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INTEGRATED SAFEGUARDS DATA SHEET APPRAISAL STAGE

Report No.: ISDSA1157

Date ISDS Prepared/Updated: 11-Feb-2015

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Ethiopia	Project ID:	P148591			
Project Name:	Second Agricultural Growth Project (P148591)					
Task Team	Andrew D. Goodland					
Leader(s):						
Estimated	09-Feb-2015	Estimated	26-Mar-201:	5		
Appraisal Date:		Board Date:				
Managing Unit:	GFADR	Lending Instrument:	Investment I	Investment Project Financing		
Sector(s):	General agriculture, fishing and (30%), Agricultural extension and trade (20%)			_		
Theme(s):	Rural services and infrastructure (50%), Water resource management (20%), Micro, Small and Medium Enterprise support (10%), Gender (10%), Nutrition and food security (10%)					
	rocessed under OP 8.50 (Emponse to Crises and Emerge	•	very) or OP	No		
Financing (In U	9					
Total Project Cos	st: 581.80	Total Bank Fina	ancing: 3	50.00		
Financing Gap:	216.20					
Financing Sou	rce			Amount		
BORROWER/F	BORROWER/RECIPIENT 15					
International De	International Development Association (IDA) 350					
Total	365.60					
Environmental	B - Partial Assessment	•				
Category:						
Is this a	No					
Repeater						
project?						

2. Project Development Objective(s)

The Project Development Objective is to increase agricultural productivity and commercialization of small holder farmers targeted by the project.

3. Project Description

The primary target of the project is small holder farmers, who crop an average area less than 2.3 hectares and live in areas of Ethiopia with the highest potential for agricultural growth. The project direct beneficiaries will be: farmers benefiting from specific trainings at Farmer Training Centers (FTCs) with inputs, farmers in community investment groups, farmers in water user associations, farmers benefiting from small scale irrigation and household irrigation, farmers in Farmer Research Extension Groups, farmers being linked to the market by the project, farmers using animal health services, farmer members of cooperatives supported by the project etc. In addition, the project will reach a significant number of indirect beneficiaries, as it will improve public agricultural services overall and access to some markets.

The project will also specifically target women farmers with tailor made innovations, activities and technical assistance, as a gap between female and male farmers remains in Ethiopia. Female farm managers produce 23 percent less (in terms of gross value of output) per hectare than male managers on average. Ethiopia's female farmers face multiple challenges that hinder their productivity: differences in both the levels of productive factors used and the returns that these factors generate drive the country's gender gap to a substantial degree. Therefore, the proposed project will emphasize special targeting of women farmers: both female head of household and married females.

The project design builds on the lessons from AGP and the identified investment needs for the sector to achieve the ambitious goals established in the Government's Growth and Transformation Plan (GTP).

The proposed components are as follows.

Component One: Agricultural Public Services. To increase the access to public agricultural services of smallholder farmers, the project will support:

- (a) The identification of local priorities for public services through the establishment, operation and strengthening of Agriculture Development Partners Linkage Advisory Councils (ADPLACs), and linkages to other planning mechanisms including community consultation and local strategic plans.
- (b) The strengthening of public service delivery, including for agricultural extension services; livestock production and animal health services; crop production and plant health services; natural resource management services; soil fertility management services; and agricultural mechanization. This would include supporting small scale works and equipment (including for mobility of service providers) for local service providers (Farmer Training Centers (FTCs); Animal Health Posts); promotion and demonstration of identified priority technologies at FTC and model farmers, including for agricultural mechanization; support for regional level facilities (soil laboratories, etc.); training and human capacity support for service providers (Subject Matter Specialists, Development Agents, Animal Health Workers, etc.).
- (c) Support the scaling up of identified "best" practice following the government's strategy, including the identification (through a community consultation process) of local good practices, validation and verification of local practices, and extension though FTCs and model farmers. In this regard, the project would align and receive additional support through the proposed Netherlands-financed CASCAPE project. Screening of technologies will include systematic assessment of nutrition, gender-impact and contribution to climate-smart agriculture (including tillage, soil nutrients etc.).

Component Two: Agricultural Research. To increase the supply of demand driven agricultural

technologies which directly link to the other components, the project will support:

- (a) the release of technologies to the agricultural extension system, through: i) the identification of prioritized technologies, for which the National Agricultural Research System has completed research station validation, and which are directly linked to the project objectives identified through local planning processes (Component 1); support small scale irrigation (Component 3); and/or support the commercialization of selected value chains (Component 4); and ii) field testing new technologies through Farmer Research and Extension Groups. Screening of technologies will include systematic assessment of nutrition, gender-impact and contribution to climate-smart agriculture (including tillage, soil nutrients etc.).
- (b) The multiplication of improved technologies i.e. breeder and pre-basic seeds for production (Component 1&3) and marketing (Component 4); machinery/implement prototypes (Component 1);
- (c) Capacity building for the agricultural research system to enable both national and regional research centers to effectively respond to emerging research needs, including for increased focus on high value crops.

Component Three: Small-scale Irrigation. To increase the access to and efficient utilization of irrigation water of small holder farmers, the project will support:

- (a) Increased availability of irrigated water through i) the rehabilitation, upgrading and/or improvement of existing Small-scale Irrigation Schemes; ii) establishment of new SSI systems integrated with access roads where necessary; and iii) household/micro irrigation systems.
- (b) Improved water management services through establishing and/or strengthening Irrigation Water Users Associations

Component Four: Agriculture marketing and value chains. To commercialize small holder farmers through market access and efficiency of input and output markets, the project would support:

- (a) The availability of agricultural inputs and specifically for seed through support to seed multiplication and the scale up of Direct Seed Marketing / community based seed production.
- (b) The strengthening of formal and informal farmer organizations, including formal farmer organizations (Unions, Primary Cooperatives) and informal, commercially oriented farmer groups (informal groups establishment would be focused on women and youth groups). The project would support business plan preparation and implementation, including through the provision of matching grants to qualifying groups. Service providers, including the Cooperative Agency, would receive capacity support. Improved access to credit (both rural savings and credit cooperatives and Microfinance Institutions) would be facilitated.
- (c) The strengthening of selected livestock and crop value chains (to be confirmed, though likely to include those currently supported under AGP (coffee, sesame, maize, wheat, honey, chickpea, meat (shoat and cattle), milk, with the possible addition of horticulture and poultry), through a range of activities including technical assistance to cooperatives and market buyers (including processors and exporters), linkages between VC participants, including from importing markets (such as participation in trade shows); competitive matching grants etc. Note that this sub-component is likely to be financed through a parallel financing mechanism funded by USAID.
- (d) Market infrastructure development and management, including (i) construction and modernized management of public market centers at woreda level; (ii) where clear rationale and exit strategy for public sector investment is demonstrated, to support the construction of warehouses, storage and grading facilities; and (iii) foot bridges which address critical market access bottlenecks for communities.

Component Five: Program Management, Capacity Building and Monitoring and Evaluation. To ensure project implementation, the effective monitoring and evaluation of results and a consistent

and effective approach to capacity development, the project would support:

- (a) Program management and coordination, including (i) financing the staffing of federal, regional and woreda coordination units and Steering Committees; (ii) procurement, financial management and safeguard functions; and (iii) goods and equipment to support project management and implementation.
- (b) Monitoring, evaluation and learning, including (i) regular monitoring of project inputs and outputs; (ii) participatory monitoring and feedback; (iii) baseline followed by mid-term and end of project impact assessments; and (iv) internal learning, Knowledge sharing and communication.
- (c) Capacity Development Support Facility, which will provide technical support to all human capacity building, throughout the project in order to (i) improve the quality of capacity development interventions; and (ii) strengthen the institutional capacity of implementing agencies. Note that this sub-component would be financed through a parallel financing provided by Canada DFATD.

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

AGP2 will be implemented in 157 woredas with high potential for agricultural production and commercialization located in Amhara, Oromia, Southern Nations, Nationalities and Peoples (SNNP), Tigray, Benishangul Gumuz, Gambella, and Harari Regions as well as Dire Dawa Administrative Council.

The project woredas have similar agro-ecological conditions and market access for increasing agricultural productivity and commercialization. This, among others, includes the availability of surface water or shallow ground water which can be exploited for irrigated agriculture. The woredas are mostly in the highlands of Ethiopia, which are the traditional cereals production areas which receive relatively high levels of rainfall. Though the specific sites for project implementation are not yet known, the sub-projects will be implemented on agricultural lands.

For impact on land use and structure, the social management plan used under AGP1 has been updated and customized to the specificity of this project. The issues relating to OP 4.10 are defined in detail through the Social Assessment (SA) and Consultation to reflect the policy requirements. The SA process facilitates the identification of underserved groups that deserve special attention due to their vulnerabilities and the project will provide a mitigation plan to preclude any social risk or negative impacts on them.

5. Environmental and Social Safeguards Specialists

Asferachew Abate Abebe (GENDR)

Chukwudi H. Okafor (GSURR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project is a Category B., given that it would finance activities, especially those related to groundwater development, construction of small-scale irrigation schemes, establishment of product storage facilities and introduction of innovative productivity-enhancing approaches that may result in the increased use of agrochemicals such as inorganic fertilizers and pesticides. Since the scope and nature of the sub-projects and the specific sites for

		implementing them are not known at this time, the specific instrument proposed for analyzing potential environmental and social risks is in the ESMF. The ESMF has been consulted upon and disclosed.
Natural Habitats OP/BP 4.04	Yes	Some of the Project intervention areas may include natural habitats. To ensure that sub-projects are screened and impacts are avoided on natural habitats, appropriate preventive and mitigation measures are included in the ESMF of the Project.
Forests OP/BP 4.36	No	Project activities will not be undertaken in forests. The proposed ESMF would have screening criteria for screening sub-projects so that natural or plantation forests will not be affected.
Pest Management OP 4.09	Yes	Project funds may be used to manufacture, purchase and distribute agrochemicals (such as blended fertilizers, herbicides and pesticides), and it is likely that more generally support through AGP to agriculture would encourage farmers to use more inorganic fertilizers and pesticides. The ESMF includes a section on Pesticide Management Guidelines and Integrated Pesticides Management Plans (PMPs) that would elaborate on what actions need to be undertaken to minimize environmental and public health impacts.
Physical Cultural Resources OP/BP 4.11	Yes	Implementation of AGP2 activities such as small scale irrigation schemes, water reservoir and dam excavation and rural roads construction may affect Physical Cultural Resources (PCRs). A set of procedures for ensuring that PCRs are considered in the designing process of AGP2 sub-projects are included in the ESMF.
Indigenous Peoples OP/BP 4.10	Yes	The issues relating to OP 4.10 is defined in detail through Social Assessment and enhanced public Consultation with the affected persons and communities to reflect the policy requirements. The key findings of the social assessment including the process used to foster free, prior, and informed consultations and broad community support for the project, including the provision of grievance redress, and benefit sharing issues; and the identified mitigating measures are incorporated in the design of AGP2 and summarized in the PAD as the Social Management Plan.
Involuntary Resettlement OP/BP 4.12	Yes	The proposed project will not undertake any sub- projects that will displace people. However, it would support small-scale rural infrastructure that might

		affect land holdings of individual farmers. While individual sub-projects are not yet identified, there will be support for activities such as small scale infrastructure to improve productivity as well as other rural infrastructure such as feeder roads. Therefore, as precautionary measure, the project has prepared, consulted upon and discloses a resettlement policy framework (RPF) prior to appraisal to address any issues which might arise from economic displacement and/or restriction of access to communal natural resources under the Project.
Safety of Dams OP/BP 4.37	Yes	The project would not finance any new establishment or rehabilitation of large-scale irrigation facilities and dams above 15 meters. However, the project might finance check dams or small dams for water storage and will finance activities that may rely on the performance of an existing dam. In the event that AGP2-finances activities that may have to rely on existing dams, the Bank will review previous assessments of dam safety or recommendations and safety program already in operation for the particular dam prior to commencement of activities. Generally, it is envisaged that no significant environmental and social risks may arise.
Projects on International Waterways OP/BP 7.50	Yes	AGP2 woredas are located in international water basins such as that of the Nile or Omo River. While the impact of individual sub-projects such as small-scale irrigation would be neglible and the cumulative abstractions be minor, Riparian countries will be notified in accordance with these policies.
Projects in Disputed Areas OP/ BP 7.60	No	n/a

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

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

General

The Environmental Category assigned to AGP2 is Category B, predicated on the fact that environmental risks and social impacts may be minimal, manageable and, in most cases, reversible. The proposed operation will largely impact positively on the biophysical environments since it will support land management (improvement of soil and water as well as watersheds). The Project has triggered seven World Bank safeguard policies, namely: Environmental Assessment (OP/BP 4.01), related to possible risks associated with the biophysical attributes of the environment; Pest Management (OP/BP 4.09), predicated on the possibility of agrochemical

application and disposal; Physical Cultural Resources (OP/BP 4.11), because "chance finds" seem likely; Involuntary Resettlement (OP/BP 4.12), predicated on the assumption that the subprojects are likely to result in land take, loss of income and sources of livelihood; OP/BP 4.10, because potential impacts on vulnerable and historically underserved people; Safety of Dams (OP/BP 4.37), because although construction of dams above 4.5 meters will not be funded, AGP will finance check dams or small dams or finance activities that may rely on the performance of existing larger dams; and Projects on International Waterways (OP/BP 7.50); because although impacts are deemed unlikely, in view of the small amounts of water abstraction for small scale irrigation purposes, AGP has informed riparian countries in accordance with OP/BP 7.50.

Environment

AGP2 will finance activities such as ground water development, small-scale irrigation schemes, construction of feeder roads, establishment of product storage facilities and large-scale adoption of innovative agricultural and livestock productivity-enhancing approaches. Likely environmental risks may be associated with pre-construction, construction/rehabilitation and operation of storage facilities, use and disposal of agrochemicals, inappropriate use of groundwater resources (through over-use, agrochemical sippage, etc.) could result in aquifer depletion and contamination, affecting water quantity and quality in neighboring communities and downstream. The Government Implementation Agency, the Ministry of Agriculture, has formulated an Environmental and Social Management Framework (ESMF) that describes in broad terms how potential project related environmental risks and impacts associated with all the World Bank safeguard policies would be mitigated and addressed before and during implementation of project activities. In addition, it describes the institutional responsibilities, capacities, financial resources and monitoring needs essential to implement mitigation measures.

Social:

The project's anticipated social impacts have triggered OP4.12 and OP4.10 and in line with the Bank's safeguard policies, this project has to put in place mitigation mechanisms acceptable to the World Bank to mitigate these impacts. For impact on land use and structure, a Resettlement Policy Framework (RPF), has been prepared, consulted upon and disclosed to address any potential impacts, which is expected to be site specific and minor.

The Bank's OP4.10 is triggered, based on the screening conducted by the World Bank and reinforced by the constitution of Ethiopia, which indicate that majority of the target population identify themselves as having the characteristics defined under OP4.10. Therefore, social assessment (SA) was conducted to complement the RPF. Specially, the access to and use of common or natural resources need to be safeguarded in a process of "free, prior and informed consultation". Consultations have taken place between all those traditionally inhabiting an area with those external people who made agricultural investments in the area. As was done in AGP1, the project will set up at the kebele level, grievance redressing mechanism and issues related to the implementation of sub-projects that affect private and community properties will be incorporated in participatory subproject planning guidelines and set up screening criteria in the Project Implementation Manual. Substantial numbers of community level sacred and ritual sites of religious and cultural importance, (sacred trees, springs, rivers, ritual sites, etc.) have been identified by the social assessment in all target locations, thereby triggering OP4. 11 Physical Cultural Resources. Implementation of AGP2's sub-components in the area of small irrigation schemes, water reservoir and dam excavation and rural roads construction may likely affect physical cultural resources (PCRs). A set of procedures for ensuring that PCRs are considered in the designing process of AGP2 sub-projects is part of the ESMF. Mandatory measures are detailed once a PCR safeguard is triggered during a sub project screening process.

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

AGP2 resources are expected to support the establishment and strengthening of farmer organizations, processing and marketing entities and strengthening advisory and extension services, sustainable land management (including soil & water conservation, watershed protection), improvement in agricultural and livestock productivity and socially and environmentally sound subprojects such as crop and fodder production. This operation will also finance small-scale rural infrastructure including micro-irrigation and market related infrastructure such as foot paths, footbridges, rural drainage, rural roads, market centers, community warehouses, etc. Woreda experts and Kebele members will receive training in environmental and social safeguard management during implementation of AGP2 and if any potential long-term or cumulative impacts are anticipated it is believed that these could be detected early enough through the screening process so that they can easily be avoided or mitigated. In view of this, there is no anticipation of any indirect and/or long-term negative impact in the areas where AGP2 will be operating. It is anticipated that AGP2 will result in long-term positive safeguard impacts in the project area because of the emphasis the project places on ensuring sustainable agricultural production practices.

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

The only alternative is a "no project" alternative. The "no project" alternative would devoid smallholders from improving their livelihoods by boosting agricultural production and supply products for markets. This alternative was discarded as it was not a viable option.

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.

In early 2009, the federal EPA (now MEF) delegated safeguard review authority to seven technical line Ministries that included the Implementation Agency, the Ministry of Agriculture (MoA). The MoA has good experience in preparing and implementing safeguard instruments of Bank financed projects including AGP I. The Project has developed a grievance redress system, and culturally appropriate benefit sharing mechanisms. Safeguard implementation in AGP1 was supported by five safeguard specialists hired by the project. In AGP2, it is expected that more safeguard specialists will be hired to cover the newly added 57 Woredas. The project will also designate a qualified and experienced sociologist. During AGP I, all sub-projects were screened using the ESMF checklists and mitigation measures were suggested to mitigate negative environmental and social impacts. Reports were submitted to the World Bank on safeguard implementation on a regular basis. It was noted that enforcement of the mitigation measures at the local level was a big challenge because of limited capacity. During AGP2, sufficient budget is allocated in the ESMF to enhance the capacity of local experts for enforcing safeguards.

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 project affected communities, the Ministry of Agriculture, Bureaus of Agriculture at regional, zonal and woreda level and the kebele administration. The private sector, research and academia and civil society constitute another category of stakeholders who will engage in delivering specific services and benefiting directly from the project as well. The Executive Summary of ESMF will be translated into Amharic and other local languages and disclosed locally in all the project woreda offices. The ESMF will also be disclosed in the Bank's Infoshop.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other		
Date of receipt by the Bank	16-Jan-2015	
Date of submission to InfoShop	06-Feb-2015	
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	////	
"In country" Disclosure		
Ethiopia	03-Feb-2015	
Comments:		
Resettlement Action Plan/Framework/Policy Process		
Date of receipt by the Bank	16-Jan-2015	
Date of submission to InfoShop	06-Feb-2015	
"In country" Disclosure		
Ethiopia	03-Feb-2015	
Comments:		
Indigenous Peoples Development Plan/Framework		
Date of receipt by the Bank	04-Feb-2015	
Date of submission to InfoShop	06-Feb-2015	
"In country" Disclosure		
Ethiopia	06-Feb-2015	
Comments: The issues pertaining to IPP were defined in the Consultation and summarized in the annex of the Plan		
Pest Management Plan		
Was the document disclosed prior to appraisal?	Yes	
Date of receipt by the Bank	16-Jan-2015	
Date of submission to InfoShop	06-Feb-2015	
"In country" Disclosure		
Ethiopia 06-Feb-2015		
Comments: This is defined in the ESMF		
If the project triggers the Pest Management and/or Physical respective issues are to be addressed and disclosed as part of		
Audit/or EMP.		

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 []
OP/BP 4.04 - Natural Habitats					

Would the project result in any significant conversion or degradation of critical natural habitats?	Yes []	No [×]	NA []
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes []	No []	NA [×]
OP 4.09 - Pest Management	×		
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 [×]
OP/BP 4.11 - Physical Cultural Resources			
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 []
OP/BP 4.10 - Indigenous Peoples			
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes []	No [×]	NA[]
OP/BP 4.12 - Involuntary Resettlement			
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 []
OP/BP 4.37 - Safety of Dams	,		
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[]
OP 7.50 - Projects on International Waterways			
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 [×]
The World Bank Policy on Disclosure of Information			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [×]	No []	NA[]

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

III. APPROVALS

Task Team Leader(s):	Name: Andrew D. Goodland	
Approved By		
Regional Safeguards Advisor:	Name: Alexandra C. Bezeredi (RSA)	Date: 11-Feb-2015
Practice Manager/ Manager:	Name: Tijan M. Sallah (PMGR)	Date: 11-Feb-2015