Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 28-Feb-2022 | Report No: PIDC33495

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Parent Project ID (if any)	Project Name
Eastern Africa	P178566		Food Systems Resilience Program for Eastern and Southern Africa (P178566)
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
AFRICA EAST	Apr 07, 2022	Jun 16, 2022	Agriculture and Food
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Ministry of Finance, Ethiopia,Intergovernmental Authority on Development (IGAD),Ministry of Economy and Finance, Madagascar	Ministry of Agriculture, Ethiopia, Ministry of Agriculture and Livestock, Madagascar, IGAD Climate Prediction and Application Center	

Proposed Development Objective(s)

To improve resilience of food systems and increase preparedness against food insecurity in selected Project Areas.

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	848.00
Total Financing	848.00
of which IBRD/IDA	848.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	848.00
IDA Credit	409.00
IDA Grant	439.00

Environmental and Social Risk Classification	Concept Review Decision
High	Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

The countries of Eastern and Southern Africa (AFE) are home to 656 million people or over 8 percent of the world population. Many of these people are extremely poor—about 43 percent of the population lived on less than US$1.90 PPP per day in 2015–19 based on available data—and face challenges accessing safe and nutritious food every day. Most of the countries in the region are characterized by a high dependence on food and feed imports, and on commodity exports.

AFE has more food insecure countries than any other region in the world, and within the region, there are clear hotspots where food insecurity is deepening at a faster rate. Six of the top ten most severely food-insecure countries globally are in AFE. And in the Horn of Africa, the UN expects some 25 million people to face "high acute food insecurity" by the middle of 2022, with countries like Ethiopia, South Sudan and Somalia considered to be in Integrated Food Security (IPC) Phase 4, denoting an "emergency" situation.

The changing climate is only making the situation worse. Extreme weather events are become more severe and more frequent across the region, contributing to food production shocks. Across SSA, droughts and floods that occurred once every 12.5 years on average in 1982–2006 occurred every 2.5 years in 2007–2016. And whereas there were two years in which per capita food production dropped by more than 2.5 percent in the first, 25-year-long period (1983 and 1992, both El Niño-induced drought years), there were four in the 9-year period that followed. Those years—2007, 2009, 2011, and 2016—both drought and flooding played a role in causing food production shocks. Climate change also affects pest and disease vectors that harm crops and animals, as demonstrated by the major locust outbreaks that have recently plagued the HOA. The increased frequency of weather-related setbacks such as these is making it all the more challenging to sustain adequate long-term growth in per capita food production.

Sectoral and Institutional Context

The agricultural and food sector remains a significant source of economic growth and job creation in AFE. Agriculture accounted for nearly 15 percent of AFE's economy (GDP) in 2020, and the sector has been growing relatively fast by global standards. During the 2010s, agricultural value added grew by an average of 3.08 percent per year in AFE, as compared to 3.03% in East Asia and the Pacific, and 2.76 percent in Latin America and the

Caribbean. AFE's growth rate was only outdone by that of Western and Central Africa, where the sector grew by an average of 3.78% per year over the decade (WDI 2022). Agriculture accounted for 59 percent of all employment in AFE as of 2019, and even more than that in several of its countries: 86 percent in Burundi, 80 percent in Somalia, 76 percent in Malawi, 70 percent in Mozambique, and 66 percent in Ethiopia and Zimbabwe. More than 40 percent of SSA's labor force, mainly young people, is now engaged in off-farm jobs.

However, agricultural productivity levels remain low in AFE, despite its relatively high agriculture growth rates. There is enormous scope for productivity gains (of up to two- or three-fold) with intensification and adaptation. In fact, agricultural growth in SSA over the past decades has come mainly from the expansion of land, rather from intensification. Roughly 75 percent of its crop production growth came from the expansion of the area under cultivation and only 25 percent from improved crop yields. Cereal yields in SSA rose by 38 percent in the 38 years between 1980 and 2018, roughly half the increase recorded in South Asia and Southeast Asia. Low land productivity means that there remains great unmet potential for improved crop yields or "productivity growth" through sustainable utilization of water and soil resources, and the adoption of better farm inputs and technologies.

Better management of the natural resource base (water, land, soil, and vegetation) at both landscape and farm levels is critical for improving food security, building resilience, and enhancing carbon sequestration. The natural resource base constitutes the ecological foundation that underlies the sustainability of food systems. The rapid degradation of natural resources (water, land, and vegetation), which is occurring because of increased anthropogenic pressures and climate change, has been undermining this ecological foundation, leading to increased water scarcity, drought, flooding, and erosion, ultimately decreasing the productivity and resilience of agricultural land and pastures. There is a need to strengthen the natural resource base in the region by scaling up climate-smart, agro-ecological, and less-intensive tillage practices. These and other practices can help farmers adapt to climate change, sustainably use and conserve natural resources, and transform their farmland from emitting greenhouse gases to being "net neutral" and possibly a GHG sink. Increasing soil organic carbon can reverse soil fertility deterioration, the fundamental cause of declining crop productivity in AFE. Soil carbon also enhances resilience to climate variability and change by improving soil structure and stability, reducing soil erosion, improving aeration and water-holding capacity, reducing the impacts of drought, improving soil biodiversity, and increasing nutrient-use efficiency.

Agricultural policies in many AFE countries have not contributed enough to transforming their food systems. Large expenditures on unproductive investments such as poorly targeted input subsidies are crowding out more productive public investments. Trade restrictions are still pervasive for outputs and inputs, and they tend to be intensified in times of food crisis. The resilience of the food system can be strengthened by adopting fiscal policies and investment responses that repurpose public resources, reform the policy environment, and enhance governance and institutional capacities.

Relationship to CPF

The proposed Food System Resilience Program aligns with key regional World Bank strategies. It supports the Africa Regional Integration and Cooperation Assistance Strategy (2018), the Fragile, Conflict and Violence (FCV) strategy, and the World Bank Group (WBG) Climate Change Action Plan 2021-2025. The Program directly supports the WBG COVID-19 Crisis Response Approach Paper to mitigate the socioeconomic impacts of the

COVID-19 crisis, and the WBG Gender Strategy (FY16-2023) on enhancing human development outcomes, improving economic opportunities, and removing barriers to asset ownership. The Program systematically addresses climate-related risks using the WBG's Green, Resilient, and Inclusive Development (GRID) approach and seeks to promote investments in the resilience of AFE's food systems, thus advancing the WBG's commitment to the Next Generation Africa Climate Business Plan (ACBP) for 20 countries.

The Program is also well aligned with key client strategies and builds on extensive existing national level analytical work by the World Bank and other partners. The Program is aligned with the Africa Union Agenda 2063, the Malabo Declaration on African Agriculture, the Comprehensive Africa Agriculture Development Program (CAADP), and the Forum for Agricultural Research in Africa (FARA) strategic plans. The Program is developed under the umbrella of the Africa Food Security Leadership Dialogue (AU-WBG-FAO-ADB-IFAD, Kigali, 2019). It builds on strong analytical foundations, including CAADP National Agriculture Investment Plans. The Program complements the Accelerating Impacts of Consultative Group on International Agricultural Research (CGIAR) Climate Research for Africa (AICCRA) by linking the same set of regional and national actors to the international science frontier from international CGIAR centers.

C. Proposed Development Objective(s)

To improve resilience of food systems and increase preparedness against food insecurity in selected Project Areas.

Key Results (From PCN)

The Program Development Objective (PrDO) addresses both the underlying structural challenges of food insecurity, and by reducing beneficiaries' sensitivity to unpredictable climate, crisis, and conflict events. The PrDO will be achieved by building a resilient productive capacity, managing natural resources sustainably, strengthening systems for food to reach its market, providing a resilience-focused enabling environment, and improving regional coordination. The proposed PrDO level outcome indicators are:
(a) Reduced percentage of food insecure people in program areas measured by IPC Chronic Food Insecurity Classification;
(b) Producers adopting climate-smart productivity enhancement technologies and practices [of which, number of female-headed households];
(c) Improved capacity to manage climate shocks and risks as measured by climate resilience capacity score;
(d) Increased land area under sustainable land management practices (hectares) (e) increased vegetation coverage (measured by Normalized difference vegetation index (NDVI);
(f) Increase in the volume of agri-food products sold by beneficiaries (Percentage) [of which by female beneficiaries]; and
(g) Countries participating in renewed regional food risk management architecture (number of countries).

D. Concept Description

The proposed MPA offers a "menu of options" that would allow countries to identify and design an integrated set of interventions, based on their strategies, characteristics, needs and the complementarity with their existing efforts, with the strategic aim of scaling up successful models of resilience enhancing investment

packages to achieve transformation at scale. The proposed MPA components are organized around mutually reinforcing thematic pillars. Interventions under each component will be defined through: (i) consultation with stakeholders both at both country and regional levels; (ii) consultation with government officials during preparation of the country designs; and (iii) review of country policy documents and analytical work (e.g. review of national sector policies and their investment plans, technical assessments of public investment programs, etc.) and any other relevant documents. The proposed Program components are as follows:

Component 1: (Re-)Building Resilient Productive Capacity will support strengthening the resilience of food systems to shocks and stressors through improved research, service delivery and technology delivery. It will provide support for fast responses to rapidly deteriorating food security situations through following subcomponents:

Subcomponent 1.1 to support **development and delivery of technologies and services to farmers** through: (i) developing climate-adapted technology solutions and innovation systems; (ii) modernizing research and services for soil restoration; (iii) strengthening public and private plant and animal health and breeding services; (v) providing access to climate-resilient inputs and scale up agroecological/regenerative practices; and (vi) strengthening agricultural knowledge dissemination.

Subcomponent 1.2 to support agricultural producers in **restoring basic productive assets** following production shocks and provides facilitation for short-cycle, rapid food production solutions to meet immediate food needs of affected population.

Component 2: Managing Natural Resources Sustainably will support infrastructure, knowledge, and finance to boost resilient productive livelihoods, which balance competing resource-use demands and integrate investments for multiple uses of water and land. Interventions will combine spatial and sectoral integration and are aimed at improving rural water security supporting sustainable natural resources and biodiversity management, increasing the resilience of targeted communities to climate change, and reducing conflicts amongst resource users, through:

Subcomponent 2.1 to support **technical assistance** for community level capacity building and planning for resilient productive base including development of knowledge products, a multi-tiered/multisectoral planning process and community consultation process for greater social coherence and participation. Technical advisory around improvement and expansion of hydromet monitoring, weather advisory, and spatial analysis tools for quality and timely data will also be supported.

Subcomponent 2.2 to support **investments for productive assets**, that promote sustainable natural resources management through a menu of activities including: (i) soil and water conservation for more sustainable and productive agriculture, including scaling up soil carbon sequestration; (ii) stream and water control, including small scale storage; (iii) small-scale farmer led irrigation systems; (iv) natural catchment protection, including agroforestry and rural energy to restore ecosystem services and recover biodiversity and groundwater recharge; (v) local infrastructure such as multi-purpose reservoirs and watering points for livestock and drinking water, community access, culverts, gully restoration, minor flood protection works and related equipment; (vi) support for natural-resource/biodiversity based livelihoods with community groups, such as non-timber forest products, beekeeping, green charcoal, nature-based tourism, etc.; and (vii) Monitoring and Evaluation (M&E) of catchment health and resilience using remote sensing and other ICT tools.

Component 3: Enhancing Markets and Commercialization will support improving the access to domestic and regional/international markets through development of competitive value chains selected by participating countries based on market potential, export earnings, and impact on job creation. Priority could be given to regional value chains through following subcomponents:
Subcomponent 3.1 to support **development of competitive value chains** through: (i) capturing domestic and international market opportunities; (ii) strengthening capacities of value chain organizations; (iii) complying with domestic and international market requirements; and (iv) facilitating access to credit.
Subcomponent 3.2 to support **value addition through marketing infrastructure** that includes: (i) constructing and rehabilitating infrastructure for value addition, food safety and reduced food loss and waste; (ii) providing technical assistance for feasibility studies and environmental and social impact assessment, including options for efficient asset management and operation modalities; (iii) procuring equipment for public laboratories to perform their roles in quality and SPS standards controls, epidemio-surveillance, trade border controls, seed certification, fertilizer and pesticides quality controls, etc.; and (iv) improving connectivity infrastructure.

Component 4: Responsive Policies and Regional Coordination will support strengthening the national and regional public policies and systems' response capacity to various shocks and stressors, thus enabling them to contribute to greater food system resilience through the following subcomponents:
Subcomponent 4.1 to support **resilience-focused policy priorities and instruments** by: (i) mainstreaming food resilience objectives into country's strategic vision and priorities; (ii) supporting price and policy incentives in agriculture, water/natural resource management, trade, etc., in line with food resilience objectives; (iii) promoting cross-sectoral policy and institutional coordination; and (iv) strengthening resilience-focused sectoral information systems, including M&E data and feedback loops, early warning and rapid response systems, and information systems and inter-agency coordination related to food reserves and trade measures.
Subcomponent 4.2 to support **alignment of public expenditures** through analyses, capacity building and knowledge exchange related to increasing the efficiency and effectiveness of public spending in achieving national food resilience goals and various regional/international commitments, public expenditure review and tracking surveys, and other sector-specific, multi-sectoral, or sub-sectoral studies.
Subcomponent 4.3 to improve **institutional capacity** of national and regional agencies responsible for formulating food policies with resilience focus. It would also support developing digital climate advisory services (DCAS) for building adaptation and resilience of farmers to climate variability and change.
Subcomponent 4.4 to strengthen **regional institutions and inter-agency policy coordination across borders** that provide value added services to countries including: (i) information and decision support systems; (ii) strengthening R&D systems and technology dissemination; (iii) promoting disruptive technologies that reach stakeholders with timely, high quality information for production and markets; and (iv) supporting policy and regulatory alignment to maximize safe trade across national and regional boundaries.

Component 5: Contingent Emergency Response Component (CERC) will finance eligible expenditures in the event of an emergency precipitated by a natural disaster. Activation of this component allows funds to be disbursed rapidly to reduce damage to infrastructure, ensure business continuity, and recover more rapidly from a disaster. Following a major disaster, the affected participating country may request that the World Bank channel resources from other FSRP components into the CERC. As a condition for disbursement, an Emergency Response Manual (ERM) will be developed for each country, stipulating the fiduciary, safeguards, monitoring,

and reporting requirements related to invoking the CERC, as well as other coordination and implementation arrangements.

Component 6: Project Management will finance all aspects of project management including equipment and materials, compliance with fiduciary, procurement, and safeguards (environmental and social) requirements, M&E and impact assessment, knowledge management and communication. On the national level, the activities will be performed by the Project Implementation Units (PIUs).

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

Environmental and Social Risk Assessment

Environmental risks are rated **Substantial**, because the program will intervene in potentially sensitive areas characterized by severe climate events, advanced land and biodiversity degradation, loss and damage of ecosystem services, overconsumption of water resources, and the presence of invasive species, including pests. Program activities have the potential for cumulative impacts, although they can be readily avoided or mitigated with adequate mitigatory and/or compensatory measures. **Social** risk related to FSRP is rated High, reflecting: (i) the fact that FSRP will be implemented in a social context with high levels of fragility and conflict; (ii) insecure land rights of vulnerable groups (including pastoralists and women); (iii) community health and safety risks, especially those related to security and labor influx; (iv) labor risks (including forced labor and child labor); (v) physical and/or economic displacement risks; and (vi) risks related to weak stakeholder engagement and weak operationalization of project-level GMs (including the SEA/SH grievance channel) and (vii) risks associated with ESS7 communities. Furthermore, the program is being developed in countries where legislation or regulations do not adequately address these social risks and impact. The Borrowers' institutional capacity to implement the program under the ESF will be evaluated at each phase but at concept limitations have been identified.

CONTACT POINT

World Bank

Pierre Olivier Colleye, Laura Bonzanigo, Paavo Eliste, Tahira Syed
Sr Agricultural Spec.

Borrower/Client/Recipient

Ministry of Finance, Ethiopia
ABEBE TADESSE FEYISA
Director
abebetadessef@gmail.com

Intergovernmental Authority on Development (IGAD)
Workneh Gebeyehu
Exective Director
abdi.jama@igad.int

Ministry of Economy and Finance, Madagascar
Mrs. Rindra Hasimbelo Rabarinirinarison
Minister
ministrerindra@mef.gov.mg

Implementing Agencies

Ministry of Agriculture, Ethiopia
KEBERU BELAYNEH
Project Director
keberu.belayneh@yahoo.com

Ministry of Agriculture and Livestock, Madagascar
Mrs. Fanja Andriantsoa Raharinomena
General Secretary
andriantsoafanja@gmail.com

IGAD Climate Prediction and Application Center
Abdi Jama
Coordinator, IGAD Food Security
abdi.jama@igad.int

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

APPROVAL

Task Team Leader(s):	Pierre Olivier Colleye, Laura Bonzanigo, Paavo Eliste, Tahira Syed

Approved By

Country Director:	Boutheina Guermazi	28-Feb-2022