

Ethiopia

Strengthen Ethiopia's Adaptive Safety Net Project

Second Additional Financing

Chair Summary*

September 20, 2022

Executive Directors approved the Second Additional Financing for Strengthening Ethiopia's Adaptive Safety Net for a total IDA financing of US\$350 million, of which \$50 million equivalent is from the Crisis Response Window Early Response Financing facility, on the terms and conditions set out in the President's Memorandum. Ms. Kugler wished to be recorded as abstaining on this operation.

Directors noted that the engagement of the World Bank Group in Ethiopia aligns well with the WBG's FCV Strategy (2020-2025). They appreciated the update provided by staff on how this approach is being implemented in operations, including in the design of this project, considering recent events in Northern Ethiopia.

Directors underscored the importance of the project to complement humanitarian efforts and mitigate the worsening food insecurity situation due to multiple shocks, including drought, conflict, desert locust infestation, floods, inflation, and the impact of the war in Ukraine, and welcomed the government's commitment to reach all Ethiopians.

Directors agreed to the project's approach of building upon the government's experience of effectively responding to shocks through its adaptive shock response mechanism and using national safety net programs, such as the Productive Safety Net Program (PSNP), to cushion poor households from shocks and protect human capital gains in an inclusive manner. They encouraged greater efforts in supporting the capacity building of local agencies and looked forward to the replication of experiences and lessons drawn from this operation. Directors also inquired about the sustainability of the program and the communication strategy for this operation.

While recognizing the significant challenges to implementation in areas of high risk of ongoing conflict (HROC), Directors appreciated the project's adaptive approach to address implementation risks, including the use of a third-party implementer in HROC along with the re-establishment of critical safety net implementation capacity in districts affected by recent conflicts across different regions. They emphasized the need for close monitoring of progress particularly on the fiduciary and Environmental and Social Framework (ESF) aspects, as well as close coordination with humanitarian and development partners in the country.

Finally, Directors stressed the need for close monitoring of conflict developments and asked for information on the strategy and pipelines for Ethiopia and regular updates on implementation progress.

*This Summary is not an approved record.