**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED SAFEGUARDS DATA SHEET (PID/ISDS)**  
**CONCEPT STAGE**

**Report No.:** PIDISDSC13812  
**Date Prepared/Updated:** 17-Jun-2015

### I. BASIC INFORMATION

#### A. Basic Project Data

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<tr>
<td>Project ID</td>
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<tr>
<td>Parent Project ID (if any):</td>
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<td>Project Name:</td>
<td>AFCC2/RI-Regional Operation on Development Response to Displacement in the Horn (P152822)</td>
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<td>Implementing Agency:</td>
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#### Financing (in USD Million)

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<td><strong>Total Project Cost</strong></td>
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| Environmental Category: | B - Partial Assessment |

| Concept Review Decision: | Track I - The review did authorize the preparation to continue |

| Is this a Repeater project? | No |
B. Introduction and Context

Country Context
A. Introduction
On October 23rd, 2014 the World Bank launched the Regional Initiative in Support of the Horn of Africa (HOA) covering eight countries - Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan, and Uganda. The initiative was built on two interrelated pillars: (i) vulnerability and resilience and; (ii) economic opportunity and integration to address key drivers of instability and promote development in HOA. Displacement has emerged as one of the most complex and pressing regional challenges to reducing poverty and achieving sustainable development with peace and security in the HOA. Given the protracted nature of HOA displacement, displaced populations are a direct target group under Pillar One of the HOA initiative and it seeks to “enhance the productive capacities and coping mechanisms of displaced populations to allow them to contribute to the local economy in their areas of displacement, and promote durable social and economic reintegration for voluntary returnees”.

Complementary to the initiative, a regional study on “Forced Displacement and Mixed Migration in the Horn of Africa” was undertaken and the proposed operation builds on the conclusions and recommendations of the study and covers the three refugee hosting countries of Djibouti, Ethiopia and Uganda.

B. Regional Context

Despite its rich endowment in human, social, and natural capital, the HOA region is plagued by a complex history of weak governance, insecurity, increasing environmental degradation, entrenched poverty and a range of persistent development and protection challenges. Conflict remains endemic in the region. The complex cultural, social, and political nature of these conflicts is compounded by the demographic shifts both due to population growth and peoples’ movement, imbalanced service provision, increasing contestation over scarce natural resources, and harsh climatic conditions including frequent droughts and floods.

In a region with an estimated 242 million inhabitants, the HOA hosts over 8.6 million displaced persons, including, over 6.5 million internally displaced persons (IDPs) and about 2.1 million refugees. The majority of the displaced are children and women, with many female-headed households. Displacement in HOA has been compounded by migration within and outside the region driven by a number of natural and man-made reasons including a young population that faces unemployment and alienation.

C. Country Context

Djibouti
Djibouti is one of the smallest countries in Africa. It covers an area of 23,200 square kilometers and is home to a population of about 864,617 (2011). The small size of Djibouti’s economy limits its ability to diversify production and increases its reliance on foreign markets, making it more vulnerable to external market downturns and hampering access to external capital. With less than
1,000 square kilometers of arable land (0.04 percent of the country’s total land area) and an average annual rainfall of only 130 millimeters, Djibouti depends completely on imports to meet its food needs. Faced with this scarcity and successive droughts, the country’s traditionally nomadic people have settled primarily in urban areas, and approximately 71 percent of the population lives in cities—58 percent in the capital, Djibouti-Ville, alone. These populations have poor access to services, limited livelihood opportunities and suffer from high levels of malnutrition and water-borne diseases in these areas.

In mid-2014, Djibouti hosted over 20,000, mainly Somali, refugees. Most of the refugees are hosted in Ali Addeh and Hol Hol refugee camps with a surrounding host population which faces greater food insecurity and has limited access to basic social services and livelihood opportunities. Both refugees and the host community have a low asset holding including livestock with the situation of the host community dire following the loss of most of their camels and goats over the last 6 consecutive years of droughts. Both sets of households depend on unreliable income sources, mainly from charcoal and wood sales, non-agricultural wages such as domestic labor, and from gifts and remittances. In Djibouti, the Ministry of the Interior is the main Government institution in charge of refugee protection. The national refugee agency is the Office National d’Assistance aux Réfugiés et Sinistrés (ONARS).

In addition to hosting Somali refugees, Djibouti has been the main transit route for migrants from HOA countries traveling to the Middle East and Europe seeking better economic opportunities. Mixed migration is a common challenge in the HOA as evidenced by the hazardous journey made by thousands of Ethiopians mostly but also Somali migrants through Djibouti in transit to Yemen and the Arab Peninsula in search of a better life in Saudi Arabia and the Gulf States. Since 2009, the departure points around the Obock areas of Djibouti have become the locus for mixed migration flows of individuals attempting to reach Yemen. The number of people travelling through Djibouti en route to Yemen has risen rapidly reaching 94,000 in 2014. While the International Organization on Migration (IOM) Djibouti opened a Migrant Response Centre (MRC) in Obock town, the pressure on local services and consequently on residents has been immense. The recent crisis in Yemen between Houthi’s and the Yemeni Government has caused the influx of Djiboutian and foreign nationals into Djibouti. As of May 30, 2015, over 12,989 persons have arrived into Djibouti – 5,846 Third Country Nationals, 5,455 Yemeni nationals and 1,688 Djiboutian returnees.

The existing service delivery mechanism and livelihood opportunities that were insufficient for existing Djiboutian population and internally displaced have got stretched further with the Yemeni situation. There is need for a comprehensive response by the Government of Djibouti to provide support to communities affected by refugee displacement, drought-induced internal displacement, mixed migration and migration to Djibouti following the crisis in Yemen.

Ethiopia

Ethiopia is a large, diverse and landlocked country with an area of 1.1 million km2. It is also a country of many nations, nationalities and peoples, with a total population of about 87.9 million and a population growth rate of 2.6 percent (2013). Only 17 percent of the population lives in urban centers, the great majority of them in Addis Ababa. Ethiopia has experienced strong economic growth, averaging 10.7 percent per year between 2003 and 2011 compared to the regional average of 5.0 percent. GDP increased by 9.7 percent in 2012/13 and 10.3 percent in 2013/14. The growth reflects a mix of factors, including agricultural modernization, the
development of new export sectors, strong global commodity demand and government-led development investments. Private consumption and public investment have driven demand side growth, with the latter assuming an increasingly important role in recent years. On the supply side, growth was driven by an expansion of the services and agricultural sectors, while the role of the industrial sector was relatively modest. Recently, annual growth rates have declined slightly, but still remain at high single-digit levels. Growth in the export of goods has also moderated in recent years and a decline was observed in 2012/13 for the first time since 2008/09.

Ethiopia is also the largest refugee hosting country in Africa. At the end of 2013 there were 433,936 refugees in Ethiopia as a result of droughts, conflicts, political events and civil wars in neighboring countries including Somalia, Eritrea, South Sudan and Sudan (UNHCR 2014). By the end of February 2015, Ethiopia hosted over 676,000 refugees, mainly due to a large-scale influx of South Sudanese refugees. Since the outbreak of the South Sudanese civil war in December 2013, over 196,000 South Sudanese refugees have sought asylum in Ethiopia. Most Eritrean and Somali refugees in Ethiopia are living in protracted displacement. The majority of refugees live in camps situated near the borders of their respective countries of origin. Somali refugees, fleeing insecurity and famine, are the largest refugee group in Ethiopia and live mostly in Dollo Ado and Jijiga camp complexes (eight camps in total), with a small number living in Addis Ababa. Eritrean refugees are mainly located in camps in Shire, Tigray region and Afar region, with a number of urban refugees in Addis Ababa and Mekele. Sudanese refugees mainly fleeing fighting in Blue Nile live in three camps in the Assosa area in Benishangul Gumuz region. The South Sudanese refugees are present in a large number in Gambella region. The Administration for Refugee and Returnee Affairs (ARRA) administers the refugee camps, with financial and technical assistance from UNHCR and other aid agencies. Education, health and other services are provided by UNHCR implementing partners, including ARRA and NGOs.

The majority of refugees in Ethiopia are hosted in the four regions of Ethiopia, which are: (i) the Afar Regional State; (ii) the Benishangul-Gumuz Regional State; (iii) the Gambela Regional State; and (iv) the Somali Regional State. These regions are defined by the Government of Ethiopia as the Emerging Regions and are the least developed regions in the country, characterized by harsh weather conditions, poor infrastructure, extremely low capacity, high level of poverty and very poor development indicators. The arid environment in Afar and Somali regions and the small and scattered nomadic populations make it more challenging to provide services. Many parts of the four regions are inaccessible with poor or no roads. Due to their proximity to fragile and conflict-affected states of Eritrea, Somalia, South Sudan and Sudan, these four regions are hosting over 84 percent of refugees in Ethiopia. The presence of refugees puts strains on the already weak public services and economic opportunities, jeopardizing the resilience of communities hosting the refugees.

The Somali Region, located in the eastern part of Ethiopia, is the second largest of nine Ethiopian regions with nine zones and 52 woredas. About 86% of 4.4 million population lives in rural areas, and are mainly pastoralists, and to a lesser extent, agro-pastoralists. The region suffers from recurrent droughts, famine and floods, contributing to poverty in the region. The region currently hosts over 243,000 Somali refugees.

Gambella, located in the western part of the country bordering South Sudan, has a population of 307,000 with Nuers in majority followed by Anuaks and highlanders. The Gambella region has faced conflict between the Anuak and the Nuer, which can be traced back to the early 20th
century. Although the ethnic conflicts have led to displacement, latest information on the number and situation of Gambella IDPs is unavailable. For decades, Gambella has been hosting South Sudanese refugees and the ongoing civil war in South Sudan has led to influx of more refugees. The over 252,000 refugees by the end of March 2015, is likely to affect the political and economic situation in Gambella as the mainly Nuer South Sudanese refugees could exacerbate tensions between the Ethiopian Nuers and Anuaks. Akin to other refugee situations, the situation in Gambella is likely to impact food security, public services, economic opportunities and livelihoods situation of host communities.

Benishangul-Gumuz (BSG) is located in the north-western part of Ethiopia with an estimated population of 784,345. The economic activities in the region are predominantly agricultural with livestock being of limited importance. Despite its high potential for agricultural development, the region still faces food insecurity. Inadequate infrastructure as well as limited social and economic infrastructure are among the key development challenges affecting the region. The region hosts over 45,000, mainly Sudanese refugees.

Uganda

Uganda is one of the least urbanized countries in Africa, with 83% of the population (or roughly 28.9 million people out of a total 34.9 million) living in rural areas, making agriculture, dominated by smallholder farmers, and rural development important. Uganda has experienced robust GDP growth, averaging 6% from 2005 to 2014, but poverty reduction, while substantial, has not kept pace. Uganda has a record of prudent macroeconomic management and structural reform which has helped the country to overcome exogenous shocks. However, due to high population growth, real GDP growth per capita averaged only about 3.5 percent over the 2005-2014 period. The poverty rate fell from 56.4% in 1992 to 19.1 percent in 2014, but there is substantial and growing urban-rural and regional inequality. Uganda will need to address several challenges in order to enable structural transformation of the economy, strengthen competitiveness and sustain high growth. Lack of integration with northern Uganda further creates challenges of social cohesion. Infrastructure gaps and bottlenecks will need to be addressed to promote greater physical and digital connectivity both within the country, the wider region and to the global markets. Agricultural productivity and value addition need to be strengthened to improve the livelihoods of the average citizen.

In addition, Uganda is the third largest refugee-hosting country in Africa. As a result of ongoing conflicts and instability in the Democratic Republic of Congo (DRC), Somalia and South Sudan, Uganda is currently hosting over 433,000 refugees and asylum-seekers. About 190,000 are Congolese refugees mainly hosted in South-West and Mid-West Uganda, and close to 167,000 are South Sudanese mainly hosted in Adjumani, Arua and Kiryandongo districts.

Refugee numbers in Uganda are among the highest ever. For over five decades, Uganda has been host to refugees and asylum seekers. Since 1961, Uganda has hosted on average 161,000 refugees per year. There have been three major waves of refugees from Sudan and South Sudan, two waves of refugees from the DRC, one major wave of refugees from Rwanda, and smaller influxes from Somalia, Burundi and Eritrea. In Uganda the Refugee Department is part of the Office of the Prime Minister, which also has the mandate for the socio-economic development of conflict- and disaster-affected part of the country.

Uganda currently has among the more generous and progressive refugee policy framework.
Government of Uganda’s (GoU) 2006 Refugee Act and 2010 Refugee Regulations entitle refugees to work, to freedom of movement, and to access Ugandan social services, including access to documents such as Government IDs, birth, death, marriage, and education certificates. As a matter of policy, all refugees in gazetted settlements are provided with a subsistence agriculture plot (albeit of diminishing size due to overcrowding), but only a few refugees who are in settlements on communally-owned land have no more than a small kitchen garden. Refugees in Uganda can also own property and enter into contracts including land leases.

However, refugees and refugee-hosting communities are poorer and more vulnerable in Uganda with the settlement areas suffering from lower agricultural productivity and greater environmental degradation due to poor climatic and soil conditions and/or overuse. In addition, the basic social services delivery is weak and economic opportunities are limited due to the remoteness of the settlements and the poor infrastructure. These areas are also prone to a higher prevalence of malaria, respiratory tract infections, diarrhea and preventable diseases among children. Given that the refugee hosting areas are also among the poorer and less developed regions in Uganda, refugee presence further undermines the coping abilities of host communities in the settlement areas, further exacerbated by limited social capital, less diverse livelihoods and low levels of assets.

**Sectoral and Institutional Context**

**Djibouti**

Government of Djibouti’s Vision 2035 outlines a long-term development plan that focuses on economic integration, governance, and human development, and seeks to address current vulnerabilities and to accelerate economic growth and job creation beyond the current capital-intensive and public sector-dominated growth model. Djibouti has limited resources in terms of arable land, rainfall, and water, and its economy is mainly dependent on trade activities and Foreign Direct Investments. Djibouti’s ports are the foundation of the economy and their management partnerships with Dubai, resulted in a significant increase in activity, efficiency, investment and revenues.

Djibouti has remained relatively peaceful in recent years, unlike other countries in the region, but there are underlying tensions that are exacerbated by high poverty, high unemployment, and cross border threats from Al-Shabaab. In addition, war and conflict devastated neighboring countries are spilling a relatively large number of refugees into Djibouti, further aggravating the economic and social situation, including the recent Yemeni instability. The country’s absolute poverty is estimated at 41.9, with high unemployment rates and as much as 75 percent youth are unemployed. Poverty has been exacerbated by drought conditions since 2007—the worst in 60 years. The drought is estimated to have affected at least half the rural population, with annual economic losses of 3.9 percent of GDP over the period 2008–2011 and a substantial flow of refugees from neighboring countries that also suffer from drought. Social tensions could worsen as these put undue pressure on an already fragile service delivery and livelihoods scenario.

Based on conversations with the relevant Djibouti Government bodies and a letter from the Minister of Economy and Finances received on May, 30th 2015, the proposed project would directly contribute to addressing the impacts of refugees on host areas around the refugee camps of Ali Addeh and Hol Hol, and those in the city of Obock through the participation of community including women and youth in prioritizing investments for improving access to basic social services, livelihood opportunities, and protection of the environment. This would contribute to addressing the vulnerabilities such as poverty and unemployment, deficits in human development...
and social service delivery, and limited access to basic infrastructure.

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

Based on the letter from the Minister of Finance received on May 21, 2015 and based on discussions during the pre-identification mission, the proposed project will contribute directly to the GTP objectives of expanding access to and ensuring quality of social services, and thereby achieving MDGs in the social sector. The proposed project will also contribute to establishing suitable conditions for sustainable nation building through the creation of a stable, democratic and developmental state through the provision of basic social services for the underserved communities in the Emerging Regions (Gambella, Somali and if possible Benishangul-Gumuz). Additionally, by supporting the development and active engagement of local governments and grassroots institutions in local development as well as by promoting participation of local communities in local decision-making processes and oversight of public services and infrastructure, the proposed project will support the establishment of suitable conditions for sustainable nation building. The project also contributes to the objective of maintaining a high GDP growth rate by helping to strengthen the economic opportunities and livelihoods of refugee hosting communities and their integration into the national economy.

Uganda
The Second National Development Plan (NDP 2) provides an overall framework for development in Uganda. Its vision is to transform Uganda from a predominantly peasant and low income to a competitive, upper middle income country. In order to achieve this the NDP2 emphasizes the need for inclusive and sustainable growth while increasing overall competitiveness, and creating additional wealth and employment. Refugee-hosting areas are more vulnerable to shocks than non-impacted areas. This is essentially because of the underlying poverty of refugees’ in relation to nationals, the demands on already-stressed resources, and refugees’ limited resilience.

The GoU, UNHCR and partners have been taking a number of steps to strengthen the self-reliance and resilience of refugees and host communities. Two notable efforts thus far include the 1999 Self Reliance Strategy (SRS) for Refugee Hosting Areas in Moyo, Arua and Adjumani Districts and the 2006 Development Assistance for Refugee (DAR) Hosting Area Programme. Currently, the GoU and UNHCR are working on a range of initiatives. In addition, refugee issues are also prominent in the United Nations Development Assistance Framework 2016-2020 (UNDAF). UNHCR is currently developing the Refugee and Host Population Empowerment (ReHoPE) Program which is essentially a self-reliance and resilience strategic framework for refugee and host communities in Uganda.

The GoU is currently developing the Settlement Transformative Agenda (STA) as part of the National Development Plan II (NDP II, 2015/16-2019/20). The STA aims to achieve self-reliance
and local settlement for refugees and to promote social development in the refugee hosting areas. The STA has six objectives, including the following, which are relevant to the proposed project: (i) Sustainable Livelihoods – contributing to socio-economic growth in refugee hosting areas by fostering sustainable livelihoods for refugees and host communities; (ii) Environmental protection – protecting and conserving the natural environment in and around refugee settlements; and (iii) Community Infrastructure – progressively enhancing economic and social infrastructure in refugee hosting areas, in accordance with local government plans and systems.

The proposed project, follows the recommendations made by the GoU during the pre-identification mission and attempts to contribute to the Government of Uganda’s Settlement Transformative Agenda (STA) by taking an area-based and progressive solutions approach to address the environmental amelioration, socio-economic infrastructure and livelihoods needs of refugees and host communities. It will cover refugee-hosting districts in North, Mid-West and South West of Uganda.

**Relationship to CAS/CPS/CPF**

The proposed project will directly contribute to the two pillars of the World Bank’s new global strategy of reducing absolute poverty and promoting shared prosperity. This will be done by improving the social and economic well-being of households in the under-served areas of Djibouti, Ethiopia, and Uganda by increasing access to social services and expanding economic opportunities of targeted households mitigating the development deficits further exacerbated by the presence of refugees. In addition, the proposed project will support community involvement in prioritizing investments and local governments in comprehensive planning and implementation.

**Djibouti:** The project is aligned with the Bank’s Country Partnership Strategy (CPS) FY14-17 for Djibouti which rests on two pillars: (i) reducing vulnerability; and (ii) strengthening the business environment. These pillars are aligned with the World Bank’s Middle East and North Africa (MENA) Regional Framework, which aims for enhanced, shared prosperity and reduced poverty through governance, inclusion, jobs, and sustainable growth. The proposed project focuses directly on the first pillar of the CPS by increasing access to basic social services and economic opportunities to poor communities and strengthening local governance in disadvantaged rural and urban areas.

**Ethiopia:** The project supports a number of strategic objectives of the Bank’s CPS FY13-16, including increasing access to and quality of infrastructure (roads, water and sanitation); promoting natural resource development; increasing access to quality health and education services; and creation of livelihood opportunities. It also contributes to the foundation pillar of good governance and state building.

**Uganda:** The proposed operation is fully aligned with the World Bank’s CPS for Uganda. The first strategic objective of the CPS for 2011-2015 is to promote inclusive economic growth and the third strategic objective aims to strengthen human capital development in Uganda. The proposed operation will contribute towards the achievement of these two results. Access to safety net support has been demonstrated to enable poor people to participate in the growth process, while also leading to improvements in their access to health and education services. These positive impacts on human development are particularly seen among children.

**C. Proposed Development Objective(s)**

**Proposed Development Objective(s) (From PCN)**
33. The Proposed Development Objective is to improve access to social services, expand economic opportunities and enhance environmental sustainability for host and forcibly displaced households in the targeted areas of Djibouti, Ethiopia and Uganda.

34. The proposed regional project will embed essential features of ensuring citizen participation in prioritizing developmental needs including socio-economic infrastructure and livelihoods opportunities to improve self-reliance of refugees and host communities; improving social cohesion between refugees and host communities; and increased citizen voice and role in budget decision making; and greater demand for social accountability. The operational approach will be Community Driven Development (CDD) oriented and will involve: (i) building grassroots institutions, (ii) ensuring voice of all communities including refugees in decision making, (iii) strengthening decentralized government administrative functions, as well as (iv) investing in public service delivery and social mobilization to enhance the social cohesion among the beneficiary communities.

35. Primary project beneficiaries will be the host communities in the refugee and/or IDP hosting areas who have experienced displacement impacts and the secondary project beneficiaries will be the displaced persons (refugees, IDPs, returnees). The project will support communities to prioritize investments with specific focus on women, female-headed households and youth, who are disproportionately affected by displacement. The project’s institutional beneficiaries include local governments, implementing agency staff and the agencies responsible for refugees in each of the proposed project countries. It is envisaged that a careful integration of community priorities in the local government planning process will ensure ownership and sustainability of the investments at the community and local government levels. Project beneficiary communities will therefore benefit from: (a) investments in basic infrastructure financed under the project and consequently the improvement in access to social services; (b) increased opportunities for augmenting incomes from traditional and non-traditional livelihoods; (c) improvements in local governance and accountability; and d) improved access to holistic response and prevention services for those vulnerable to varying protection challenges, including gender-based violence.

Key Results (From PCN)

The following key indicators will be used to track progress towards the PDO:

i. Beneficiaries with access to social services (disaggregated by type of service and target group)

ii. Beneficiaries of economic development activities that report an increase in income (disaggregated by type of service and target group)

iii. Direct beneficiaries, disaggregated by gender (number)

iv. Infrastructure investments for which arrangements for Local Government accountability for post-project sustainability and/or operations and maintenance are established (percentage)

v. Increase in area under sustainable land management practices in the targeted project areas (percentage)

Intermediary indicators will include the relevant core indicators such as:

i. Intended beneficiaries that are aware of project information and project supported investments (percentage)

ii. Increased number of community social and economic infrastructure.

iii. Beneficiaries of livelihood (both traditional and non-traditional) programs (number and disaggregated by target group).
D. Concept Description

In response to the impacts of forced displacement on refugee hosting countries and communities in HOA, the proposed operation is a multi-country development response by the respective Governments of Djibouti, Ethiopia and Uganda. The proposed regional operation addresses the unmet social, economic and environmental needs of the local communities both host and displaced (refugees, IDPs, and returnees) in targeted areas of the three proposed project countries. The proposed financing instrument is an Investment Project Financing (IPF) with total proposed IDA funds of US$165 million to be disbursed as credit. Following a pre-identification mission and the readiness of all three participating countries, the IDA funds are likely to be allocated as follows: US$15 million for Djibouti; US$100 million for Ethiopia; and US$50 million for Uganda. The proposed project is being processed as a Series of Projects (SOP) given that the three proposed project countries all deal with displacement impacts and have similar components, but are independent projects. This will also allow for the participation of other countries in the HOA including Eritrea, Kenya, Somalia, South Sudan and Sudan to opt into the program at a later date and according to their needs and specific requirements.

A USD5 million grant to a regional institution to support the establishment of a regional Secretariat Forced Displacement and Mixed Migration to pursue inter-governmental will also be considered. Currently, Intergovernmental Authority on Development (IGAD) has been identified as a strong candidate. This would enable not only greater attention to the issues related to forced displacement but also opportunities for exchange of experiences and good practices, especially with the Ugandan model as a show case of progressive practice, to harmonize policy and practice related to forced displacement. Critical areas of interest would be on (i) exploring out of camp policies and practice across refugee hosting countries to enable work and livelihood opportunities for refuges promoting self-reliance; (ii) promoting better regulations to facilitate ease of movement across HOA countries including easier access to travel documents to mitigate irregular migration; (iii) explore strategies for Governments to better manage migration and displacement situations; and (iv) address gender-inequalities and gender-based violence; and issues of Youth at the HOA region level.

Cross-Global Practices collaboration is an important organizing principle for the proposed operation and it builds on the experiences and good practices in related sectors and operations. The proposed project would seek to maximize synergies across Global Practices and with other projects. Concretely, synergies will be sought with (i) For Djibouti on skills-based and market oriented livelihoods and environmental amelioration with the Rural Community Development & Water Mobilization, and Crisis Response - Social Safety Net Project; (ii) For Ethiopia on agricultural and pastoral livelihoods environmental amelioration with the Pastoralist Community Development Project-III and Agricultural Growth Program–II; (iii) For Uganda on livelihoods infrastructure and investments, and market linkages environmental amelioration with the Northern Uganda Social Action Fund–III; and (iv) at the regional level with the Great Lakes Region: Improving Resilience and Social Cohesion of Displaced and Border Communities (P152821) project for mutual learning, M&E, and synergy to deal with the durable solutions of Congolese refugees in Uganda. For addressing gender inequality, youth empowerment and gender based violence, linkages will be established with the extensive analytical work undertaken in the region, including learning initiatives supported through the SPF and LOGiCA trust funds, and through operations such as and the Great Lakes Emergency Sexual- and Gender-based Violence and Women’s Health Project, and the Global Platform for SGBV in FCS.

Project Description
The presence of refugees in host areas of Djibouti, Ethiopia and Uganda have resulted in both negative economic, social and environmental impacts but some positive economic impacts as well. The negative impact of the presence of refugees on their hosts include rising food and commodity prices, the depression of local wage rates, increasing environmental degradation; while the benefits/positive impacts include refugee households serving as a market for animal products, home-produced agricultural products, increased availability of labor especially for local agricultural production, and infrastructure investments.

The proposed project seeks to accomplish a fundamental shift in the way forced displacement is addressed in the HOA; first as a developmental challenge in addition to a humanitarian and security challenge; second a government-led and implemented development response complementary to traditional humanitarian agencies; and third as a long-term response to address systemic and structural constraints impeding development in marginalized refugee hosting areas further exacerbated by refugee presence. Given that the major impacts of forced displacement and categories of investments across the three proposed project countries is comparable, the four major components described in detail below will be implemented in all three countries with necessary adjustments based on specific area characteristics. During preparation, further analysis will be undertaken to identify specific opportunities and challenges in each of the contexts to further tailor interventions.

**Component 1: Social and Economic Investments (approx. US$82.5 million)**

The component will provide investment funds that together with community contributions both in cash and kind, as feasible; will help expand and improve service delivery, and build infrastructure for local development. As appropriate, this component will also include interventions addressing pervasive protection challenges including response and/or prevention initiatives addressing varying forms of gender-based violence (GBV). Investments will be identified, prioritized, implemented and monitored by beneficiary communities. The investments will be determined following a process of information dissemination and sensitization followed by mapping of social and economic infrastructure and resources to identify potential gaps and underserved populations. The process will bring together community representatives both from host and displaced populations in particular women, youth and female-headed households; representatives of community/traditional organizations, the local governments and the humanitarian and developmental agencies operational in the area. The creation of an Area-based development plan along with priority social and economic infrastructure along with measures for environmental amelioration, to be supported under the project will be an important output of the community engagement process. This plan would also be integrated into the planning and budget development processes of all agencies involved. Specific role for communities in implementation, monitoring and oversight will be designed to ensure community ownership, transparency of processes and accountability of the implementing actors.

**Component 2: Sustainable Environmental Management (approx. US$23 million)**

In almost all of the hosting areas, the large number of refugees and IDPs has resulted in environmental degradation and loss of vegetation cover. The unmet energy needs of the displaced and the host communities has resulted in the harvesting fuel wood and construction wood, denuding the areas which is also a cause of tension between the displaced and host communities. A comprehensive package of the demand-driven soil and water management practices and interventions that would be implemented to rehabilitate degraded lands and also explore alternate energy sources. Suitable biological and physical conservation measures will be adopted to prevent run-off and soil erosion along with afforestation to improve vegetation cover and increase increasing land productivity and soil fertility.
Component 3: Livelihoods Program (approx. US$44.5 million)
The component will support the development and expansion of traditional and non-traditional livelihoods of the poor and vulnerable households to build productive assets and incomes. A thorough mapping of existing productive livelihoods including agricultural, agro-pastoral and pastoral, will be undertaken based on consultations with target households accompanied by a technical and market analyses to understand the potential for each of the major livelihoods, the opportunities along the value chain and required inputs in terms of the information, finance, technology, tools, and technical assistance. A careful analysis will also inform institutional development including community mobilization, formation of producer/livelihood collectives where necessary and/or feasible to achieve efficiencies of scale for accessing both input and outputs markets, and forging private sector linkages. A further mapping of potential livelihoods will also be undertaken focused on resource and market availability. For the major livelihoods, technical assistance will be made available to communities either through training of implementing agency staff and/or private sector partnerships. Given the large youth population among the beneficiaries, skills enhancement for jobs and employment will also be explored based on market needs and skills gap assessment. Livelihoods programs targeting women and female-headed households as an integrated component of GBV interventions will serve both as a means of prevention (i.e. reducing women’s vulnerability and potential exposure to violence or high risk environments) and as a means of longer-term support for those affected by violence.

Component 4: Project Management including Monitoring and Evaluation, and Regional and National Institutional Support (approx. US$20 million)
The project will finance the planning, implementation, and technical oversight of program activities; and effective social and environmental safeguards management, financial management, and procurement. The arrangements for project coordination will be determined during preparation though relevant government agencies at the national, sub-national and local levels will be involved in the implementation process with necessary capacity building support. The following activities will be included: Strategic Communication, Monitoring and Evaluation arrangements – Management Information System (MIS), independent process monitoring, and outcome/impact evaluations at midterm and end of project; and measures for enhanced transparency and accountability; and development learning to around policy and practice of forced displacement. In addition a regional Secretariat Forced Displacement and Mixed Migration, potentially hosted in IGAD, will be established and supported through a USD5 million Grant.

II. SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)
In Djibouti the project will be implemented in areas surrounding the AliAddeh and Hol Hol refugee camps and in Obock town. In Ethiopia the project will be implemented in the regions of Gambella, Somali and if possible Benishangul-Gumuz. In Uganda the project will be implemented in refugee hosting districts of North, Mid-West and South West Uganda. The specific sites for project implementation will be determined during preparation.

B. Borrower’s Institutional Capacity for Safeguard Policies
The implementing agencies proposed in all three countries namely: Uganda - Office of the Prime Minister; Ethiopia - Ministry of Agriculture; Djibouti - Ministry of Agriculture, Livestock and
Fisheries have experience with implementing World Bank projects. An assessment will be undertaken to determine the institutional capacity for safeguards management and measures for strengthening systems and capacities will be undertaken during preparation.

C. Environmental and Social Safeguards Specialists on the Team

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Chukwudi H. Okafor (GSURR)
Constance Nekessa-Ouma (GSURR)
Fatou Fall (GSURR)
Herbert Oule (GENDR)
Ishanlosen Odiaua (GEN05)

D. POLICIES THAT MIGHT APPLY

<table>
<thead>
<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment</td>
<td>Yes</td>
<td>The following activities will be financed: (i) expansion and improvement of service delivery which will include small infrastructure, (ii) construction or rehabilitation of physical structures for water catchment management such as check-dams, water harvesting structures, etc. and; (iii) in land-based livelihood activities which could potentially small-scale impacts that can be revered and mitigated. Since the exact nature and location of the activities is not known, an ESMF will be prepared.</td>
</tr>
<tr>
<td>OP/BP 4.01</td>
<td></td>
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<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>TBD</td>
<td>Specific project sites are currently not known. However, during preparation a determination will be made if these will likely encompass some natural habitats which are protected by law. If necessary, provisions in the ESMF will be made to ensure that the appropriate preventive or mitigation measures are formulated and executed.</td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
<td>Yes</td>
<td>Activities under Component 2 are likely to have a positive impact on forests with the implementation of physical and biological measures for soil and water conservation and afforestation. The project will ensure that the ESMF incorporates procedures for screening interventions against this OP/BP and that appropriate preventive or mitigation measures are formulated and executed.</td>
</tr>
<tr>
<td>OP 4.09</td>
<td></td>
<td>The project will support activities under the Component 3 which are likely to agriculture based and may increase the application of agrochemicals (insecticides, herbicides, fertilizers, etc.). The ESMF will therefore include a description of Integrated Pest Management.</td>
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</table>

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### Physical Cultural Resources OP/BP 4.11
- **Yes**
- **Management (IPM) approaches.**
  - While the project sites are presently not known, in order to avoid any potential impacts, the ESMF will include provisions for “chance finds”.

### Indigenous Peoples OP/BP 4.10
- **Yes**
- **Triggered only for Ethiopia, issues will be defined through Social Assessment (SA) and enhanced public Consultation with the affected persons and communities to reflect the policy requirements. The Social Management Plan will provide key findings of the SA including the process used to foster free, prior, and informed consultations and broad community support, including provision of grievance redress and benefit sharing issues. Identified mitigating measures will be incorporated in the project.**

### Involuntary Resettlement OP/BP 4.12
- **Yes**
- **The proposed project will not undertake any activities that will displace people. However, it would support small-scale infrastructure that might affect land holdings of individual farmers. While these interventions are yet to be identified, as a precautionary measure, the project will prepare, consult upon and disclose a resettlement policy framework prior to appraisal to address any issues which might arise from economic displacement and/or restriction of access to communal natural resources.**

### Safety of Dams OP/BP 4.37
- **TBD**
- **A determination will be made during preparation if the project will rehabilitate any existing large-scale irrigation facilities and dams above 15 meters. The project is likely to finance check dams or small dams for water storage and activities that may rely on the performance of an existing dam. An assessment of existing dam safety arrangements or those that may be required, will be done during preparation.**

### Projects on International Waterways OP/BP 7.50
- **TBD**
- **For Ethiopia a determination will be made if project sites are located in international water Waterways basins such as that of the Nile or Omo River. While the impact of proposed project supported individual activities are likely to be negligible and the cumulative abstractions be minor, if required, Riparian countries will be notified in accordance with these policies.**

### Projects in Disputed Areas OP/BP 7.60
- **No**
- **n/a**

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**E. Safeguard Preparation Plan**
1. Tentative target date for preparing the PAD Stage ISDS
15-Dec-2015

2. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the PAD-stage ISDS.
The Environment and Social Management Framework (ESMF including Integrated Pest Management) and Resettlement Policy Framework (RPF) for Djibouti, Ethiopia and Uganda; the Indigenous People Plan (IPP) for Ethiopia; and other safeguards instruments as required, will be prepared between June and December 2015.

They will be disclosed prior to project appraisal in Djibouti, Ethiopia and Uganda and in Bank InfoShop.

III. Contact point

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V. Approval

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<thead>
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<th>Name: Varalakshmi Vemuru, Endashaw Tadesse Gossa, Teklu Tesfaye</th>
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<tbody>
<tr>
<td>Approved By</td>
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</tr>
<tr>
<td>Safeguards Advisor:</td>
<td>Name: Johanna van Tilburg (SA) Date: 13-Jul-2015</td>
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<td>Practice Manager/</td>
<td>Name: Robin Mearns (PMGR) Date: 17-Jul-2015</td>
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<td>Manager:</td>
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<tr>
<td>Country Director:</td>
<td>Name: Yisgedullish Amde (CD) Date: 21-Dec-2015</td>
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</tbody>
</table>

1 Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.