

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

Additional Financing

Report No.: PIDISDSA21660

Date Prepared/Updated: 06-Apr-2017

I. BASIC INFORMATION

A. Basic Project Data

Country:	Ethiopia	Project ID:	P163350
		Parent Project ID (if any):	P146883
Project Name:	Productive Safety Net 4 Project Additional Financing (P163350)		
Parent Project Name:	ET Productive Safety Nets Project 4 (PSNP 4) (P146883)		
Region:	AFRICA		
Estimated Appraisal Date:	19-Apr-2017	Estimated Board Date:	02-May-2017
Practice Area (Lead):	Social Protection & Labor	Lending Instrument:	Investment Project Financing
Borrower(s)	Federal Ministry of Finance and Economic Cooperation		
Implementing Agency	Ministry of Agriculture and Natural Resources-ET		
Financing (in USD Million)			
Financing Source	Amount		
International Development Association (IDA)	0.00		
IDA Credit from CRW	100.00		
Financing Gap	0.00		
Total Project Cost	100.00		
Environmental Category:	B-Partial Assessment		
Appraisal Review Decision (from Decision Note):	The review did authorize the team to appraise and negotiate		
Other Decision:			
Is this a Repeater project?	No		

B. Introduction and Context

Country Context

The Government-led response to the El Niño induced-drought of 2015/2016 is widely credited with having enabled Ethiopia to avoid famine. The El Niño drought of 2015/2016 negatively affected the

lives and livelihoods of an estimated 20 percent of the population in Ethiopia. The response to the drought - through the provision of food or cash transfers to 18.2 million people – was the largest ever in Ethiopia, outstripping the response to the 2011 Horn of Africa crisis. The humanitarian response, with an estimated cost of US\$1.6 billion, was the most successful international appeal in 2016.

Remarkably, the Government allocated US\$735 million to the multi-sectoral emergency response. The Government also (i) used the national grain reserve to balance the shortfall in national supply; and (ii) imported significant volumes of wheat, which reached a record high of 2.5 million metric tons. The magnitude of this Government-led response provided much needed support in food insecure areas, moderated food price inflation and, ultimately, protected the population from famine.

The Productive Safety Net Program (PSNP) was the Government's first line of defense to safeguard the livelihoods of the poorest people in drought-affected areas. As discussed in the sections above, the PSNP provides regular cash or food transfers to 8 million people in 329 woredas in eight regions of the country - those areas which are most often hit by drought. The Program is designed to scale-up in response to drought, by extending the duration of support to existing clients or providing support to additional people within drought-affected communities. In mid-2016, the World Bank's Crisis Response Window (CRW) allocated US\$100 million to the PSNP, which the Government used to provide 7.2 million PSNP clients in drought affected areas with additional safety net support .

As Ethiopia seeks to recover from the El Niño-induced drought, a new drought is spreading across the Horn of Africa, particularly affecting southern Ethiopia. The El Niño drought of 2015/2016 undermined the livelihoods of millions of rural Ethiopians. In late 2016, many parts of western and northern Ethiopia enjoyed a regular meher harvest. In contrast, during this same period, much of southern Ethiopia experienced erratic and failed rains as a result of La Niña. By late 2016, this drought had tipped these largely pastoral areas into severe food insecurity and crisis. There are now widespread reports of livestock malnutrition and deaths, particularly in the Somali Region of Ethiopia, and pastoral areas across the Horn of Africa are facing acute water and food shortages. As famine looms in Somalia, the number of refugees moving into eastern Ethiopia is rising, with a resulting strain on already overstretched government facilities and systems.

In response, the Government declared an emergency through the issuance of a humanitarian appeal in January 2017, through which it is seeking emergency support for 5.6 million people at an estimated cost of US\$948 million, of which US\$598 million is to support food or cash transfers to meet emergency food needs. The PSNP is again central to this response, proving cash or food transfers to eight million people, of which over four million people are in drought-affected areas.

To assist the Government in financing drought response, the Executive Directors of the World Bank considering the proposal for the use of a second US\$100 million equivalent from the CRW for the drought response in 2017. These CRW resources are needed for the drought response urgently, following significant efforts by the Government to raise funds from multilateral and bilateral partners, front loading IDA resources and reallocation of its own budgetary resources.

Sectoral and Institutional Context

Launched in 2005, the Productive Safety Net Program (PSNP) provides regular food or cash transfers to food insecure households in chronically food insecure woredas . Households with able-bodied adult members are required to work in exchange for these transfers, while households without able-bodied members receive unconditional “direct support” transfers. The public works activities are planned and carried out in a manner that aims to address the underlying causes of food insecurity. The Program is managed by the Government of Ethiopia through its structures from federal- to woreda-levels and is supported by the Government and eleven development partners, including the World Bank .

The PSNP responds to food insecurity arising from shocks, such as drought, in addition to chronic need. This is achieved through the use of contingency budgets that are held at woreda- and federal-levels. The Government has scaled-up the PSNP to respond to drought repeatedly since 2008. In particular, the PSNP successfully scaled up during the Horn of Africa drought in 2011, supporting an additional 3.1 million beneficiaries for 3 months and extending the duration of transfers for 6.5 million of the existing 7.6 million beneficiaries. The PSNP's response to the 2011 drought was widely credited with preventing the worst impacts of the drought, leading to comparatively less severe drought impacts within Ethiopia relative to its neighboring countries. Emerging evidence from the independent impact evaluations of the PSNP shows that the program protects households from drought and enables them to bounce back faster after a drought has hit.

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Currently, the World Bank is supporting the PSNP through the PSNP 4 Project (US\$600 million equivalent), which was approved by the World Bank's Executive Directors on September 30, 2014. An Additional Financing of US\$ 100 million was approved by the World Bank's Executive Directors on June 30, 2016 from the CRW to enable the PSNP to scale-up in response to the El Niño-induced drought. The estimated total budget of the PSNP from 2015-2020 is US\$3.6 billion, with financing from the Government and eleven development partners, including the World Bank.

The proposed second Additional Financing to the PSNP 4 will scale-up the program in response to the ongoing drought in Ethiopia. The Additional Financing will be allocated to Component 2 "Productive safety nets and links to livelihoods services" of the Parent Project and, within this Component, will finance safety net transfers in cash or food to targeted households. Given the emergency nature of this support, the Government intends to waive the public works requirements for this safety net support.

C. Proposed Development Objective(s)

Original Project Development Objective(s) - Parent

The Program Development Objective is: Increased access to safety net and disaster risk management systems, complementary livelihoods services and nutrition support for food insecure households in rural Ethiopia. This will be achieved through 1) support for building core instruments and tools of social protection and DRM systems, 2) delivery of safety net and enhanced access to livelihoods services for vulnerable rural households, and 3) improved program management and institutional coordination. The project will also contribute to the higher level objectives of (i) improved household food security, livelihoods and nutrition, and (ii) enhanced household and community resilience to shocks. This is consistent with the higher level objectives of the ongoing APL series supporting the PSNP.

Current Project Development Objective(s) - Parent

The Project Development Objective is: increase access to effective safety net and disaster risk management systems, and complementary livelihood and nutrition services for food-insecure households in the Recipient's rural areas.

Proposed Project Development Objective(s) - Additional Financing

The Program Development Objective is: Increased access to safety net and disaster risk management systems, complementary livelihoods services and nutrition support for food insecure households in rural Ethiopia. This will be achieved through 1) support for building core instruments and tools of social protection and DRM systems, 2) delivery of safety net and enhanced access to livelihoods services for vulnerable rural households, and 3) improved program management and institutional coordination. The project will also contribute to the higher level objectives of (i) improved household food security, livelihoods and nutrition, and (ii) enhanced household and community resilience to shocks. This is consistent with the higher level objectives of the ongoing APL series supporting the PSNP.

Key Results

The Results Framework remains unchanged as amended during the preparation of the first Additional Financing that was approved in June 2016. However, this makes no changes to the monitoring of safeguards compliance.

D. Project Description

D. Project Description

The proposed second Additional Financing to the PSNP 4 will help ensure that the current drought response reaches the poorest people. The funds will be used to: (i) scale-up the PSNP to reach drought-affected households not currently receiving any support; and/or (ii) strengthen the response of the PSNP to core beneficiaries suffering from the drought. To this end, the AF will be allocated to Component 2 “Productive safety nets and links to livelihoods services” of the Parent Project and, within this Component, will finance safety net transfers in cash or food to targeted households.

This safety net support to targeted households will be delivered in the form of cash or food transfers. The aim will be to provide cash transfers in those areas where markets are functioning and nominal prices have not increased significantly as a result of the drought. This support will be provided to PSNP and/or transitory food insecure households (new households) residing in program operational areas. The targeting of households, the payment process and monitoring and evaluation of these safety net transfers will follow the procedures that are set-out in the PSNP Program Implementation Manual. The prioritization of areas for support will follow the Government of Ethiopia’s hotspot classification. Given the emergency nature of this support, these transfers will be provided as direct support; that is, the public works requirements will be waived if the drought situation makes this necessary. This provision will be particularly applied in areas that are hard hit by the drought and currently classified as priority one hotspot woredas, which includes most of Somali Region. Given the decentralized nature of the PSNP, however, it is possible that some woredas may opt to carry-out public works. On this basis, the safeguards of the parent Project apply to this Additional Financing as well. The sections that follow describe the safeguards that were triggered for the parent project.

Component Name:

Productive safety nets and links to livelihoods services

Comments (optional)

E. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The section that follows describes the project locations of the Parent Project. The Additional Financing will be allocated within these areas to those that are most badly affected by the current drought.

Under the PSNP 4, the Public Works program in food-insecure districts in all five of these areas will continue to be developed by the communities based on watershed development (or rangelands management), using the integrated, multi-sector landscape management approach of the government's Community-Based Participatory Watershed Development Guideline (CBPWDG) and Rangeland Management Guideline. These Public Works sub-projects, together with activities related to improving household livelihoods, comprise an annual program of several thousand small-scale and micro-scale sub-projects whose impacts will be site-specific and limited. They will include Natural Resource Management sub-projects including soil & water conservation, social infrastructure including community roads, health posts, school renovation and Farmers Training Centers, community water projects and livelihoods-based subprojects such as small-scale irrigation.

The Climate Smart Initiative (CSI) developed during PSNP III determined that the PW program has an important role to play in mitigating the effects of climate change, and reducing the vulnerability of already food insecure communities. Thus climate change requirements are being incorporated in the procedure for planning PW under PSNP IV (the parent project). The requirements for Disaster Risk Management (DRM) in terms of both risk mitigation and adaptation are also incorporated in the design of PSNP IV. The community PW action plans are made nutrition-sensitive by incorporating into the community PW planning process subprojects designed to increase access to a more diversified diet, enable production of nutrient rich crops, increases production of complementary food, etc. Nutrition sensitive PWs subprojects are accompanied by behavior change communication.

Under the Parent Project, and under this proposed Additional Financing in the event that works are carried out, each Public Works sub-project will be screened utilizing an Environmental and Social Management Framework (ESMF). Under the Parent Project only, livelihoods investments at household level will be subject to the Strategic Environmental Assessment (SEA) procedure as outlined in the ESMF.

F. Environmental and Social Safeguards Specialists

Chukwudi H. Okafor(GSU07)

Ian Leslie Campbell(GSP01)

II. IMPLEMENTATION

The Additional Financing will be implemented through the institutional structures established for the PSNP 4. The PSNP 4 is implemented through Government systems, with Food Security Coordination line agencies at every level accountable for oversight and coordination, and implementation undertaken by line ministries, Government agencies and other partners at all levels. These arrangements are cemented in a Memorandum of Understanding (MOU) between Government and development partners. The roles and responsibilities of implementing partners are described in detail in the Program Implementation Manual (PIM).

III. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The following section describes the application of this safeguard policy to the Parent Project, the PSNP 4. In the event that public works are carried-out under the

		<p>Additional Financing, the same procedures will be followed:</p> <p>Many of the PW subprojects, though intended to impact the environment positively, will have some potential for negative environmental impacts if not designed and implemented following good practice. Thus given that there will be a large number of such projects (45,289 sub-projects planned for 2016/17 under the Parent Project), OP 4.01 is triggered. The Environmental and Social Management Framework (ESMF) Screening process refers for Special Attention any sub-projects with one or more of the following features: (i) Involves disposal of medical waste, (ii) Likely to use pesticides or other agro-chemicals, (iii) Incorporates a dam, (iv) involves land acquisition, or loss of assets or access to assets. For sub-projects with medical waste, a GOE Medical Waste Management Guide for Rural Health Clinics will be applied, and was disclosed under APL II. For sub-projects likely to use pesticides, see OP 4.09 below. Sub-projects with a dam are required to be designed by a qualified engineer, and constructed by a qualified contractor under the supervision of a qualified engineer. Dams in excess of 10m are ineligible (see OP 4.37 below). For sub-projects involving land acquisition, see OP 4.12 below.</p> <p>After this initial screening, the ESMF procedure further screens the principal features of each sub-project to ascertain whether it is of Environmental Concern. This is then followed by preliminary environmental and social screening to identify any site-specific potential impacts that might warrant an EIA.</p>
Natural Habitats OP/BP 4.04	No	Under PSNP 4, all sub-projects that might trigger OP 4.04 are eliminated at Screening stage. The same procedure will apply to the Additional Financing.
Forests OP/BP 4.36	No	Under PSNP 4, all sub-projects that might trigger OP 4.36 are eliminated at Screening stage. The same procedure will apply to the Additional Financing.

Pest Management OP 4.09	Yes	For the PSNP 4, this policy is triggered under the assumption that small-scale irrigation sub-projects might require pest management and might involve the use of agro-chemicals. For this reason, the GOE Integrated Pest Management Plan Guide was disclosed under APL II and remains in force under the current ESMF.
Physical Cultural Resources OP/BP 4.11	Yes	For PSNP 4, OP 4.11 is triggered because although deemed unlikely in view of the small scale of the sub-projects, the possibility of “chance-finds” cannot be ruled out. The policy is addressed in the ESMF screening process at three stages: (i) Any sub-project located within a known cultural heritage site is earmarked as a sub-project of Environmental Concern, to be referred to the Regional Environmental Protection Authority, who will decide if an EIA is required, (ii) Assessment for potential disturbance to cultural or religious sites is carried out as part of the site-specific sub-project Screening, which also contributes to a decision whether to earmark a sub-project for possible EIA, (iii) Inclusion of assessment of potential cultural heritage impacts in the EIA of sub-projects, where EIA is found to be necessary, and (iv) Monitoring of sub-project implementation by DAs and wereda staff, in liaison with the concerned Regional Bureau of Tourism and Culture.
Indigenous Peoples OP/BP 4.10	Yes	It has been determined that some of the people resident in the project areas meet the criteria of OP 4.10 and, therefore, PSNP 4 and the proposed AF will trigger this safeguard policy. An Enhanced Social Assessment and Consultation (ESAC) reflecting the requirements of OP 4.10 was undertaken as part of the preparation for PSNP 4. The identified mitigating measures recommended by the ESAC enhanced Social Assessment and Consultation were incorporated in the design of PSNP 4 and will continue under this Additional Financing. The ESAC does not need to be updated, as the Additional Financing does not involve any expansion in the geographic scope of the project, nor in the identity of the affected communities.
Involuntary Resettlement OP/BP 4.12	Yes	Under PSNP 4, the PW sub-projects involving the physical movement and resettlement of

		households are ineligible and are eliminated during the Screening process. However, cases may occur that involve change of land use or restriction of access to communal assets at both community and household level. Where such loss of assets or access to assets is involuntary, the procedures under OP 4.12 will be implemented. For this purpose a Resettlement Policy Framework (RPF) was developed by Government and disclosed before Appraisal of PSNP 4. However, such sub-projects currently continue to remain ineligible and to be eliminated at Screening stage, until the PW monitoring system has been expanded sufficiently to be able to track compliance with OP 4.12 at the scale required (45,289 sub-projects planned for 2016/17). Under the proposed AF, while it is anticipated that the public works requirement will be waived, in the event that any public works are carried-out, this procedure will apply.
Safety of Dams OP/BP 4.37	Yes	Under PSNP 4, any subproject that might incorporate a dam more than 10 metres in height is ineligible and will be specifically eliminated in the first stage of the sub-project Screening process. Smaller dams will be constructed subject to implementation of the FAO dam safety measures in Ethiopia, which form part of the ESMF.
Projects on International Waterways OP/BP 7.50	Yes	This policy was triggered for PSNP 4 because of the small-scale irrigation projects expected in watersheds of three international waterways. Under PSNP4, GOE and the Bank notified the concerned countries in accordance with this policy. No further notification is required for this Additional Financing, as no small-scale irrigation projects are expected to be built.
Projects in Disputed Areas OP/BP 7.60	No	Under PSNP 4, all sub-projects that might trigger OP 7.60 are eliminated at Screening stage. This will be applied to the AF as well.

IV. 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:

From an environmental and social safeguard standpoint, the PSNP 4 Project was a Category B

project, since impacts of the project, for the most part, will be minimal, site-specific and manageable to an acceptable level.

Given the emergency nature of the safety net support that will be provided to targeted households through this proposed Additional Financing, it is anticipated that few, if any, public works will be carried-out. However, given the decentralized nature of program delivery, it is possible that some woredas will carry-out public works. On this basis, the Additional Financing is also rated a Category B project.

The section that follows describes the rationale for rating the PSNP 4 a Category B project:

One of the key objectives of the PSNP is to address the underlying causes of food insecurity, to which land degradation is universally agreed to be a major contributor, particularly in highland areas. Thus the design of the PSNP public works program is intended to have environmentally positive impacts. Under the previous phases, these activities, which include, for example, soil and water conservation and improvement of community infrastructure, have already been shown to constitute a vehicle for significant positive environmental transformation and enhanced productivity.

Nonetheless, negative impacts may occur if the locations or designs of the community activities do not follow good environmental practice, or if they are incompatible with optimum overall management of the watershed. Such impacts, which would be limited in scale and site-specific, could include, for example:

Community Road Construction and Rehabilitation Impacts

- Alteration of drainage patterns and increased flooding and soil erosion from road construction and materials excavation sites
- Right of way removal of vegetation and natural habitats
- Sedimentation of aquatic systems from soil erosion and runoff
- Impact of increased human use on adjacent habitats and wildlife
- Involuntary or voluntary displacement or loss of land or resources or access to resources normally used by individuals or the community for cultivation, livestock grazing, fuelwood, etc.
- Stagnant pools at excavation sites that create breeding sites for mosquitoes
- Potential for disturbance of cultural and historic sites and resources
- Increased in and out population migration due to improved access
- Unplanned, haphazard land use development created by improved access
- Temporary displacement or loss of access or livelihood due to construction detours

Small-scale Irrigation Development Impacts

- Changes in natural drainage patterns upstream and downstream
- Depletion of surface or groundwater sources
- Deterioration in soil quality due to poorly managed irrigation; potential waterlogging and salinization of soils, leading to agricultural abandonment and land degradation

- Runoff from irrigated fields and potential for agricultural chemicals to pollute water bodies
- Abstraction effects on source streams and related aquatic ecosystems
- Lowering of water quality due to agricultural runoff
- Increased pest and disease control problems due to the promotion of monoculture
- Reduced biodiversity due to focus on cash crops
- Potential for disturbance of cultural and historic sites and resources, and damage to nearby sites resulting from changes in the water table or salinization.
- Stagnant waters and disease vectors arising from poorly managed irrigation systems
- Increased use of agricultural chemicals with related human health concerns

Watershed Treatment and Water Harvesting Impacts

- Increased access can aggravate soil erosion problems, especially in higher gradient topography
- Poorly maintained drainage controls and in-stream structures can lead to eventual failures and increased flooding problems
- Reduced downstream nutrient levels from dams that reduce stream transport of organic material and sediment
- Social tensions arising from issues and rights of water allocation
- Mosquito and related health concerns arising from stagnant pools
- Impacts on cultural and historic sites and resources through changes in the water table
- Social problems arising from poorly managed regenerated catchment areas
- Afforestation and Revegetation Impacts
 - Effects of some tree species (e.g., eucalyptus) in reducing groundwater levels
 - Long term effects of forest harvesting on hydrologic systems and stream characteristics
 - Possible reduction in tree and plant species diversity arising from the introduction of new plantations and re-vegetation schemes
 - Effects of monocultures on ecosystem diversity, function and sustainability
 - Changes in habitat characteristics and potential effects on endemic wildlife species
 - Social problems arising from issues related to the ownership and user of new forests
 - Effects of grazing bans on the cost of rearing livestock and shift of grazing pressures to other areas

Livestock, Pasture and Water Points Development Impacts

- Compaction of soils from increased activity around new water sources
- Potential contamination of water sources and needs for controls on human use
- Concentrations of livestock at specific watering sites/routes that result in overgrazing of vegetation and related land degradation
- Potential social tensions over access to pastoralists water sources
- Drinking Water Sources Development Impacts
 - Increased water withdrawals could exceed groundwater recharge rates in some areas
 - Development of springs may affect availability of downstream water supply
 - Physical impacts of increased human traffic near water stations
 - Potential contamination of open wells by livestock and human uses
 - Reduced availability of aquatic ecosystems due to water abstraction

- Increased dependence on new water supply systems that prove to be unreliable
- Sanitation and health concerns associated with the operation of new drinking water sources
- Land use and social issues and tensions over the siting of and access to new water sources

School, Health Posts or Farmers Training Centres Construction, Rehabilitation or Expansion Impacts

- Site disturbance and potential drainage alterations from construction activities and expansion of facilities
- Involuntary or voluntary displacement or loss of lands or resources or access to resources normally used by individuals or the community for cultivation, livestock grazing, fuelwood, etc.
- Water shortages due to increased demands on existing sources
- Increased production of human and medical wastes and potential for contamination of waterbodies and groundwater
- Increased timber harvesting on nearby lands for construction materials
- Construction impacts on sensitive wildlife habitats and aquatic systems
- Increased pollution from site development and operations, including medical waste
- Sanitation and health issues related to increased human presence and medical waste disposal
- In-migration and settlement generated by rehabilitated facilities

Component 3: Livelihoods Support through Three Pathways

Since each household-level activity will be at micro-scale, and as the procedures under this Component will include the assessment of the agro-ecological suitability of the activity, including screening for potential negative impacts, no significant site-specific negative impacts are expected from individual household-level activities. The only environmental or social concerns might be potential cumulative negative impacts in the longer term of large numbers of households adopting new activities in fragile environments over a number of years. This might include, for example, an increase in livestock ownership with resultant potential over-grazing and environmental degradation, or a falling water-table in a woreda due to large numbers of households adopting shallow-well irrigation.

Safeguards Issues

This project triggers seven safeguard policies: The Environmental Assessment Policy (OP 4.01), related to the possible impacts mentioned above, for which an ESMF has been developed and disclosed; the Pest Management Policy (OP 4.09), predicated on the possibility of small quantities of pesticides being employed in small, community-level irrigation projects; the Physical Cultural Resources Policy (OP 4 .11), because although deemed unlikely in view of the small scale of the PW sub-projects, the possibility of ‘chance-finds’ cannot be ruled out; the Indigenous Peoples Policy (4.10), which is applied under the present agreement between GoE and the WB, for which an Enhanced Social Assessment and Consultation reflecting the requirements of OP 4.10 has been undertaken; the Involuntary Resettlement Policy (4.12), predicated on the possibility that although sub-projects potentially involving physical relocation are ineligible, there might occur cases involving change of land use or loss

of assets or reduction of access to assets. In such cases the procedures of OP 4.12 will be implemented, for which a Resettlement Policy Framework (RPF) has been developed and disclosed. However, sub-projects involving any form of involuntary asset loss are currently ineligible pending completion of an expanded PW monitoring system capable of identifying and tracking such sub-projects; the Safety of Dams Policy, predicated on the possibility that although dams of more than 10 metres in height are ineligible, smaller dams might have safety issues, for which compliance with the FAO Small Dams Safety Measures in Ethiopia is required; and the International Waterways Policy (OP 7.50), because of small-scale irrigation projects that may be implemented in watersheds of international waterways.

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

The following describes the potential indirect and/or long term impacts of the PSNP 4 (the Parent Project). Activities under PSNP 4 include watershed development interventions and improved farming and land-use management systems, under the community watershed development approach of the government. These are expected to make contributions to positive environmental regeneration and transformation, which is one of the objectives of the PSNP. As stated above, any potential long-term or cumulative impacts that might have been caused by PSNP PW activities such as infrastructure will be detected through the Screening and mitigating procedures, and addressed. At the same time, potential long-term cumulative impacts that might have been caused by the implementation of large numbers of similar Livelihoods Strengthening activities will be managed by annual monitoring of impacts at woreda level, and corrective action taken. In view of this, no indirect or long-term negative impacts are anticipated from the project.

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

Under the PSNP 4, the principal project design alternative considered was to provide the cash or food on a predictable basis, but as direct support, i.e., not to undertake physical public works. This would have avoided incurring any negative impacts from infrastructure sub-projects. However, this option was rejected, due to (i) potential large-scale dependency, with attendant negative social impacts; and (ii) because it would not offer the opportunity to carry out environmental rehabilitation of the watersheds through Soil and Water Conservation (SWC) sub-projects, which is necessary for improved livelihoods. In addition, the creation of new community infrastructure assets, which are also essential to meet the objectives of the project, would not be achieved.

Importantly, however, under the Additional Financing, the safety nets will be provided as direct support in recognition of the emergency nature of this support.

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.

The following describes the measures taken with regards to PSNP 4: The 1994 Constitution of Ethiopia proclaims that all citizens shall have a right to live in a clean and healthy environment, and that Government and citizens have a duty to protect the environment, and the design and implementation of programs and projects shall not damage or destroy the environment. The Constitution incorporates a number of other provisions relevant for the

protection, sustainable use and improvement of the environmental resources of the country. It reflects a view of environmental concerns in terms of fundamental human rights, and provides a basis for the formulation of national policies and strategies on environmental management and protection. It assures that no development activity shall be disruptive to the ecological balance, and that people concerned shall be made to give their opinions in the preparation and implementation of environmental protection policies and programs.

The Constitution also:

- a) Maintains land under the ownership of the Ethiopian people and the government but protects security of usufruct tenure;
- b) Reinforces the devolution of power and local participation in planning, development and decision taking by regions and woredas;
- c) Ensures the equality of women with men;
- d) Ensures the appropriate management as well as the protection of the well-being of the environment
- e) Maintains an open economic policy;
- f) Recognizes the rights of groups identified as “Nations, nationalities and Peoples” having a common culture or similar customs, mutual intelligibility of language, belief in a common or related identity, a common psychological make-up, and who inhabit an identifiable, predominantly contiguous territory.
- g) Recognizes the rights of pastoral groups inhabiting the lowlands.

A series of legal proclamations form the basis for the environmental assessment and management framework in Ethiopia: the Proclamation on the Establishment of Environmental Protection Organs (No. 295/2002); the Proclamation on Environmental Impact Assessment (No. 299/2002); the Proclamation on Environmental Pollution Control (No. 300/2002); and the Proclamation on Solid Waste Management (No. 513/2007). The EIA Directive 1 of 2008, Directive to Determine Projects Subject to EIA, determines the categories of project subject to EIA Proclamation 299/2002.

There are two key public institutions that are directly responsible for monitoring environmental compliance: the Ministry of Environment and Forests (MoEF) and Ministry of Agriculture (MoA), which have decentralized to the regional level. In the case of MoA, decentralization has gone further to the woreda and kebele levels. There exists a critical mass of capacity within the (MoA) and MoEF at the federal and decentralized levels to manage environmental and social safeguard issues.

Since 2005 the borrower has taken, and continues to take, extensive measures to build capacity for the implementation of safeguard policies, as follows:

All the regions in which PSNP 4 is being implemented, have developed institutional capacity for implementing the ESMF.

There are now Environmental and Social Safeguards Specialists working in all of the PW units at federal and levels and trained and woreda staff for overseeing ESMF screening. As a result, ESMF screening rates have generally been running at, or are close to, 100% in the

PSNP regions. Investment in continuous training of regional and woreda staff and around 6,000 Development Agents is seen as key to this success and has sustained the technical capacities of each level in the implementation not only of the ESMF but of community-based watershed planning and the development of PW plans. Nonetheless, ESMF Screening of PWs in pastoral areas has not yet reached the standard of quality achieved in the highland areas and further training is being given to address this issue.

Under PSNP 4, the regular PW monitoring system covers not only ESMF Screening but also the implementation of mitigating measures specified at the time of Screening. While the PW Reviews have found that most mitigation measures have been implemented, the fact that some water and community road sub-projects in highland areas have resulted in negative environmental impacts highlights the need to continue to improve the implementation of ESMF mitigation measures for these types of sub-project. The implementation of mitigation measures in lowland areas has not yet been fully reviewed.

Under PSNP 4 joint government-donor monitoring of ESMF implementation is conducted, followed by corrective measures if required. This monitoring will be undertaken through (i) The PW component of the PSNP 4 M&E system, which tracks the nature and extent of implementation of the ESMF, and (ii) Twice-annual joint Government-donor PW Reviews, in which samples of PW sub-projects countrywide are examined for quality, sustainability, impact and ESMF compliance. Any rectification works (both labour and nonlabour) required will be conducted using Project resources in the form of repair and rehabilitation works under the next annual PW programme of activities. Ensuring that this happens is the responsibility of the DA involved in the community PSNP PW planning process, and the NR Expert in the NR Woreda Case Team.

Given the large number of new public works subprojects in each year (45,289 planned for 2016/17 under the Parent Project), and the short subproject implementation cycle, subprojects likely to require the Resettlement Policy Framework continue to be ineligible and are being screened out, pending the planned strengthening of the Grievance Redress Mechanism (GRM) and expansion of the PW compliance monitoring system. However, arrangements are already underway for training the Development Agents on the implementation of OP 4.12, and a draft GRM manual has been developed. These are all essential steps for satisfactory management and monitoring of such subprojects in the future.

The Enhanced Social Assessment and Consultation Action Plan continues to be implemented in compliance with OP 4.10. Specifically: (i) reviewing and strengthening targeting in pastoral areas; (ii) undertaking a five-year review of the Roving Appeals Audits to inform the draft GRM Manual; (iii) implementing an Expanded Social Accountability Pilot in 19 woredas (including Somali and Afar); and (iv) increasing communications and improving the awareness of both clients and non-clients.

There has been a number of monitoring missions to pastoral areas with the aim of improving project performance for pastoral groups, and two specialists in pastoral communities have been taken on in NRMD and allocated to the PWCU. In addition, a contextual assessment of the application of gender provisions in pastoral areas is underway in order to be able to

modify the PIM to be more appropriate for women and children, particularly in vulnerable and marginalized groups.

All woredas during PSNP 4 where the Livelihoods component is being implemented have developed Woreda Environmental Profiles and ‘Negative Lists’ limiting the types of activities that can be undertaken in order to meet compliance with the World Bank safeguard policies.

Staff of the Regional EPAs and the woreda Environmental (Natural Resources) focal persons participate in the annual awareness-creation and training courses for the PSNP Public Works, which includes ESMF training of NR Experts in the Woreda NR Case Teams. These training courses, which were upgraded by the expanded federal PWCU, are provided by teams drawn from MoA at Federal and Regional level, with technical assistance from the Natural Resources Management personnel of MoA, the regional Environmental Protection Bureaus and agencies such as WFP. The woreda-level trainees in turn train the DAs at the local level. The cost of implementing the ESMF training are covered partly by the PSNP 4 Management Budget at federal, regional, woreda and kebele levels, and partly by the regular government staffing and overhead budgets at all levels.

In order to address projects that might include the renovation or extension of medical clinics in the public works program, the Government’s Waste Management Guide for Rural Health Clinics is published and disclosed, in accordance with OP 4.01.

To address the possible use of small quantities of pesticides in small-scale irrigation schemes, the Government Guide for Integrated Pest Management in Small-Scale Irrigation Schemes is published and disclosed under APL II, in accordance with the ESMF and OP 4.09.

The Physical Cultural Resources safeguard policy is addressed by being integrated into the ESMF screening process at three stages: (i) Any sub-project located within a known cultural heritage site is earmarked as a sub-project of Environmental Concern, to be referred to the Regional EPA, who will decide if an EIA is required, (ii) Assessment for potential disturbance to cultural or religious sites is carried out as part of the site-specific sub-project Screening, which also contributes to a decision whether to earmark a sub-project for possible EIA, (iii) Inclusion of assessment of potential cultural heritage impacts in the EIA of sub-projects, where EIA is found to be necessary, and (iv) Monitoring of sub-project implementation by DAs and woreda staff, in liaison with the Regional Bureau of Tourism and Culture.

The International Waterways policy OP 7.50 is triggered because some of the public works may be small-scale irrigation projects located in watersheds of international waterways. The World Bank, on behalf of Government, has notified the concerned riparian governments in accordance with this policy, covering the five-year period of PSNP 4. The Task Team’s assessment is that the Project will not cause appreciable harm to any of the Riparians concerned.

Safeguard Policies Not Triggered by PSNP 4

The Natural Habitats and Forests safeguard policies are not triggered because (i) Land not

already converted to settlement, cultivation or community grazing is not incorporated in the watershed areas covered by the community watershed development plans; (ii) PW activities involving land conversion are ineligible for PSNP funding; (iii) The DA screens out (for separate EIA) any activity within a National Park or other designated wildlife area or buffer zone, and any activity in a Priority Forest Area, and any activity that might involve draining of, or disturbance to, a wetland. OP 7.60 (Projects in Disputed Areas) is not triggered because any PW activity proposed in, or adjoining, a disputed area is ineligible for PSNP funding and is specifically eliminated by the ESMF Screening process.

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 beneficiary households and those involved in the implementation of the program. Under PSNP 4, the provisions of the ESMF are incorporated into the training materials used at woreda and kebele levels, which will reach some 1.5 million beneficiary households, and are regularly updated according to community and government staff feedback. Consultation on the safeguard policies have taken place through the annual training programmes, twice-yearly Public Works Reviews, and the participatory community public works planning meetings conducted annually by the DAs in over 10,000 watersheds during the nine years of APL I, II and III. The PSNP 4 Enhanced Social Assessment and Consultation, ESMF and RPF were the subject of extensive consultation among stakeholders including at community level, and the reports and requirements of these consultations are incorporated in the final documents as disclosed in the World Bank Info Shop and Country Office public-access library, and through the Ministry of Agriculture at federal level, and regional levels, as well as through the Ministry of Environment and Forests.

As part of PSNP 4, an Expanded PSNP Social Accountability Pilot is now underway, incorporating a focus on monitoring impacts of the PSNP on marginalized and vulnerable groups. PSNP staff are also involved in the development of guidelines for consultation with vulnerable groups, which in future will be used by frontline staff of projects such as the PSNP.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	07-Jul-2014
Date of submission to InfoShop	10-Jul-2014
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
<i>"In country" Disclosure</i>	
Ethiopia	10-Jul-2014
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	07-Jul-2014
Date of submission to InfoShop	10-Jul-2014

"In country" Disclosure	
Ethiopia	10-Jul-2014
<i>Comments:</i>	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	07-Jul-2014
Date of submission to InfoShop	10-Jul-2014
"In country" Disclosure	
Ethiopia	10-Jul-2014
<i>Comments:</i>	
Pest Management Plan	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	12-Aug-2009
Date of submission to InfoShop	12-Aug-2009
"In country" Disclosure	
Ethiopia	13-Aug-2009
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why::	

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	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	[X]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	[X]
OP 4.09 - Pest Management						
Does the EA adequately address the pest management issues?	Yes	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Is a separate PMP required?	Yes	<input type="checkbox"/>	No	[X]	NA	<input type="checkbox"/>
If yes, has the PMP been reviewed and	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	[X]

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?						
OP/BP 4.11 - Physical Cultural Resources						
Does the EA include adequate measures related to cultural property?	Yes	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
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	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
OP/BP 4.12 - Involuntary Resettlement						
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Is physical displacement/relocation expected?	Yes	<input type="checkbox"/>	No	[X]	TBD	<input type="checkbox"/>
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes	<input type="checkbox"/>	No	[X]	TBD	<input type="checkbox"/>
OP/BP 4.37 - Safety of Dams						
Have dam safety plans been prepared?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	[X]
Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	[X]
Has an Emergency Preparedness Plan (EPP)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	[X]

been prepared and arrangements been made for public awareness and training?						
OP 7.50 - Projects on International Waterways						
Have the other riparians been notified of the project?	Yes	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
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	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	[X]
Has the RVP approved such an exception?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	[X]
The World Bank Policy on Disclosure of Information						
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
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	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
All Safeguard Policies						
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have costs related to safeguard policy measures been included in the project cost?	Yes	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes	[X]	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

V. Contact point

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VII. Approval

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