not to undertake physical public works. This would have avoided incurring any negative impacts from infrastructure sub-projects. However, this option was rejected, due to (i) potential large-scale dependency, with attendant negative social

impacts; and (ii) because it would not offer the opportunity to carry out environmental rehabilitation of the watersheds through Soil and Water Conservation (SWC) sub-projects, which is necessary for improved livelihoods. In addition, the creation of new community infrastructure assets, which are also essential to meet the objectives of the project, would not be achieved.

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

The 1994 Constitution of Ethiopia proclaims that all citizens shall have a right to live in a clean and healthy environment, and that Government and citizens have a duty to protect the environment, and the design and implementation of programs and projects shall not damage or destroy the environment. The Constitution incorporates a number of other provisions relevant for the protection, sustainable use and improvement of the environmental resources of the country. It reflects a view of environmental concerns in terms of fundamental human rights, and provides a basis for the formulation of national policies and strategies on environmental management and protection. It assures that no development activity shall be disruptive to the ecological balance, and that people concerned shall be made to give their opinions in the preparation and implementation of environmental protection policies and programs.

The Constitution also:

- (a) Maintains land under the ownership of the Ethiopian people and the government but protects security of usufruct tenure;
- (b) Reinforces the devolution of power and local participation in planning, development and decision taking by regions and woredas;
- (c) Ensures the equality of women with men;
- (d) Ensures the appropriate management as well as the protection of the well-being of the environment; and
- (e) Maintains an open economic policy;
- (f) Recognises the rights of groups identified as “Nations, nationalities and Peoples” having a common culture or similar customs, mutual intelligibility of language, belief in a common or related identity, a common psychological make-up, and who inhabit an identifiable, predominantly contiguous territory.
- (g) Recognises the rights of pastoral groups inhabiting the lowlands.

A series of legal proclamations form the basis for the environmental assessment and management framework in Ethiopia: the Proclamation on the Establishment of Environmental Protection Organs (No. 295/2002); the Proclamation on Environmental Impact Assessment (No. 299/2002); the Proclamation on Environmental Pollution Control (No. 300/2002); and the Proclamation on Solid Waste Management (No. 513/2007). The EIA Directive 1 of 2008, Directive to Determine Projects Subject to EIA, determines the categories of project subject to EIA Proclamation 299/2002.

There are two key public institutions that are directly responsible for monitoring environmental compliance: the Ministry of Environment and Forests (MoEF) and Ministry of Agriculture (MoA), which have decentralized to the regional level. In the case of MoA, decentralization has gone further to the woreda and kebele levels. There exists a critical mass of capacity within the (MoA) and MoEF at the federal and decentralized levels to manage environmental and social safeguard issues.

Since 2005 the borrower has taken, and continues to take, extensive measures to build capacity for

the implementation of safeguard policies, as follows:

All the regions in which PSNP 4 will be implemented, apart from Beneshengul-Gumez and Gambella, have developed institutional capacity for implementing the ESMF either fully established or in the process of being established. However, depending on the frequency of occurrence of Public Works sub-projects involving involuntary loss of assets or access to assets in PSNP 4, which is a new feature of the PSNP, some additional capacity-building for the development of Resettlement Action Plans will be required. In the case of Beneshengul-Gumez and Gambella, PSNP 4 will provide capacity-building for implementation of the specific requirements of the ESMF.

There are now Environmental and Social Safeguards Specialists working in all of the PW units at federal, regional and woreda levels. As a result, during PSNP III, ESMF screening rates are running at 100% in the highland regions of Amhara, Oromia, Tigray and SNNP. Investment in continuous training of regional and woreda staff and around 6,000 Development Agents is seen as key to this success and has sustained the technical capacities of each level in the implementation not only of the ESMF but of community-based watershed planning and the development of PW plans. This continuous approach to training and cascading to experts will be critical for PSNP 4. However, capacity in pastoral areas is weak, and this has impacted ESMF implementation. This is partly due to the fact that at the time of the last PW Review only two full years of implementation had been completed in those areas. If performance in lowland areas is compared with performance in highland areas after only two full years of implementation, the differences in capacity would appear less significant. Nonetheless, ESMF Screening of PWs in pastoral areas experienced a slow start with low rates of screening identified by Public Works Reviews in certain areas. In order to address this a pastoral-specific ESMF was developed and rolled out.

The Government responded to concerns that the Community Based Participatory Watershed Development Guideline was developed with highland implementation in mind, by developing a specific Rangeland Management Guideline for lowland areas. This Guideline introduced a number of key differences in the planning approach including specifying the Pastoral Associations (or kebeles) as the lowest planning unit in pure pastoral areas; the involvement of customary leaders in the public works planning process; the introduction of a rangeland approach to planning; and the emphasis given to screening for risks of social tension during the application of the ESMF. Moving forward, additional capacity building support will be required for the lowland areas.

Since the ESMF Screening process generates the documentation required to monitor ESMF implementation, the initial priority was to ensure that ESMF Screening was fully operational. The monitoring of the implementation of mitigating measures has been conducted principally through Public Works Reviews, which study a sample of sub-projects. However in PSNP 4 such monitoring will be part of an improved regular M&E system for all sub-projects.

While the PW Reviews have found that most mitigation measures have been implemented, the fact that some water and community road sub-projects in highland areas have resulted in negative environmental impacts highlights the need to continue to improve the implementation of ESMF mitigation measures for these types of sub-project. The implementation of mitigation measures in lowland areas has not yet been fully reviewed.

Under PSNP 4 joint government-donor monitoring of ESMF implementation will be conducted, followed by corrective measures if required. This monitoring will be undertaken through (i) The PW component of the PSNP 4 M&E system, which will track the nature and

extent of implementation of the ESMF, and (ii) Twice-annual joint Government-donor PW Reviews, in which samples of PW sub-projects countrywide are examined for quality, sustainability, impact and ESMF compliance. Any rectification works (both labour and non-labour) required will be conducted using Project resources in the form of repair and rehabilitation works under the next annual PW programme of activities. Ensuring that this happens will be the responsibility of the DA involved in the community PSNP PW planning process, and the NR Expert in the NR Woreda Case Team.

All woredas during PSNP III where HABP was being implemented developed Woreda Environmental Profiles and 'Negative Lists' limiting the types of activities that could be undertaken under HABP in order to meet compliance with the World Bank safeguard policies. An improved version of the same ESMF procedure has been developed for the Livelihoods Strengthening component, and an annual updating and monitoring system is presently being rolled out to ensure that this compliance continues in the future.

Staff of the Regional EPAs and the woreda Environmental (Natural Resources) focal persons will participate in the annual awareness-creation and training courses for the PSNP Public Works, which includes ESMF training of NR Experts in the Woreda NR Case Teams. These training courses, which have been upgraded by the expanded federal PWCU, will be provided by teams drawn from MoA at Federal and Regional level, with technical assistance from the Natural Resources Management personnel of MoA, the regional Environmental Protection Bureaus and agencies such as WFP. The woreda-level trainees will in turn train the DAs at the local level. The cost of implementing the ESMF training are covered partly by the PSNP 4 Management Budget at federal, regional, woreda and kebele levels, and partly by the regular government staffing and overhead budgets at all levels.

The PW Reviews during APL III indicated the desirability of adjusting some of the ESMF procedures. Thus the ESMF as disclosed for Phase IV has been modified to incorporate the following changes:

- In the interests of harmonization with parallel projects such as PCDP, SLM, AGP, and to ensure that any cases of involuntary loss of assets are properly addressed, Involuntary Resettlement Policy OP 4.12 is now triggered, and requires application of the Resettlement Planning Framework that has been developed. However subprojects causing physical relocation of households will continue to be ineligible.
- By agreement with the GoE, an Enhanced Social Assessment and Consultation has been conducted in respect of the application of the Indigenous Peoples Policy OP 4.10. The resultant recommendations are required to be incorporated into procedures for the potentially underserved groups concerned.
- The Safety of Dams policy OP 4.37 is now triggered. There are now safety guidelines attached to the ESMF for small dams. PSNP PW dams are limited to a maximum of 10 meters in height, and any dam over 5 metres in height will be referred to the Regional Environmental Authority to ascertain whether an EIA is necessary.
- A more detailed 'Chance Finds' procedure has been added for the implementation of Physical Cultural Resources policy OP 4.11.
- The Voluntary Asset Loss procedure is now withdrawn.
- The Livelihoods Strengthening ESMF monitoring procedure formats have been simplified.

In order to address projects that might include the renovation or extension of medical clinics in the public works program, the Government's Waste Management Guide for Rural Health Clinics is



published and disclosed, in accordance with OP 4.01.

To address the possible use of small quantities of pesticides in small-scale irrigation schemes, the government Guide for Integrated Pest Management in Small-Scale Irrigation Schemes is published and disclosed under APL II, in accordance with the ESMF and OP 4.09.

The Physical Cultural Resources safeguard policy is addressed by being integrated into the ESMF screening process at three stages: (i) Any sub-project located within a known cultural heritage site is earmarked as a sub-project of Environmental Concern, to be referred to the Regional EPA, who will decide if an EIA is required, (ii) Assessment for potential disturbance to cultural or religious sites is carried out as part of the site-specific sub-project Screening, which also contributes to a decision whether to earmark a sub-project for possible EIA, (iii) Inclusion of assessment of potential cultural heritage impacts in the EIA of sub-projects, where EIA is found to be necessary, and (iv) Monitoring of sub-project implementation by DAs and woreda staff, in liaison with the Regional Bureau of Tourism and Culture.

The International Waterways policy OP 7.50 is triggered because some of the public works may be small-scale irrigation projects located in watersheds of international waterways. The World Bank, on behalf of Government, has notified the concerned riparian governments in accordance with this policy, covering the five-year period of PSNP 4. The Task Team's assessment is that the Project will not cause appreciable harm to any of the Riparians concerned.

#### Safeguard Policies Not Triggered by PSNP 4

The Natural Habitats and Forests safeguard policies are not triggered because (i) Land not already converted to settlement, cultivation or community grazing is not incorporated in the watershed areas covered by the community watershed development plans; (ii) PW activities involving land conversion are ineligible for PSNP funding; (iii) The DA screens out (for separate EIA) any activity within a National Park or other designated wildlife area or buffer zone, and any activity in a Priority Forest Area, and any activity that might involve draining of, or disturbance to, a wetland.

OP 7.60 (Projects in Disputed Areas) is not triggered because any PW activity proposed in, or adjoining, a disputed area is ineligible for PSNP funding and is specifically eliminated by the ESMF Screening process.

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

The key stakeholders are the beneficiary households, and those involved in the implementation of the program. The provisions of the ESMF are incorporated into the training materials used at woreda and kebele levels, which will reach some 1.5 million beneficiary households, and are regularly updated according to community and government staff feedback. Consultation on the safeguard policies have taken place through the annual training programmes, twice-yearly Public Works Reviews, and the participatory community public works planning meetings conducted annually by the DAs in over 10,000 watersheds during the nine years of APL I, II and III. The PSNP 4 Enhanced Social Assessment and Consultation, ESMF and RPF have been the subject of extensive consultation among stakeholders including at community level, and the reports and requirements of these consultations are incorporated in the final documents as disclosed in the World Bank Info Shop and Country Office public-access library, and through the Ministry of

Agriculture at federal level, and regional levels, as well as through the Ministry of Environment and Forests.

### **B. Disclosure Requirements**

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	07-Jul-2014
Date of submission to InfoShop	10-Jul-2014
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
<b>"In country" Disclosure</b>	
Ethiopia	10-Jul-2014
<i>Comments:</i>	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	07-Jul-2014
Date of submission to InfoShop	10-Jul-2014
<b>"In country" Disclosure</b>	
Ethiopia	10-Jul-2014
<i>Comments:</i>	
<b>Indigenous Peoples Development Plan/Framework</b>	
Date of receipt by the Bank	07-Jul-2014
Date of submission to InfoShop	10-Jul-2014
<b>"In country" Disclosure</b>	
Ethiopia	10-Jul-2014
<i>Comments:</i> The document is the Enhanced Social Assessment and Consultation, as required in the case of Ethiopia for OP 4.10.	
<b>Pest Management Plan</b>	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	12-Aug-2009
Date of submission to InfoShop	12-Aug-2009
<b>"In country" Disclosure</b>	
Ethiopia	13-Aug-2009
<i>Comments:</i> The Integrated Pest Management Procedure has been redisclosed in-country in the ESMF on 7/10/14. Pest Management Plans (PMPs) will only be produced if necessary at subproject level.	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>	

### **C. Compliance Monitoring Indicators at the Corporate Level**

**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?	Yes [ ] No [ × ] NA [ ]
<b>OP 4.09 - Pest Management</b>	
Does the EA adequately address the pest management issues?	Yes [ × ] No [ ] NA [ ]
Is a separate PMP required?	Yes [ ] No [ × ] NA [ ]
If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes [ ] No [ ] NA [ × ]
<b>OP/BP 4.11 - Physical Cultural Resources</b>	
Does the EA include adequate measures related to cultural property?	Yes [ × ] No [ ] NA [ ]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [ × ] No [ ] NA [ ]
<b>OP/BP 4.10 - Indigenous Peoples</b>	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [ × ] No [ ] NA [ ]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [ × ] No [ ] NA [ ]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes [ × ] No [ ] NA [ ]
<b>OP/BP 4.12 - Involuntary Resettlement</b>	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [ × ] No [ ] NA [ ]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [ × ] No [ ] NA [ ]
<b>OP/BP 4.37 - Safety of Dams</b>	
Have dam safety plans been prepared?	Yes [ ] No [ ] NA [ × ]
Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?	Yes [ ] No [ ] NA [ × ]
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?	Yes [ ] No [ ] NA [ × ]
<b>OP 7.50 - Projects on International Waterways</b>	
Have the other riparians been notified of the project?	Yes [ × ] No [ ] NA [ ]
If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?	Yes [ ] No [ ] NA [ × ]
Has the RVP approved such an exception?	Yes [ ] No [ ] NA [ × ]
<b>The World Bank Policy on Disclosure of Information</b>	

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]

### III. APPROVALS

Task Team Leader:	Name: Camilla Holmemo	
<b><i>Approved By</i></b>		
Regional Safeguards Advisor:	Name: Alexandra C. Bezeredi (RSA)	Date: 12-Jul-2014
Practice Manager:	Name: Manuel Salazar (PMGR)	Date: 12-Jul-2014