



Additional Financing Appraisal Environmental and
Social Review Summary
Appraisal Stage
(AF ESRS Appraisal Stage)

Date Prepared/Updated: 05/24/2022 | Report No: ESRSAFA420



BASIC INFORMATION

A. Basic Project Data

Country	Region	Borrower(s)	Implementing Agency(ies)
Ethiopia	Eastern and Southern Africa	Federal Democratic Republic of Ethiopia	Ministry of Agriculture, Third Party Implementer in areas of High Risk of Ongoing Conflict (UN Agency to be determined)
Project ID	Project Name		
P179092	Second Additional Financing for Strengthen Ethiopia's Adaptive Safety Net		
Parent Project ID (if any)	Parent Project Name		
P172479	Strengthen Ethiopia's Adaptive Safety Net		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing	5/30/2022	6/27/2022

Proposed Development Objective

The Project development objectives are (a) to expand geographic coverage and enhance service delivery of Ethiopia's adaptive rural safety net to improve the well-being of extremely poor and vulnerable households in drought prone communities, and (b) in case of an Eligible Early Response Financing Event ("Eligible ERF Event"), respond promptly and effectively to it.

Financing (in USD Million)	Amount
Current Financing	2283.76
Proposed Additional Financing	300.00
Total Proposed Financing	2583.76

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?



Yes

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The proposed project would be an Investment Project Financing with an estimated one third of the Bank credit allocated to Performance Based Indicators (PBC).

The proposed project will support the fifth phase of the Government of Ethiopia's Productive Safety Net Program (PSNP). This phase of support will build on experiences and lessons learned from early phases of implementation and will seek to make key enhancements to the program under three components.

Component 1: Adaptive Productive Safety Net. This component focuses on the delivery of safety net operations for core program clients. It includes: the delivery of core transfers; the implementation of the public works sub-projects by which most beneficiaries earn their safety net benefits; services for children between 1 and 5 years old; and, complementary livelihood services to enable PSNP beneficiaries to enhance and diversify their incomes. The component aims to address environmental degradation, mitigate the negative impacts of climate change, and support poor households' adaptation to climate change.

Component 2: Improve Shock Responsiveness of the Rural Safety Net. This component will support the expansion of PSNP to additional drought-prone woredas, invest in underlying systems to deliver timely and adequate assistance to households affected by drought shocks, and finance vertical and horizontal expansion of transfers in case of emergency (drought). The Component will enhance PSNP capacity to function as an integrated shock responsive social safety net, building on the Government of Ethiopia's decision to consolidate the operational management of humanitarian food assistance and PSNP under the Food Security Coordination Directorate in the Ministry of Agriculture. This component also includes an Early Response Financing (ERF) Contingent Emergency Response Component (CERC) which will facilitate an early response to emerging food insecurity crises, to be financed through the Crisis Response Window (CRW).

Component 3: Systems, Capacity Development, and Program Management Support. Activities in this component aim to consolidate several important initiatives to build systems under previous phases of the PSNP. This will enhance service delivery in the areas of payments, information for operations, and program dynamism and responsiveness to beneficiaries, including taking advantage of technology to improve the program's efficiency and governance. This component will also provide institutional support to GoE to improve overall program management. It will finance the program management budgets at the federal and subnational levels. Financing will be provided for planning, implementation, and technical oversight of program activities such as implementation of safeguards requirements and financial, commodity, and procurement management. Support will also be provided for systems assessments, audits, pilots, and impact evaluations.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

Public Disclosure



Ethiopia depends principally on agriculture both for its economic growth and food security. Some 80% live in rural areas with agriculture (crop production and animal husbandry) as the main source of livelihood. The government has developed a Climate Resilient Green Economy (CRGE) strategy in support of the GTP. The vision of the CRGE is to achieve middle-income status by 2025 in a climate-resilient green economy.

The services provided by natural resources including agriculture and livestock play a critical role for the livelihood of the majority of Ethiopia's population. Agriculture is the key pillar of the economy and the most important source of growth. Agricultural production is mostly rain-fed and dominated by small-scale farmers and enterprises that contribute some 90% of agricultural production. Although much of the agriculture remains at subsistence level, smallholders provide a large part of traded commodities, including for exports and about 70% of the raw material requirements of agro-based domestic industries.

Agriculture, which is the critical element of economic growth and food security of the country, relies on sustainable management of land and water. The country, however, was experiencing low and declining agricultural productivity, persistent food insecurity, and rural poverty largely attributed to land degradation. It was estimated that by the mid-1980s some 27 million ha or almost 50 percent of the Ethiopian highlands, which makes up about 45 percent of the total land area, was significantly eroded. Of this 14 million ha was seriously eroded and over 2 million ha were beyond reclamation. It was estimated that some 30,000 ha were being lost annually as a result of soil erosion, representing over 1.5 billion tons of soil removed annually by a variety of land degradation processes.

Since 2005 crop yields have been rising steadily, as various government watershed rehabilitation programs - including the PSNP Public Works program - have been implemented, and fertilizer and improved seeds have been made available to farmers. The incidence of food shortages decreased from 31% in 2005 to 10% in 2016. Nonetheless crop yields are still low by continental standards, millions of Ethiopians still face land degradation, and due to the pressure on land many farms are now below the size considered sufficient for sustainable smallholder farming. Thus there is still much to be done to improve the productivity of the natural resource base; many smallholder farmers still need income support.

The SEASN project has made significant progress since starting operations and "Progress Towards Achievement of PDO" and the "Overall Implementation Progress" are rated satisfactory. The PSNP has continued to provide cash and food transfers to 7,997,216 core beneficiaries of which 6,801,133 are public works participants and the remaining 1,196,083 are direct support recipients. The Government developed and endorsed an Expansion and Caseload Reallocation Plan and has undertaken a large-scale retargeting in accordance with this plan in most of the country (retargeting has not taken place in Tigray and some other districts also affected by conflict). A new e-payment service provider, the Commercial Bank of Ethiopia, has been brought on board and has almost completed account opening in woredas currently selected as e-payment woredas. With financing from the CRW Early Response Financing, 2.9 million people affected by drought received three months of shock responsive cash transfers under Component 2 of the operation. The Government of Ethiopia has made its planned financial contributions in line with commitments despite tightening fiscal space, demonstrating its ongoing commitment to the program. The disbursement rate currently stands at 52 percent (48 percent of the original financing and 100 percent of the first additional financing)

However, PSNP activities have been severely disrupted in Tigray and parts of Amhara and Afar as a result of the conflict between the Tigray People's Liberation Front forces and Government of Ethiopia forces. PSNP operations in Tigray were suspended in November 2020, temporarily relaunched in a significantly modified approach in February



2021, and were again suspended following the withdrawal of Government forces from Tigray region by the end of June 2021. Operations in parts of Amhara and Afar were also impacted by the conflict with incursions by Tigray-backed forces. Since the start of the calendar year, implementation has restarted in most of the Afar and Amhara woredas affected by the conflict (guided by an Assessment which indicated in which woredas it was appropriate to restart operations; and whether modified modalities were required).

Direct beneficiaries of the second Additional Financing (AF2) will be vulnerable households affected by drought shocks who are included in the program on a temporary basis. This category of beneficiaries was already defined in the parent project. The SEASN PAD states that direct program beneficiaries of the broader SEASN operation include the eight million people targeted as core beneficiaries by the PSNP, and households temporarily included as a result of a drought shock. This AF will finance temporary support to an additional 1.2 million beneficiaries. As indicated above, beneficiaries of the AF2 will be targeted using established community-based methods in districts where the PSNP is already delivering core transfers.

The AF2 will continue strengthening the existing Grievance Redress Mechanism to address complaints of targeted households. The Kebele Appeals Committees (KAC) are mandated for hearing and addressing complaints regarding the delivery of support to program affected parties including targeting and transfers at local level. The annual GRM review will continue to be carried out to review and integrate recommendations to improve functionality of the mechanism.

No significant incidents or events, including traffic-related incidents, have been reported during the implementation of the parent project and the first AF.

D. 2. Borrower's Institutional Capacity

The SEASN is implemented through Government systems with relevant line ministries responsible for delivering services related to their mandates. Overall coordination and management of the project is the responsibility of the Food Security Coordination Directorate (FSCD) of the Ministry of Agriculture. The FSCD coordinates all aspects of the SEASN, ensures timely transfer of resources to regions and coordinates and oversees the on-farm and off-farm livelihood related services under the program. The FSCD social development unit will be responsible for coordinating and overseeing the planning, implementation and monitoring of the social management instruments and work in close collaboration with Women, Children and Youth Affairs Directorate of MoA, Ministry of Women and Social Affairs (MoWSA), and Natural Resources Management Directorate (NRMD) to address social issues under the AF2.

Other key stakeholders include:

- The Ministry of Women and Social Affairs, which under the parent project was taking on an increasing role in the Permanent Direct Support component, will be signatory to a tripartite MoU that includes FSCD and Ministry of Health for the joint coordination, implementation and monitoring of linkages for the program's social services component.
- The Public Works Coordination Unit (PWCU) in the Natural Resources Directorate (NRMD) of the Ministry of Agriculture, which will coordinate and support the public works component.
- The Livelihoods Coordination Unit (LCU) in the FSCD will coordinate and support the Livelihoods component.
- The Ministry of Finance will be responsible for overall financial management and reporting and is responsible for the channeling of SEASN resources to the implementing agencies at federal and regional levels. It also commissions the audits of the cash resources for the parent project.



- The National Disaster Risk Management Commission which has overall responsibility for the inter-sectoral coordination of Disaster Risk Management activities including the consolidation and dissemination of early warning information

Under the parent SEASN the federal entities concerned with the activities of potential environmental and social concern are:

- ☐ The NRMD, in which the Public Works Coordination Unit (PWCU) is responsible for overseeing and supporting the Public Works sub-component, including the implementation of E&S Standards;
- ☐ The LCU in the FSCD, which is responsible for overseeing and supporting the implementation of E&S Standards for the Livelihoods sub-component;
- ☐ MoWSA works closely with FSCD in monitoring and reporting on the implementation of Environment and Social Standards at the community level (child labor, OHS, and GBV/SEA)

The Public Work Coordination Unit(PWCU) of the NRMD was responsible for environmental and social safeguards management for the Public Works sub-component since 2005 under the previous World Bank safeguards architecture, and now takes responsibility for meeting the Bank’s E&S Standards under SEASN with active engagement and coordination lead by FSCD that also oversees the additional social standards. Orientations are being provided to the staff based on the ESMF, and more extensive training is facilitated as per the ESMF. The PWCU originally included two staff qualified in environmental risk management, which was increased to three for SEASN, while the FSCD social development specialist positions were increased to two, and a Gender/GBV focal person was assigned based on assessment during preparation of the parent project. The E & S specialists for the program including the national level social development specialist , targeting and GRM specialist and gender and GBV focal persons who will work closely with regional assigned gender and social developments experts as well as woreda level Social development experts to oversee the activities of the AF2. The staffing requirements are set out in detail in the Parent SEASN Environmental & Social Commitment Plan (ESCP).

The parent project became effective in March 2021. According to the latest ISR, the implementation of the project was rated satisfactory, and the environmental and social risk management was rated as moderately satisfactory, due to limitations in the reporting and capacity-building during 2021 in areas most affected by the COVID-19 pandemic and the conflict. The existing implementing agencies have assigned qualified environmental and social management specialists at different levels, and the necessary additional training and monitoring on the SEASN ESMF is now being rolled out. There is no additional staffing anticipated for the AF2, but staff have been assigned to ensure the continued roll-out of the ESMF training for the frontline workers who will be involved in the distribution and management for the AF2 food transfers.

The conflict situation in Tigray and parts of neighboring regions, has resulted in a high risk of ongoing conflict areas (HROCA), where there will be increased risk to implementers and higher cost of implementation. To manage this risk, the World Bank and the Government of Ethiopia (GOE) have agreed to a TPIA to implement in areas where government staff cannot safely operate. The TPIA will implement activities under Component 2: Improve Shock Responsiveness of the Rural Safety Net by managing the distribution of shock responsive food transfers in selected areas. A second third-party agency will be contracted to undertake independent monitoring in HROCA's.

Third-party implementing entities could be United Nations (UN) Agencies (UNICEF, UNOPS), international or national Nongovernmental Organizations (NGOs), Civil Society Organizations (CSOs), amongst others, who may be contracted



to procure goods, implement works contracts, and provide consultancy and non-consulting services. The selection of the TPIA(s) to be contracted is under review by Government and will be finalized before Appraisal. The Ministry of Finance and Ministry of Agriculture will conduct the procurement of these entities in accordance with the World Bank's Procurement Regulations. For all the contract with UN agencies, the Borrower will use the standard contracts agreed between the respective UN agencies and the World Bank. The client will ensure that the TPIA has the required capacity for environmental and social risk management of the project. This requirement will be included in the Environmental and Social Commitment plan.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Moderate

The AF2 finances food transfers, which involve moderate on-the-ground activities, with commensurate potential negative environmental risks or impacts. The food transfer is for shock response in drought-affected areas. The potential key environmental health and safety (EHS) impacts and risks include: transport related (traffic, accidents, fuel use), vehicle related waste management (used oil, batteries, etc.); storage and distribution facilities (e.g., warehouses, etc.) including potential fire and safety (including control of dust), pest control (rodents, insects), material use (energy, water), worker OHS (use of equipment, heavy lifting, etc.), waste management, and community safety associated with food transport and distribution. In addition, under the capacity building component, the AF2 will finance (US\$50 million) the procurement of IT equipment, vehicles and other physical capacity to re-establish critical capacity in the conflict affected woredas. Hence, occupational health and safety (OHS) and waste management concerns are anticipated to be relevant risks as a result of the project activities. Under the World Bank's ESF the environmental risk of the project is moderate and, therefore, the client is expected to update the environmental risk management instruments of the parent project, as appropriate, particularly the OHS plan and waste management guideline to manage the AF2 activities related to the food transport, storage and distribution as well as capacity enhancement as described in ESS1 section below.

Social Risk Rating

Substantial

Under the World Bank's ESF, the social risk of the project is assessed as Substantial. The potential risks could be related to social exclusion from the project benefits, sexual exploitation and abuse related to targeting, security and SEA risks for the project workers and the community during the implementation in conflict affected areas. The capacity of program implementers also needs strengthening to apply the ESF standards. The client has updated the SEP and ESCP taking into consideration the second additional financing. Furthermore; Ministry of Agriculture(MoA) will develop security risk assessment and management plan to avoid and minimize security risks.

Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Risk Rating

Substantial

The SEA/SH continues to be substantial for the second AF. GBV action plan developed for the parent project is under implementation. The main findings of the parent project assessment included potential SEA risks linked to awareness gap on SEA/SH and gap in implementation capacity of the borrower, lack of procedure for complaints related to SEA/SH, sexual favors for registration and domestic violence due to disagreement between spouses on how to use



program transfer. Though there has been some progress in strengthening the capacity by assigning Gender expert, providing orientation to staff and preparation of service mapping, the second additional financing has added potential risk of SEA/SH because of program implementation in conflict affected areas that pose risk both to the project workers and the beneficiaries. Thus to prevent and mitigate SEA/SH risks in conflict affected areas, specific update will be made in the GBV action plan in line with third party implementation arrangement, capacity building activities, any other relevant prevention and response measure. The updated GBV Action plan will be cleared as part of the ESMF prior to disbursement for the 2AF project activities in conflicted affected areas.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The AF2 finances food transfers which involve moderate on-the-ground activities, with commensurate potential negative environmental risks or impacts. The potential key environmental health and safety (EHS) impacts and risks include: transport related (traffic, accidents, fuel use), vehicle related waste management (used oil, batteries, etc.); storage and distribution facilities (e.g., warehouses, etc.) including potential fire and safety (including control of dust), pest control (rodents, insects), material use (energy, water), worker OHS (use of equipment, heavy lifting, etc.), waste management, and community safety associated with food transport and distribution. In addition, under the capacity building component, the AF2 will finance (US\$50 million) the procurement of IT equipment, vehicles and other physical capacity to re-establish critical capacity in the conflict affected woredas. Hence, occupational health and safety (OHS) and waste management concerns are anticipated to be relevant risks as a result of the project activities. In the areas where the TPIA will operate, the risks will be managed by the government staff trained in the SEASN ESMF. Hence, the client is expected to update environmental risk management instruments particularly the OHS plan and waste management guideline to manage the AF2 activities related to food transport, storage and distribution as well as capacity enhancement, proportionate to the risks and impacts. Furthermore, the Project requires the TPIA implement the ESRM instruments commensurate with the project scope, characteristics and risks regarding food transport, storage and distribution. In the areas where the TPIA will operate, the risks will be managed by the TPIA environmental and social staff in collaboration with the government staff trained in the SEASN ESMF.

The food transfer could give rise to negative social impacts, such as (i) social hardship due to delayed transfers; (ii) social exclusion arising from state capture, gap in the targeting procedure; (iii) social conflict due to variations in transfer amounts or food baskets provided by different agencies within the same area; (iv) GBV/SEA risks due to limited capacity of implementers and the risks for project workers and project affected people in conflict affected areas. The risk rating for GBV/SEA for the AF is thus substantial. The borrower will develop security risk assessment and management plan to address the security risks as part of AF2 to be cleared prior to disbursement for activities in conflict affected areas. Specific update will be made with the GBV action plan taking into consideration the risks in conflict affected areas. The Borrower has also updated the SEP taking into consideration the AF2, and the Environmental & Social Commitment Plan (ESCP) incorporating key commitments pertinent to the AF2.



ESS10 Stakeholder Engagement and Information Disclosure

There are two types of stakeholders concerned with the Project:

- ☐ Project-affected parties: principally the communities targeted as PSNP-beneficiary communities that include vulnerable groups;
- ☐ Other interested parties: these include neighboring communities, concerned government staff (federal and local), NGOs involved in PSNP implementation support, and Development Partners supporting the project.

Summary of the SEP

During the parent project preparation, the Borrower developed a Stakeholder Engagement Plan (SEP), in accordance with the provisions of ESS10. Taking into account the large-scale directly affected population (approximately 8 million), the SEP pays particular attention to:

- ☐ historically underserved traditional communities affected, to ensure that services provided will be appropriate;
- ☐ especially vulnerable and disadvantaged groups, including the elderly, persons with disabilities, female-headed households, people in conflicted affected communities, orphans and vulnerable children.
- ☐ neighboring communities that might be directly or indirectly affected by the project.
- ☐ Implementation of a grievance mechanism to address questions from beneficiaries and non-beneficiaries and resolve potential conflicts

The SEP has been implemented by the FSCD in the past. To facilitate SEP implementation, the borrower has assigned a dedicated focal person to work on stakeholder engagement. So far different stakeholders’ engagement activities have been undertaken. These include project launching workshop at national and regional level, preparation and distribution of communication materials on targeting criteria and procedure as well as GRM overview and consultations at community level on full targeting and annual public work planning.

The AF SEP has been updated to address specific issues related to the AF2 including engagement of third party implementer and monitoring agency .

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

ESS2, which has been satisfactorily implemented to date, applies to the AF2 principally in respect of the supervisors or workers who are employed directly by the local government office to support the distribution and management of food transfers, and contract staff in the event that waste disposal of vehicle-related materials is required during project operations (see below)

Where government civil servants are working in connection with the AF2, they will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement. ESS2 applies to civil servants only in respect of provisions for protecting the work force.



The Borrower has prepared a Labor Management Procedures (LMP) for the parent project proportional to the activities, risks and impacts, setting out detailed procedures to ensure compliance with the standards of ESS2 for all labor categories involved. This will be applicable to the AF2.

The parent project ESMF includes an Occupational and Community Health & Safety Plan, which requires the implementation of all necessary measures for health and safety, including issues such as labor management, the exclusion of child labor, and accidents, and the reporting of accidents, injuries and fatalities. This OHS/CHS Plan covers contractor staff as well as government staff and the community. No significant accident events have been reported during the parent project and AF1. The parent project ESMF also contains a detailed procedure for the Grievance Redress Mechanism, in order to ensure that work-place concerns can be voiced, complaints made about problems arising, and that such issues be expeditiously addressed. All these requirements will be applicable to the AF2. If the involvement of TPIAs in food transport and management activities, or any other aspects of food or cash provision, are found likely to introduce risks not adequately covered by the existing OHS/CHS Plan, it will be strengthened accordingly.

ESS3 Resource Efficiency and Pollution Prevention and Management

The AF2 project activities may lead to generation of pollutants potentially associated with contractor vehicle operations. These will continue to be managed under the Waste Disposal procedure currently in operation. ESS3 is also considered relevant in relation to the supply of IT equipment, which may have issues with e-waste management. This will continue to be addressed through the use of the Waste Management guideline of the parent project, which has been satisfactorily utilized to date, and in the ESCP through the continued assessment, management, monitoring and reporting on the management of environmental issues. If the activities are found likely to introduce risks not adequately covered by the existing waste management, it will be updated and strengthened accordingly.

ESS4 Community Health and Safety

ESS4 is relevant principally to provisions for gender-based violence (GBV). The borrower conducted a GBV Risk Assessment and a GBV Action Plan, included in the ESMF. The main findings include potential SEA risks linked to sexual favors for registration, domestic violence in some areas due to disagreement between spouses on how to use program transfer, lack of procedure for complaints related to GBV/SEA, awareness gap on GBV/SEA and implementation capacity of the borrower. There has been improvement in implementation capacity client side, the ministry has assigned Gender expert to oversee and support the SEA/SH, orientation has been provided to staff, SEA/SH compliant system is integrated in the GRM guide, the program GBV service mapping and training material is under development. With AF2 planned implementation in conflict affected areas, the GBV action plan prepared for the parent project will be updated to mitigate the identified risks. Specific update will be made in the GBV action plan in line with third party implementation arrangement, capacity building activities, any other relevant prevention and response measure for AF2. The updated GBV Action plan will be cleared as part of the ESMF prior to disbursement for the AF2 project activities in conflicted affected areas.



The AF2 will be implemented in conflict affected areas including Tigray, with the potential to engage in high risk areas with possibility of conflict, a security risk assessment and management plan will be prepared to mitigate the related risks including the risks of engaging security personnel to safeguard project workers, sites, assets, and activities. This instrument will be developed by the borrower and cleared and disclosed as annex of the updated ESMF prior to disbursement for interventions in conflict affected areas.

If the involvement of TPIAs in food transport and management activities, or any other aspects of food or cash provision, are found likely to introduce risks not adequately covered by the existing OHS/CHS Plan, it will be strengthened accordingly.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This standard is not considered relevant for this AF. The AF2 will not involve land acquisition or restriction of access as it will only finance direct food or cash transfer and capacity building interventions such as purchase of equipment and training, and no construction will be financed.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The AF2 project activities are not anticipated to have any adverse direct impacts on biodiversity and living natural resources as no physical investments will be financed. Hence, this standard is not considered relevant.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

It has been determined that some of the people resident in the project areas meet the criteria of ESS7. In mid-2018, based on the assumption that all PSNP woredas in Afar and Somali regions are regarded as meeting the Bank safeguards category 'indigenous peoples', it was estimated that 2.5 million of PSNP beneficiaries, represented by an estimated 0.5 million households, fell into that category.

The woredas in Afar, Somali, some part of Southern Nations and Nationalities and People (SNNP) and Oromia regions cover underserved, pastoralist communities. Some of these pastoralist communities are vulnerable to chronic food insecurity and a home to historically underserved groups. To address the needs of underserved communities, the Enhanced Social Assessment and Consultation(ESAC) and related Social Development Plan have been prepared , annexed to the ESMF, disclosed, adopted and implemented as required in the ESCP.

The outcome of the ESAC has been incorporated into various aspects of the PSNPV design and implementation guidelines . The findings on social issues and challenges on historically underserved (pastoral) and other communities include:

- Limited access to Muslim friendly financial services
- Remote nature of pastoralist communities and limited access to social services
- Exclusion of newcomers in Afar and Somali who may not belong to the extended family lineage or even the clan which controls the territory
- Increased unmet demand in pastoral areas for livelihoods support services
- The type of food transfer is not appropriate to the food habit of the pastoral communities



- Risk of mismanagement or misuse of transfer in households ,
- Potential inaccessibility of payment and food distribution centers for vulnerable groups
- Inclusion and exclusion Error and lack of trust for the GRM

In order to address the issues identified by the ESAC, the project integrated measures such as a working with financial service providers to develop Muslim friendly financial services, contribute to the improvement of social services in pastoral areas by constructing/renovating structures which provides social services using PW labour, improving accountability and capacity in pastoral areas for implementing the project’s targeting criteria, develop a single delivery system, which combines Humanitarian Food Assistance ,conduct GRM annual reviews and the project will roll out its livelihood strengthening as well as transfer activities in the pastoral regions by facilitating consultations as part of the annual planning process and contextualizing it to the need and realities of the area. For pastoralist communities, the transfers are being made as per the plan submitted from regions which considered preference of pastoral communities. To avoid potential risk of mismanagement or misuse of transfer, joint (husband and wife) client card and joint bank account is being in place. Food distribution and payment centres proximity is also considered when they were set up. Furthermore the GRM ,targeting and Gender and Social development guidelines have been developed and included in the PIM that also address additional recommendations and activities in the social development plan. These will be implemented to address issues under the AF2.

Public Disclosure

ESS8 Cultural Heritage

Unlike the parent project where ESS8 applies with PW component, no adverse impacts on cultural heritage are anticipated as no civil works(public works subcomponent) will be financed under the AF2. Therefore, this standard is not considered relevant

ESS9 Financial Intermediaries

Similar to the parent project, there are no financial intermediaries expected to feature in this AF

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	Yes
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OP 7.60 Projects in Disputed Areas	No
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B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework?	No
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Areas where “Use of Borrower Framework” is being considered:

The Borrower Framework is not being considered

IV. CONTACT POINTS

World Bank

Contact: Michael Mutemi Munavu Title: Sr Social Protection Specialist

Telephone No: 5358+2403 / 256-414-302403 Email: mmunavu@worldbank.org

Contact: Abu Yadetta Hateu Title: Sr Social Protection Specialist

Telephone No: 5358+6144 / 251-11-517-6144 Email: ahateu@worldbank.org

Borrower/Client/Recipient

Borrower: Federal Democratic Republic of Ethiopia

Implementing Agency(ies)

Implementing Agency: Ministry of Agriculture

Implementing Agency: Third Party Implementer in areas of High Risk of Ongoing Conflict (UN Agency to be determined)

V. 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>

VI. APPROVAL

Task Team Leader(s): Abu Yadetta Hateu, Michael Mutemi Munavu

Practice Manager (ENR/Social) Iain G. Shuker Cleared on 24-May-2022 at 21:19:12 GMT-04:00

Public Disclosure