



Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 14-Feb-2019 | Report No: PIDC184233



BASIC INFORMATION

A. Basic Program Data

Country Ethiopia	Project ID P170384	Parent Project ID (if any)	Program Name ETHIOPIA CLIMATE ACTION THROUGH LANDSCAPE MANAGEMENT PROGRAM FOR RESULTS
Region AFRICA	Estimated Appraisal Date 15-Apr-2019	Estimated Board Date 13-Jun-2019	Does this operation have an IPF component? No
Financing Instrument Program-for-Results Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Agriculture	Practice Area (Lead) Environment & Natural Resources

Proposed Program Development Objective(s)

The Project Development Objective (PDO) is to strengthen GoE systems for climate-smart (mitigation and adaptation) land management and administration in selected, non-pastoral rural areas

COST & FINANCING

SUMMARY (USD Millions)

Government program Cost	3,351.60
Total Operation Cost	2,675.70
Total Program Cost	2,675.70
Total Financing	2,675.00
Financing Gap	0.70

FINANCING (USD Millions)

Total World Bank Group Financing	500.00
World Bank Lending	500.00



Total Government Contribution	2175.00
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B. Introduction and Context

Country Context

1. The Government of Ethiopia (GoE) has embarked on a structural transformation of the economy and society, completing the first phase of the Growth and Transformation Plan (GTP-I) in 2015. GTP-II is under implementation for the period 2015–2020, and puts a strong emphasis on industrialization, urbanization, and export promotion. Public infrastructure investment has been at the center of the country’s economic strategy, financed by domestic and external public borrowing. Recent announcements indicate the GoE’s renewed commitment to improving the private sector investment climate¹, and recent appointments have underscored the Government’s commitment to women benefiting from and participating in the overall economic, political, and decision-making processes in Ethiopia.

Sectoral (or multi-sectoral) and Institutional Context of the Program

2. The GoE and local communities have achieved significant results in watershed development and the provision of land use certificates, largely through investment and technical assistance provided by the Ministry of Agriculture’s (MoA’s) Natural Resource Management Directorate (NRMD) and Rural Land Administration and Use Directorate (RLAUD), working through Regional Bureaus of Agriculture (BoAs) and Land Administration and Use (BLAUs), and administrations at the woreda level (equivalent to district). While important progress has been made towards meeting the natural resource management targets of GTP-II, the MoA is concerned that the scale and quality of the achievements do not match the vision. In response, MoA has launched a comprehensive package of enhancements to its program of rural land management and administration to be adopted in 2019, encompassing: (i) a Watershed Development Strategy (WDS); (ii) a Community Watershed Management and Utilization (CWMU) Proclamation; (iii) a Rural Lands Administration and Use (RLAU) Proclamation; and (iv) updates to the Community-Based Participatory Watershed Development Guideline (CBPWDG) and the Pastoral Area Public Works Guideline (PABWG).

Relationship to CAS/CPF

3. The proposed operation is fully aligned with the CPF’s resilience pillar. This pillar specifically includes support for scaling-up the GoE’s SLM program. The proposed operation will also contribute to the climate, forest, water, energy and land tenure targets in the GTP-II and CRGE Strategy, as well as the forthcoming third national development plan. The targets for natural resource management set out in GTP-II include an additional 19 million hectares to be treated with physical soil and water conservation structures, an increase in national forest

¹ in 2017, Ethiopia’s ‘Doing Business’ ranking was 159.



coverage from 15 to 20 percent, and the provision of land use certificates to more than 7 million households. The proposed PforR operation will deliver performance-based financing for the GoE's enhanced program of rural land management and administration, helping meet the GTP-II targets by improving the quality and sustainability of program implementation. The proposed operation will also contribute to a number of other national strategies, including Ethiopia's Intended Nationally Determined Contribution (INDC, submitted to the UNFCCC in 2017)².

Rationale for Bank Engagement and Choice of Financing Instrument

4. The World Bank brings significant value-added to these activities, based on the wealth of experience and expertise developed through support for the first Sustainable Land Management Project (SLMP-I, 2008-2013) and the subsequent SLMP-II (2013-2018), as well as a number of other projects in Ethiopia with significant natural resource management components³, and SLM initiatives in other countries. Over the last ten years, IDA Investment Project Financing (IPF) support has helped restore productive capacity and build resilient livelihoods in 135 major watersheds in Ethiopia's highlands. Through soil and water conservation structures, enclosures to limit free grazing, and afforestation or reforestation of more than 80,000 hectares, these activities have led to an average 9 percent increase in vegetation cover in treated watersheds. Complementing these physical interventions, IDA financing for the SLM Program has strengthened MoA's support for land rights through the issuance of landholding certificates to over 300,000 households, including more than 200,000 women who have received titles either individually or jointly with their husbands, and more than 7,000 landless youth who have received titles to communal holdings in exchange for restoring land. IPF support for watershed development and rural land administration will continue over the period 2019-2024 under the Resilient Landscapes and Livelihoods Project (RLLP).

5. The proposed PforR operation provides an important opportunity to complement these IPF investments with performance-based support to strengthen the GoE's systems for rural land management and administration. In so-doing, the proposed PforR operation will address one of the key shortcomings identified in the forthcoming Implementation Completion Report of SLMP-II, which is the limited capacity of IPF projects to help address critical capacity constraints in government institutions at the federal, regional and woreda levels. The proposed PforR also provides important leverage for policy reform. By financing more than half of the government's expenditures on rural land management and administration over a three-year period, the enhancements introduced through the operation will be magnified over larger geographic and time scales than could be achieved through an IPF. Compared to budget support through Development Policy Financing, the proposed PforR operation offers longer-term support and a greater focus on outcomes.

C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

6. The Project Development Objective (PDO) is to improve climate resilience, strengthen local institutions for watershed management, reinforce participatory processes for watershed development, expand coverage of

² <http://www4.unfccc.int/ndcregistry/PublishedDocuments/Ethiopia%20First/INDC-Ethiopia-100615.pdf>

³ Including, for example support for public works through the Productive Safety Net Program, and SLM activities under the Development Response to Displacement Impacts Project.



land use certification, and improve land administration service delivery, in rural areas of Ethiopia that are predominantly non-pastoral.

7. The GoE's program for rural land management and administration is set out in GTP-II. The proposed PforR Program will support the government's enhancements to this program set out in the WDS, the CWMU and RLAU Proclamations, and the updates to the CBWDG and PABWG, in rural areas of Ethiopia that are predominantly non-pastoral. In particular the proposed PforR Program will support:

- i. the vision of the WDS, and its articulation through the CWMU Proclamation, to see sustainable natural resource management adopted and climate resilient communities created in the country through the implementation of integrated watershed development with active involvement of all stakeholders by the end of 2030; and,
- ii. the goal of the RLAU Proclamation to improve the livelihoods of farmers by improving rural land administration and guaranteeing the use right of farmers over their rural land holdings.

PDO Level Results Indicators

The program is based on four sets of key result areas that will be used to measure success in achieving the PDO. The indicators to be used to measure achievement of these results will be set out in the Results Framework, including the Disbursement-Linked Indicators (DLIs). The results areas are as follows:

- 1) Establishment of WUAs to ensure the sustainable management and equitable use of watershed resources;
- 2) Adoption of participatory and equitable processes for planning and implementing interventions for watershed development and management;
- 3) Provision of SLLCs to rural landholders;
- 4) Effective functioning of the NRLAIS for the registration and management of SLLCs.

D. Program Description

PforR Program Boundary

8. The GoE's program for rural land management and administration has made significant progress towards these goals, the MoA is concerned that the scale and quality of the achievements do not match the targets of GTP-II. In response, MoA has launched a comprehensive package of enhancements, framed by the WDS, the CWMU and RLAU Proclamations, and the updates to the CBWDG and PABWG. The proposed PforR operation will support a Climate Resilient Landscape Management (CRLM) Program that encompasses a subset of the activities included in the MoA's enhanced rural land management and administration program, within a limited geographic area. The CRLM Program will not include support for small-scale irrigation, nor in the Afar and Somali regions. The expenditure framework for the CRLM Program will also not include support provided for aspects of the MoA's rural land management and administration program at the federal level by other development partners and World Bank IPF operations, and at the woreda level by the Enhancing Shared Prosperity through Equitable Services (ESPES) PforR operation.

9. The total annual recurrent and capital expenditures for the national rural land management and



administration program amounted to US\$336 million in Ethiopian Fiscal Year (EFY) 2009.⁴ The subset of these expenditures that constitute the CRLM Program amounted to US\$262 million, of which the proposed PforR operation will finance 64 percent over a period of three years. In support of the CRLM Program, the proposed PforR operation will finance a share of the following government expenditures: (i) at the federal level, on the NRMD, RLAUD, EIAR and ATVETCs; (ii) at the regional level, on BoAs, BLAUs, Regional Institutes of Agricultural Research (RIARs) and regional expenditures on ATVETCs; and (iii) at the woreda level, on agriculture and land administration.

E. Initial Environmental and Social Screening

The WB will undertake an Environmental and Social Systems Assessment (ESSA) to understand the existing GoE E&S risk management and identify gap filling measures.

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⁴ EFY 2009: July 8, 2016 – July 7, 2017



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