



Additional Financing Appraisal Environmental and Social Review Summary

Appraisal Stage

(AF ESRS Appraisal Stage)

Date Prepared/Updated: 12/06/2022 | Report No: ESRSAFA507



BASIC INFORMATION

A. Basic Project Data

Country	Region	Borrower(s)	Implementing Agency(ies)
Liberia		Republic of Liberia, Ministry of Agriculture	Ministry of Agriculture
Project ID	Project Name		
P179359	Liberia Rural Economic Transformation Project Additional Financing		
Parent Project ID (if any)	Parent Project Name		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Agriculture and Food	Investment Project Financing	11/30/2022	12/22/2022

Proposed Development Objective

To improve productivity and market access for small holder farmers and agri-enterprises for selected value chains in project participating counties.

Financing (in USD Million)	Amount
Current Financing	0.00
Proposed Additional Financing	30.00
Total Proposed Financing	30.00

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 Government of Liberia, in a letter dated May 12, 2021, requested the World Bank to process Additional Financing to the Rural Economic Transformation Project (P175263) in support of a Fast Track Programme for Food and Nutrition



Security. The Additional Financing (AF) would be used to consolidate and expand project activities showing strong results to secure a higher level of impact on the Project's development objectives. The results framework will be updated at project appraisal to capture the additional outputs and outcomes envisaged to be generated during the AF period. The AF will scale up activities to boost farm production, market access, and crisis response in components 1 and 2, and enhance project coordination and management capacity in component 4. A new Component 5 will be added to improve food availability and support community agricultural investments. All scaled-up and new activities will build directly on relevant methods and structures put in place under the parent project. Implementation arrangements, responsible agencies, and partner institutions from the parent project will be retained in full, including the Project Implementation Unit (PIU) within the Ministry of Agriculture.

Food insecurity is surging in Liberia. The current WFP hunger map indicates that 1.7 million Liberians (about 37 percent of the population) have insufficient food consumption. Additionally, 4.3 percent of children under five face acute malnutrition while 30.1 percent of these under-five children face chronic malnutrition. Admissions for moderate acute malnutrition in children and nursing women increased by over 10 percent between December 2021 and January 2022 and admissions for severe acute malnutrition in children and nursing women increased by over 3 percent between December 2021 and January 2022 and were 13 percent higher than the January 2021 level. In response to the crisis, a Technical Assessment of the described food insecurity crisis was undertaken to demonstrate eligibility for the Crisis Response Window – Early Response Financing (CRW-ERF). The CRW-ERF Technical Expert Group on Food Security (TEGFS) confirmed that the food security trends, conditions, and projections qualify Sierra Leone for local-based activation for CRW ERF resources.

In response to the food and nutrition crisis in the country, the Government of Liberia (GoL) has worked with partners (including the World Bank, UN agencies, and donors) to develop a US\$120 million Quick Action Food Security Response Plan (QA-FSRP) that provides a framework for interventions to protect the 1.68 million most vulnerable people. The QA-FSRP focuses on short-term measures that protect the most vulnerable from food shortages and negative food security and nutrition impacts of price spikes while also seeking to create a roadmap for medium to long-term investment to boost agriculture productivity. Specifically, the objectives of the plan are to (i) improve short-term food availability and access (especially for rice) through facilitating the import and distribution of food, efficient management of food reserves, avoidance of policy interventions in food markets, and protecting the purchasing power of poor households; (ii) prepare for and support future rice harvests through agricultural input acquisition and distribution, expanded mechanization, financial, and advisory services for farmers and agricultural small and medium enterprises (SMEs), conditional cash transfers to youth for increased local food production in prioritized areas; and (iii) improve crisis monitoring, evaluation, coordination, and management; and putting in place contingency plans to deal with the impacts of acute shocks.

The proposed AF responds to the Government's request to support the QA-FSRP. The AF will contribute to filling the financing gap, with World Bank funds supporting two QA-FSRP objectives: (i) preparing and supporting future harvests, focusing on rice; and (ii) improving crisis monitoring, evaluation, coordination, and management.

Aligned with the above, the AF would fund the following specific additional activities:

1. Component 1: Improving the Enabling Environment for Agribusiness Development (original project US\$6 million – with restructuring US\$3 million): The proposal is to scale down project activities under this component in support of the capacity building of public agribusiness services, value chain coordination, and support to agricultural



research and development, and extension. While still relevant to the overall objective of the project, these activities to be scaled down are now being pursued and funded through the ongoing Bank-financed Smallholder Agriculture Transformation and Agribusiness Revitalization Project (STAR-P, P160945) with which coordination will be strengthened to ensure synergy and complementarity. A total of US\$3 million earlier committed to these activities under the parent project will now be deployed to productive activities (US\$1.5 million) under Component 2 and Project Coordination and Management (US\$1.5 million) to finance needed expertise to support the strengthening of early warning systems and food security crisis preparedness planning; and technical assistance (TA) for project coordination, monitoring, and evaluation.

2. Component 2: Enhancing Competitiveness and Market Access through Productive Alliances (original project US\$12.5 million; with restructuring US\$14 million): Resource allocation to Component 2 has been increased by US\$1.5 million. This financing will go towards scaling up pre-investment activities that are designed to support the development of proposals for investment subprojects (i.e., towards services of the Fund Manager), and towards the provision of matching grants to smallholders. As in the parent project, all pre-investment activities will emphasize a better understanding of climate change risks and available adaptation and mitigation options including (i) the use of climate-resilient seed varieties; (ii) investments in climate-resilient infrastructure and the adoption of practices that will prevent soil erosion and retain soil nutrients; (iii) improved water management; and (iv) efficient methods and technologies to manage pests and diseases (see Annex 3 for planned climate change adaptation and mitigation measure planned under the AF).

3. Component 3: Agri-Marketing and Road Infrastructure Investments (original project US\$31.5 million): No change is proposed to this component.

4. Component 4: Project Coordination and Management and Contingency Emergency Response (original project US\$5 million; with restructuring US\$6.5 million): An additional US\$1.5 million is proposed for Project Management and Coordination to enhance the technical and organizational capacity of implementing agencies. This will include: (i) strengthening the PIU staffing with the competitive recruitment of a food security specialist to support the strengthening of early warning systems and food security crisis preparedness planning; (ii) the development of a food security crisis preparedness plan after the effectiveness of the project; and (iii) TA for specific activities including preparation of several documents (environmental and social instruments, etc.); monitoring and evaluation (M&E) surveys and studies (baseline, mid-term review, completion report, and impact evaluation); citizen engagement, management of a Grievances Redress Mechanism (GRM), including non-governmental organizations (NGOs) specialized in the prevention and management of SEA/SH risks; a Third-Party Monitoring Agency (TPMA) which will be contracted to monitor project activities.

5. Component 5 (New): Support to Food Security (AF US\$30). The proposed AF will introduce a new component, to stimulate a food supply response by deploying emergency production support to affected communities, while also addressing the underlying vulnerability to mitigate any such future shocks to food security. It will finance the following interventions:

6. Support for increased food production (US\$19.5 million): The objective of this support is to preserve and strengthen the productive capacity of farming households to enable continued and expanded production of key staple foods, both for own consumption and the market. The AF will incentivize commercial producers of rice for massive production including processing and storage. It will facilitate farmers' access to agri-inputs to cultivate 24,000 ha of rice and 12,000 ha of other crops (cereals, legumes, and vegetables); including (i) the purchase and distribution of



climate-resilient seed, fertilizers, and pesticides; (ii) small-scale mechanization, post-harvest equipment and means of transport; and (iii) provision of requisite advisory services along the production chain. For improved nutrition, the project will also finance; (i) the promotion and upgrading of kitchen and market gardens; (ii) the production and marketing of backyard poultry; and (iii) nutrition education. Financed activities will incorporate climate mitigation and adaptation features such as the use of climate-smart varieties like drought, flood, and salt-tolerant varieties; appropriate fertilizer management to reduce methane emissions from rice production; practices to prevent soil erosion; improved land preparation and use of farm residues to sequester carbon; efficient pest and disease management; use of alternative energy sources; and energy saving technologies to reduce Greenhouse Gas (GHG) emissions.

7. Support to rural community infrastructure (US\$6.0 million): Under this intervention, support will be provided for a labor-intensive cash-for-work program (LICW) intended to allow eligible participants to access cash for food purchases. The program's focus will be on the development or rehabilitation of a positive list of community infrastructure - as prioritized in community plans - linked to increased agricultural production, improved livelihoods, and infrastructure that fosters adaptation to climate change. These could include support for the distribution of inputs, rehabilitation of storage facilities, rehabilitation of access roads to agriculturally productive areas, small-scale irrigation infrastructure, construction of local markets, rehabilitation of rice fields, etc. To ensure the sustainability of this infrastructure, beneficiary communities would be trained in its management and maintenance. They would also be left with the tools to undertake the maintenance. This activity will target 4,000 beneficiaries. The project shall select the LICW beneficiaries and implement the LICW program in accordance with existing Community Plans and the Project Operation Manual (POM). The Recipient shall determine and select LICW beneficiaries in accordance with eligibility criteria and selection processes acceptable to the Association, as elaborated in the POM.

8. Support to Strengthening Food Crisis Prevention and Monitoring systems (US\$4.5 million): This intervention will build on the country's food security crisis preparedness plan (to be developed – see para. 20) and strengthen related early warning systems. Activities to be financed include: (i) food security early warning and response services, including market and climate risk detection mechanisms; (ii) acquisition of decision support tools, including information on climate change vulnerability in the agricultural sector; (iii) facilitating inter-institutional coordination for production and dissemination of basic early crisis warnings; (iv) updating and modernizing inventory and warehousing capacities in the country, and (v) expand the country staple crop storage capacity by constructing eight (8) standard 5,000-ton grain steel storage facilities (close to major production areas) and support their operation and management cost. These facilities will be managed by the National Food Assistance Agency, to ensure the effective implementation of stocking and destocking operations of the national food reserve system.

D. Environmental and Social Overview

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

RETRAP operates in four regions (Northern, Central, Western, Northeast, South and Southeast) within 11 out of Liberia's 15 Counties including Bong, Nimba, Grand Bassa, Bomi, Grand Cape Mount, Grand Gedeh, Grand Kru, Maryland, Montserrado, Margibi and Sinoe. The AF will extend project activities to all 15 counties by adding Lofa, River Cess, River Gee, and Gbarpolu counties.



The social and cultural dynamics in these regions differs from one county to another. Many of these counties have been severely impacted by a decade and half long civil war, the Ebola and COVID-19 pandemics. The 15 counties generally experience a unimodal rainfall which starts from mid-April to late October, and the dry season from mid-November to mid-April. Average annual rainfall along the coastal belt is over 4,000 mm and declines to 1,300 mm at the forest-savannah boundary in the north. The counties have varied ecosystems including mineral ores, forests, grasslands, mangroves, wetlands, rivers, lakes and the continental shelf, hosting several birds, mammals, reptiles and insect species. There are several protected and proposed protected areas across the counties and are in the form of national park, strict nature reserve, nature reserve, national forest, and Game reserve. The protected areas include: Sapo National Park, Nimba National Park, Mount Nimba Strict Nature Reserve, Lofa-Mano National Park, Gio National Forest, Gibi National Forest, Wonegizi Nature Conservation, Cape Mount Conservation, Wologizi forest, Belle Forest, Yomo Forest, Grebo Forest. There are also 8 Important Bird Areas (IBAs) within 15 counties, and some of them are located within the national parks. These include Wologizi and Wenegizi Mountains in Lofa County; Lofa-Mano and Cape Mount in Grande Cape Mount County; Nimba Mountains in Nimba County; Zwedru and Cavalla River in Grand Gedeh County; and Sapo in Sinoe County. The rich biodiversity is being threatened by land degradation, over-exploitation of resources through excessive harvesting or hunting, introduction of exotic species and ineffective institutional arrangements. The main causes of environmental degradation in the selected counties include uncontrolled logging, fuelwood harvesting, cultivation of annual and perennial non-timber crops, encroachment by human settlement, and unsustainable mineral and sand mining activities.

D. 2. Borrower's Institutional Capacity

There are no changes to the implementation arrangements under the proposed AF. The implementation responsibilities of the parent project will be retained. The PIUs at Ministry of Agriculture (MOA) and the Infrastructure Implementation Unit (IIU) of the Ministry of Public Works (MPW) will retain the overall environmental and social risk management responsibility of AF-supported activities. The Ministry of Agriculture (MoA), as the principal implementing agency on the parent project, through its Project Management Unit (PMU) will be responsible for the overall project implementation and will collaborate closely with other relevant Ministries and their respective Departments and Agencies, including with the Ministry of Public Works (MPW) on the road works component of the Additional Finance project. The Infrastructure Implementation Unit (IIU) of the MPW will continue to lead the implementation of the road construction activities under Parent Project. Liberia continues to struggle with limited capacity of qualified and competent environmental and social professionals in government ministries, departments and agencies. However, both the MoA and MPW have been implementing the parent project including the Smallholder Agriculture Transformation and Agribusiness Revitalization Project (STAR-P, P160945) and IDA financed transport projects (e.g., Liberia Road Asset Management Project (LIBRAMP, P125574), respectively, in Liberia with appreciable level of safeguards management experience in World Bank-funded project. Moreover, these Ministries have also benefited from trainings on the Environmental and Social Framework (ESF) and are gradually gaining experience working under the World Bank ESF. However, their capacity would still have to be built to improve on the preparation and management of project environmental and social risks and impacts and to ensure effective coordination of the national and subnational level implementation of environmental and social risk mitigation measures. Furthermore MPW/IIU and MOA/PMU experiences and exposure to handle a complex project such as RETRAP with likely cumulative impacts and potential associated facilities is still limited. Considering the limited experience of the ministries and PIUs in implementing ESF projects, coordination, and collaboration between the two ministries and implementation units will have to be closely supervised and monitored. An Implementation Support Mission held for the parent project found that the client has recruited the Environmental and Social Specialists at MOA and IIU as agreed in the parent project ESCP to fully support the project. Moreover, IIU of MPW has a Resettlement, Environmental and Social Safeguards (RESS) Division with a dedicated Social Specialist supported by



four staff and a temporary staff overseeing environment risk management and supported by two staff. The Environmental and Social Specialists and Gender Specialist at MOA and IIU of the parent project will continue their support to the AF to ensure that E&S risks are adequately assessed and managed. The project shall finalize the draft environmental and social capacity building plan within 3 months after Project effectiveness date to strengthen the E&S capacity gaps. Capacity building requirements have been incorporated into the ESMF and ESCP to be carried out as required throughout the project implementation.

As recommended by the June 2022 Implementation Support Mission (ISM), the PIU has agreed to several actions to improve its E&S Performance including: (i) finalize action of the Environment and Social Screening of proposed subproject activities using the Project environmental and social screening checklist in the Environment and Social Framework and preparation of the required instruments to manage potential risks; (ii) preparation of a gender Action Plan, (iii) finalize E&S training plan for selected grantees and other project stakeholders for a proposed training within the first quarter of 2023; (iv) complete the setting up of the district level Grievance Redress Committees (GRCs) and strengthening the capacity of the community level GRCs in project counties; and (v) conduct training for key PIU staff in January 2023 on the ESF requirements of the project outlined in the ESCP.

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

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Substantial

The environmental risk classification for the parent project is substantial and remains substantial for the Additional Financing. The classification is based on the potential environmental risks and impacts, the sensitivity of the recipient environment and the capacity of the implementing agencies to manage the risks. The project's adverse environmental risks and impacts under parent project mainly emanates from interventions under Components 2 and 3 of the project. The Matching Grant (MG) scheme described under sub-component 2.2 might trigger agricultural commercialization, expansion of farmlands, expansion and/or renovation of agricultural infrastructure such as warehouses, processing facilities, electricity connectivity, etc. Land clearing associated with farming and provisioning of infrastructure could contribute to deforestation, forest degradation, destruction of natural habitats, soil erosion and depletion of biodiversity. Agricultural intensification could trigger extensive use of pesticides with adverse repercussions on human health and biodiversity. The proposed support to poultry and piggery industry will produce animal waste (manure) which could contaminate ground and surface water as well as contribute to green-house gas emissions if poorly managed. Similarly, effluents from processing facilities, e.g., cassava processing under the MG scheme could contribute to water contamination, eutrophication and unsightly scenes in communities. The activities under agri-market modernization and also for goods including farm machinery, processing equipment, transport vehicles, etc. may pose occupational and community health and safety issues including generation of noise, dust, fumes, vibration, risks of manual handling, mechanical hazards, trips, slips, falls etc. The risks and impacts will generally range from minor to substantial but mainly localized, reversible and mitigatable. The borrower under the parent project has agreed to undertake appropriate actions to improve environment and social oversight as recommended by the June 2022 Implementation Support Mission (ISM). These actions include: (i) finalization of the Environment and Social Screening of proposed subproject activities using the Project environmental and social screening checklist and preparation of the required instruments to manage potential risks; and (ii) conduct a Biodiversity Field Survey (BFS) and Risk Assessment along the Ganta-Tappita (100 km) and Tappita-Toe Town (40 km)



prior to completion of detail design and construction phase; the BFS is to characterize biodiversity and habitat value along the corridor.

Social Risk Rating

Substantial

The social risk rating for the proposed AF is substantial, same as the parent project. Social risk associated with the additional financing relates to intervention under component 5 to provide agri-inputs which may not be affordable to the cash poor and vulnerable groups (including persons with disabilities, women, and youth) leading to associated risks such as (i) elite capture and exclusion of poor and vulnerable farmers and households, communities in geographically hard to reach/remote areas who may not be considered due to inaccessibility, (ii) residual errors in the composite project targeting index which may leave vulnerable groups behind, (iii) lack of functional grievances mechanism, and intra-communal tensions over implementation issues; and (iv) risks related to labor and working conditions for direct and contracted workers, under component 3.1. These will require careful attention to beneficiary selection criteria and processes, special procedures and mechanisms to prevent elite capture and to ensure meaningful and broad-based inclusion, in particular female and youth applicants will need to be in place to mitigate this risk. These should be carefully communicated during stakeholder engagement, which has started under the parent project and will be deepened following the AF project effectiveness, and should be further detailed in the Project Implementation Manual (PIM) to be updated following project approval. The project design includes innovations to ensure gender and vulnerable people inclusion in project activities and measures to prevent elite capture (e.g., targets for participation of women and youth participation; key categories of support; eligibility and selection criteria). Eligible expenditures under subcomponent 2.2 also includes civil works (e.g., lowland rehabilitation; construction of post-harvest, storage, and processing facilities etc.). There will be about 125 subprojects that will be implemented by farmers organizations/enterprises. These activities could lead to potential displacement of people and livelihoods. The activities will be screened for E&S impacts during implementation using the checklist in the project ESMF. The development of rural infrastructure to support agribusiness clusters under Component 3 can lead to temporary or permanent land acquisition, restrictions on land use and involuntary resettlement. In particular, economic or physical displacement is anticipated under the rehabilitation of the 40 km section under subcomponent 3.1. Works can also lead to increased risk related to labor and working conditions for direct and contracted workers. Other social risks include potential legacy issues related to impacts of previous road construction activities on Project Affected People (PAP) and communities along the proposed road corridor. Investment under Sub-component 3.2 include: (i) the construction of a number of open market sheds and small storage facilities; (ii) construction of selected infrastructure that require specialized handling for agricultural produce; and (iii) construction of market internal path-ways, drainage infrastructure, and water and sanitation facilities. Potential for economic or physical displacement and inaccessible market facilities cannot be ruled out. These activities will be screened for E&S risks and impacts using the project ESMF screening tool and appropriate mitigation measures put in place to address the impacts during implementation. While use of local labor is anticipated, use of migrant workers and risk of use of child labor and/ or forced labor cannot be ignored. This could be mitigated by ensuring that local labor laws and the requirements of ESS 2 are followed and Labor management procedures and plans are defined.

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

Substantial

The risk of SH/SEA is possible given the country context and project focus on rural areas with possibility of men and women working in unsupervised conditions. Other potential SEA/SH risks relate to the interventions to support women's economic empowerment (e.g., provision of improved agricultural practices, access to credit and services) and potential for project activities to change community dynamics in unexpected ways in targeted areas. Under the



parent project, SEA/SH risk was rated low using the World Bank SEA/SH risk assessment tool. However, given the context SEA/SH risk, increased the risk to substantial to ensure adequate measures are put in place to address this potential risk. Also, given the general country substantial risk to GBV, the project shall prepare, adopt, and implement a GBV/SEA/SH Action Plan to assess and manage the risks of GBV/SEA/SH, consistent with ESS4 six months after effectiveness. .

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 Matching Grant (MG) under Component 2 of the parent project and AF will drive interventions along the value chains of cassava, rubber, poultry and piggeries, some of which could have adverse impacts on the environment and people. This intervention could include bushland clearing, farmland expansion, provision of processing and storage facilities and small-scale efficient irrigation systems. Potential environmental risks and impacts could include deforestation, forest degradation, soil erosion, loss of natural habitat, depletion of biodiversity and may exacerbate climate change problems. Poor livestock hygiene could expose workers and communities to health risks including zoonotic diseases. Poorly managed animal manure may produce odor, attract pests and may contribute to emissions of greenhouse gases. The connection of project infrastructure to the grid might require an extension of powerlines which could lead to vegetation clearance and/or continuous trimming of undergrowth. These could have minimum impacts on native plant populations and wildlife. Also, installation of electric poles could result in minimum disturbances to soil inhabiting organisms.

The project proposes to prioritize climate smart interventions and will explore the feasibility of using renewable energy, e.g., solar to power the processing and storage facilities. The production of targeted commodities may entail the use of pesticides and exposure to occupational health and safety risks. Processing of commodities may generate waste (both solid waste and effluent) which could contaminate surface and ground water causing eutrophication. Effluents from processing facilities may contain high levels of BOD and COD which may be carried to surface and ground water leading to eutrophication and death of aquatic life. Also, solid waste from processing facilities could generate odor and attract pests. Potential surface water contamination from effluents and pesticides from farming activities could transcend communities and may have far reaching consequences.

The parent project supports, under Component 3, roads and agri-market infrastructure. Under the parent project, a RAP for a 40 km road network to connect remote food production communities to market centers has been approved to be implemented prior to commencement of civil works. This intervention could have varied environmental risks and impacts including generation of dust, noise, fumes and vibrations. Waste from workers and equipment repairs may contaminate soil and water bodies in project communities. Excavation of soil from borrow sites for road construction could lead to destruction of vegetation and development of dangerous pits which could serve as death traps and breeding grounds for disease-borne vectors.

Project workers could be exposed to occupational health and safety risks including exposure to mechanical hazards. Pits created at borrow sites could be filled with water and pose risk of drowning and serve as breeding grounds for disease-borne vectors. The project design includes innovations to counteract some of these potential adverse impacts. For instance, the project will embark on climate-smart agricultural practices such as mulching, cover



cropping, drip irrigation etc., to conserve soil and water. The MG could support interventions that convert poultry/piggery manure into organic fertilizers to help reduce the project's carbon footprint.

Given that the agriculture-related programs and the risks and impacts cannot be determined yet until the subproject details have been identified, the Borrower has prepared under the parent project an ESMF that sets out the principles, rules, guidelines and procedures for examining the potential environmental and social risks and impacts. The ESMF has been cleared by the Bank and disclosed in-country on 04/28/2021 and on the Bank's external website on 04/30/2021. The ESMF includes a checklist for screening of E&S risks for sub-projects and measures and plans to reduce and mitigate adverse risks and impacts. The said ESMF will be applicable to the AF as well.

Regarding the use of agrochemicals and pesticides in crop and livestock production systems, the parent project has drafted a standalone integrated pest management plan (IPMP) which is expected to be finalized and disclosed prior Project effectiveness date. In subprojects likely to result in significant risks and impacts, a site-specific instrument such as Environmental and Social Impact Assessment (ESIA) and/or Environmental and Social Management Plan (ESMP) will be prepared, consulted upon and disclosed before commencement of the subprojects. Depending on the screening outcomes, the Project may support successful grantees, to prepare site-specific E&S instruments where necessary. An Environmental and Social Impact Assessment and Environmental and Social Management Plan was prepared for the 40 km under parent project. Both the ESIA and ESMP were cleared by the Bank and respectively disclosed in-country and on the Bank's external website on 04/30/2021 and 05/1/2021. The ESIA and ESMP will be updated to include additional biodiversity field surveys including studies on potential critically endangered western chimpanzees in the project area as well as an assessment of the potential E&S risks and impacts associated with the operational, maintenance and decommissioning phases of the road for the 40km road corridor under the parent project. The updated ESIA will be cleared by the Bank and disclosed prior to finalization of road designs and to disbursement for road-related works to mitigate potential risks and impacts on people, the environment, and communities.

The overall social risk is rated substantial. The project Component 1 social risks include risk of agitations within communities if selection of beneficiaries to participate in the subproject activities is not transparent. Risk of exclusion of poor and vulnerable groups (e.g. women, youth and Persons with Disabilities) and elite capture of project benefits under the subcomponent 1.2 and subcomponents 2.2 activities poses substantial risk. Similarly, risks and impacts associated with temporary and permanent land acquisition, physical and economic displacement for rural agribusiness infrastructure are anticipated under sub-component 3.1: roads and Subcomponent 3.2: Agri-market infrastructure. Use of child and forced labor, SEA/SH risks, labor influx and risks of disease transmission (e.g., STDs and COVID-19 infections) are also anticipated given the country context, social sensitivity issues and the capacity of the implementing agencies to manage the project risks. At this stage of project preparation, the exact sites and specific subcomponent 2.2 and 3.2 activities are not known. In the absence of information on specific locations, detailed design, and the socioeconomic status of people likely to be impacted by the activities, it is difficult to determine the extent and magnitude of likely socioeconomic impacts. These are major gaps that need to be identified and addressed upon identifying subproject locations and conducting E&S screening of the sites using the screening checklist in the existing ESMF of the parent project. The ESMF, RPF, SEP shall be applicable to cover the risks and impacts for the AF without need for revision. However, site-specific RAPs shall be prepared for the relevant agri-market infrastructures 6 months after project effectiveness and before the initiation of civil works.. Similarly, the ESIA/ESMP, LMP will be updated 6 months after project effectiveness. The risks related to Gender Based Violence (GBV) are addressed under ESS1 and ESS2 and as indicated in the AF ESCP, a GBV/SEA/SH Action Plan shall be prepared and adopted 6 months after project effectiveness and implement throughout project implementation.



These instruments shall be disclosed in-country and on the Bank external website. The ESCP is updated to document material measures and actions that are required to achieve compliance with the ESSs. The key social risks identified under the parent project are still valid. However, the Gender Gap Analysis flagged that women in Liberia face structural bottlenecks than men and this limit their upward mobility along agrifood value chains including weaker influence in the marketplace, limited access to credit and land etc. While the Bank due diligence exercise carried out for the parent project was limited by the prevailing travel restrictions, the convergence of the potential risks and impacts likely to emerge as a result of the project interventions were reasonable and presented a realistic picture of what might happen in various subproject locations. However, the social risks and impacts flagged under the parent project need further validation. This will be achieved through stakeholders' consultations in targeted counties in general and with affected people in particular during implementation. This will be supplemented by site-specific Social Impact Assessments to be carried out in each of the targeted counties to assist in further determination of the social risks and impacts of the project, including the extent of the: a) security threats or violence in the project areas; b) project affecting vulnerable individuals or groups disproportionately etc.

ESS10 Stakeholder Engagement and Information Disclosure

The standard is relevant. Project stakeholders include farmers, farmer-based organizations, national and subnational government agencies, road users and transport associations, local communities, in particular women, youth and vulnerable groups; private sector entities in the agribusiness value chain; civil society organizations, non-governmental organizations, and other services providers. Vulnerable groups are expected to include poor, marginalized smallholder farmers and those at risk of social exclusion such as women, youth, and persons with disabilities. The Project will also ensure appropriate stakeholder engagement across the project cycle through a Stakeholder Engagement Plan (SEP) proportionate to the project risk, and will strengthen the GRM system under the parent project to enhance project sustainability including SEA/SH and labor-related risks. The AF preparation involved participatory, inclusive and iterative approach involving all relevant public institutions, private sector associations, donor organisations, as well as the main stakeholders of the selected value chains, non-governmental organisation and civil society. The engagements presented, to the stakeholders, informed the project design and components, justification for the additional financing, potential environmental and social risk as well as their mitigation measures, project related grievances and GBV/SEA/SH resolution mechanisms.

The Stakeholder Engagement Plan (SEP) prepared for the parent project and disclosed in-country and internally on April 28, 2021 and May 2, 2021 respectively will be applicable to the AF to ensure continuous and inclusive stakeholder engagement using appropriate and culturally sensitive approaches as required by the ESS-10. National and subnational governments, community leaders, community facilitators, private sector entities, etc., involved in the project will require close support and capacity building to effectively engage stakeholders and project beneficiaries and to avoid possible exclusion of vulnerable groups. The SEP will serve as both planning and management instrument for the Project stakeholders. The SEP will document the details of relevant stakeholder groups, as well as timing and methods of engagement throughout the life of the project, appropriate to the different population groups, vulnerable and disadvantaged groups, consistent with the requirements of ESS7. Project-level Grievance Redress Mechanism (GRM) will be established. It i) describes the Project stakeholders and how they will be engaged throughout the project life, with a focus on identifying vulnerable individuals or groups and applying measures to remove barriers to their participation; ii) describes the Grievance Redress Mechanism (GRM) to be used by the project, including any necessary language or cultural adaptations for internally displaced persons (IDPs); and iii)



includes budget, responsibilities, and implementation arrangements for the implementation of stakeholder activities under the Project. The SEP also include measures to ensure that all stakeholder engagement activities are conducted in compliance with the National COVID-19 protocols on social distancing and the World Bank guidance note on “Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings” issued in March 20, 2020 to prevent the spread of the virus while ensuring continuity of information flow. The parent project SEP was cleared and disclosed in-country and internally on April 28, 2021 and May 2, 2021 respectively.

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

This standard is relevant as the project will involve various types of project workers (direct, contracted and primary supply workers). Direct workers include people employed or engaged directly by the Government of Liberia. This category of workers will comprise a mix of government civil servants from various relevant line ministries, staff of the project implementing units, and those deployed as technical consultants – full and part-time by the PIU. Direct workers will comprise project staff hired as consultants; and Ministry staff seconded from the civil service. Consistent with the parent project, the project will be implemented by the existing PIUs. The requirements of paragraphs 9 to 30 of ESS2 will apply to direct workers. These officers are found in the PIUs. Contract workers include people employed or engaged through third parties to perform work related to core functions of the project, regardless of location. Two broad categories of contracted workers are expected. Firstly, consultant service providers who will provide implementation support services to the PIU. Secondly, the staff of primary supply workers

Primary Supply workers include people employed or engaged by the GoL’s primary suppliers. These are suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project. The requirements of paragraphs 39 to 42 of ESS 2 will apply to primary supply workers. Government civil servants are working in connection with the RETRAP, whether full-time or part-time, will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement unless there has been an effective legal transfer of their employment or engagement to the project. ESS2 will not apply to such government civil servants, except for the provisions of paragraphs 17 to 20 (Protecting the Work Force) and paragraphs 24 to 30 (Occupational Health and Safety).

Workers involved in advancing the Project activities may be exposed to discrimination, inequalities and unfairness and/or some degree of occupational health and safety (OHS) risks including injuries; snake bites and animal attacks; agrochemical contamination and poisoning; manual handling of farm tools and machinery and associated injuries; slips, trips; falls, stress; collision with machinery; entanglement with machine parts; vibration disorders, noise induced hearing disorders; dust and fumes inhalation, etc. In the case of the subproject dealing with the 40 km road rehabilitation under the parent project, OHS clauses will be included in the bidding documents, and contractor(s) will prepare C-ESMPs and Health and Safety Management Plans (taking account of the General WBG EHSs, and appropriate industry-specific EHSs and other GIIP) that will include OHS measures and procedures to establish and maintain a safe working environment as set out in ESS2. The OHS risks and impacts have been assessed in the ESMF



of the parent project and subsequently in the specific E&S instruments to be prepared at the project implementation stage.

While the number of direct workers and contractor workers cannot be estimated at the current stage, no large-scale labor influx or labor camps are expected as use of local labor is anticipated. In line with ESS2, the use of forced labor and the use of child labor under the age of 18 for hazardous work is prohibited. The Liberia Labor law requires all workers to have the right to healthy conditions and protective equipment whilst at work, among other measures.

The Labor Management Procedures prepared as a standalone document, for the parent project, include measures to ensure that workers hired are provided appropriate labor and working conditions in line with the local laws and consistent with ESS2 shall be adopted for the AF. The impact of COVID-19 pandemic continues to have multiple consequences on labor and working conditions. Therefore, the project will be implemented under specific COVID-19 protocols at the project sites based on WHO and Government guidelines. The project will commit (through the ESCP) to implement Labor Management Procedures (LMP) through specific subproject level plans as necessary. The Labor Management Procedures set out the requirements including GRM for workers and code of conduct to prevent and address any sexual harassment, intimidation and/or exploitation within the project. All staff hired by the project will be required to sign and adhere to a standardized code of conduct. The updated standalone Labor Management Procedures for the AF shall be cleared by the Bank and disclosed.

ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is relevant. The production of cassava and rubber will mainly be done under rain-fed agriculture. However, seedlings of rubber may require some irrigation at the nursery which may involve water abstraction from rivers, lakes, dug outs and/or groundwater. Similarly, poultry and piggery production require fresh water for maximum performance. The project will explore and incorporate rainwater harvesting technologies during design of poultry/piggery housing and nursery facilities to minimize the use of water. The project includes climate smart agricultural practices such as mulching, cover cropping, drip irrigation, etc. These will contribute to the efficient use of water on farms and conserve soil. The MG scheme under the parent project and its AF will promote innovations and businesses that will process poultry/piggery manure and organic waste from processing facilities and agro-logistic centers into organic fertilizer through composting and other sustainable technologies to ensure recycling of nutrients and reduce emissions of greenhouse gases (methane gases) into the atmosphere.

Proper management of animal droppings will contribute towards avoidance of water pollution from run-offs into water bodies. The Borrower will ensure that value addition processing facilities do not openly discharge fumes, obnoxious gases, liquid and solid effluents which may be deleterious to the health and safety of communities or contribute to climate change. The production of cassava and rubber will involve the use of agrochemicals including pesticides. These are hazardous to the health and safety of workers and communities and could pose risks to biodiversity. Several agrochemical containers may either litter farmlands or get washed into water bodies and cause water pollution.

The Project will use energy efficient equipment in processing and agro-logistic centers and will explore and incorporate renewable energy sources such as solar and wind to power water pumps and processing facilities where



it is technically and financially feasible. These risks and impacts have been assessed in the ESMF and subsequently in the specific ESIA and ESMPs to be prepared for the subproject activities. Given that the project will involve the use of pesticides, the Borrower has drafted an Integrated Pest Management Plan (IPMP) which will be finalized, reviewed by the Bank and disclosed prior to the AF project effectiveness. Implementation of the road rehabilitation subproject under the parent project may result in the generation of hazardous and non-hazardous waste, including spoil material, used oil, etc. These have been identified and mitigation measures included in the site specific ESIA and ESMP which have been prepared for the road construction works and will be updated and disclosed upon completion of biodiversity field survey. During the implementation phase, the selected contractor will develop the contractor's ESMP inclusive of a waste management plan for collection, transportation and disposal of waste in a manner consistent with ESS3. GHG Emission Estimates: The Project will contribute to carbon sequestration, as it is a negative emission project. The project has conducted an estimate of GHG savings taking into account the net savings from the production of the selected commodities - rubber, cassava and vegetables; the processing of livestock manure and organic waste from processing facilities and agro-logistic centers into compost; reduction in fertilizer and pesticides use through proper soil and crop management, use of energy efficient equipment at agro-logistic centers; training and adoption of afforestation and soil conservation practices, promotion of renewable energy and net GHG emission technologies. etc. The result of the GHG Accounting analysis shows that the Project will constitute a carbon emission savings of 671,353 tons of CO₂ equivalent to 33,568 tons of CO₂ equivalent per year.

ESS4 Community Health and Safety

This standard is relevant. The proposed interventions under the parent project and its AF will contribute towards community development and improving incomes of farmers and households at the community level. However, the parent project and AF will present the following risks and each of these risks will be mitigated by adopting appropriate risk mitigation measures.

Health and safety risks: The construction of the road under subcomponent 3.1 will pose health and safety risks to workers and communities through emission of dust, fumes, gases, noise, vibration, and traffic and road safety risks. The road design, construction and maintenance processes would incorporate road safety enhancement measures through pre-investment, design, and post construction safety audits. Specific road safety measures will include defining the Built Environment including the road design and vehicle design, enforcement of strict application of the law, teaching good road behavior through awareness campaigns (e.g., adherence to speed limits, road traffic signs, shelter parking, pedestrian/zebra crossing, etc.) and promotion of roadside medical care and access to para-medics in the "Golden Hour", or the hour immediately following a road accident during which the provision of first aid can greatly enhance the prospects of the accident victim's survival.

The contractor(s) will develop a 'traffic management plan' to be approved by the IIU and implemented throughout the subproject implementation. Excavations from road construction activities may pose risks to communities if effective barriers/fencing are not installed, and water-filled pits may serve as breeding grounds for disease-borne vectors which may be a nuisance in communities. Other health issues anticipated include Sexually Transmitted Diseases (STDs), such as HIV/AIDs, associated with labor influx, and spread of COVID-19 in project communities through project workers and vice versa. Moreover, spray drift from agrochemicals, e.g., pesticides could pollute neighboring communities and adversely affect their health. Furthermore, the project design of agri-market infrastructure, processing facilities, road and other infrastructure will incorporate necessary structural measures for



adaptation to climate and geophysical hazards considering safety risks to the communities. The structural measures will include universal access to the market facilities. The ESMF developed for the parent project includes practical mitigation measures and protocols to safeguard workers and communities from these health and safety risks including COVID-19 protocol to prevent or minimize the spread of the virus to project community and among workers. The ESMF will be applicable to the project AF.

Sexual Exploitation and Abuse (SEA) and Sexual Harassment: Project specific SEA/SH risks are considered low. The assessment was done using the World Bank SEA/SH risk assessment tool. However, given the general country's substantial risk to GBV, the project will prepare, adopt, and implement a GBV/SEA/SH Action Plan to assess and manage the risks of GBV/SEA/SH, consistent with ESS4. The Project ESMF and standalone Labor Management Procedures also include measures to prevent Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) during implementation.

The MOA has updated the gender assessment report conducted in 2018 as part of the preparation of the project to assess the gender issues and gaps in the agriculture sector in Liberia. The findings informed the design of the project, and a Gender Action Plan has been prepared to address the identified gender gaps. The Gender Action Plan will be linked to the SEP and the ESMF's SEA/SH mitigation measures.

Water contamination: The proposed support to poultry and piggery industry will produce animal waste (manure) which could contaminate ground and surface water as well as contribute to green-house gas emissions if poorly managed. Similarly, effluents from processing facilities e.g. cassava processing under the Matching Grant (MG) scheme under the parent project and its AF could contribute to water contamination, eutrophication and unsightly scenes in communities. The risks associated with surface water contamination from pesticides and effluents from processing facilities could transcend communities and may have far reaching consequences, if not properly managed. These potential risks have been assessed along with appropriate mitigation measures in the existing ESMF and same will be required of the contract's ESMP.

Security Risk: Security challenges in the country remain pervasive following the civil wars. The project, as part of site-specific instruments, e.g. ESIA and/or ESMP, will assess security risks and include appropriate mitigation in the ESMPs.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The ESS5 is relevant. This standard is relevant because: i) subcomponent 2.2 will support civil works activities involving lowland rehabilitation; clearing of bushland; construction of post-harvest, storage, and processing facilities; small-scale, efficient micro-irrigation systems; ii) subcomponent 3.2 will finance agri-market infrastructure including: (a) construction of a number of open market sheds and small storage facilities; (b) construction of selected infrastructure that require specialized handling for agricultural produce; and c) construction of market internal pathways, drainage infrastructure, and water and sanitation facilities. The civil works in advancing the road and agricultural infrastructure could involve temporary or permanent land acquisition and this could lead to physical and



economic displacement. As specific subproject's locations of some components will not be known during preparation, the project shall adopt the Resettlement Policy Framework (RPF) developed for the parent project as required by the ESS5 to guide the preparation of site-specific instruments when sub-projects locations are identified during implementation.

Approved RAP for the 40km road corridor under the parent project shall be implemented prior to commencement of civil works. Civil works for market infrastructures will not commence until RAP is prepared and approved by the Bank and all compensation and resettlement assistance payments are made to PAPs and until the compensation and resettlement assistance report is cleared by the Bank. The mitigation measures under the RAP will be implemented prior to commencement of civil works. These requirements have been included in the ESCP.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The anticipated land clearing resulting from the expansion of farmlands and infrastructural development will potentially cause deforestation, forest degradation and destruction of natural habitat with adverse impacts on biodiversity. The use of pesticides, if not properly selected, could terminate several useful flora and fauna. The ESIA prepared for the 40 km road corridor under the parent project has indicated the possibility of potentially critically endangered western chimpanzees in the project area. Also, other biodiversity of conservation importance may be found in the area. Since the ESIA study relied extensively on literature published in 2015 on "Conservation status of Chimpanzees" by Tweh et al., 2015, the ESCP requires that a biodiversity field survey and Biodiversity Management Plan (BMP) are conducted on the 40km road corridor..

On pest management, the project will adopt integrated pest management (IPM) approaches and will only use pesticides as the last option if other sustainable pest control measures are not feasible or effective. The Project is in the process of preparing an Integrated Pest Management Plan (IPMP) which assesses the potential risks and impacts of pesticides on biodiversity and includes necessary mitigations. The Project's adverse risks and impacts on ESS6 have been assessed in the ESMF and will be subsequently assessed in the specific ESIA and ESMPs to be prepared for sub-projects with mitigation measures following the mitigation hierarchy. On potential project risks and adverse impacts on biodiversity including the potential critically endangered chimpanzees, the project will screen all subproject activities including a detailed screening for biodiversity impacts, to be conducted by a biodiversity specialist taking into account available studies, involving field visits and documented with supporting evidence. The existing ESIA that is to be updated and adopted for the AF contains terms of reference (TOR) to be adapted for subsequent biodiversity surveys. All activities/subprojects with significant impacts which cannot be effectively mitigated will be excluded from the project financing and this requirement is emphasized in the parent project ESCP. The requirement to screen and exclusion of significant impactful activities will be applied to all project activities, including subprojects to be financed under the Matching Grants. Where subprojects present some mitigable risks and impacts on biodiversity and avoidance of such impacts is not possible, the project will prepare or support the grantee (under the MG) to prepare and implement a Biodiversity Management Plan (BMP) including measures and actions to mitigate impacts as required by the ESMF and consistent with ESS6. Such BMPs will be finalized, reviewed, cleared by the Bank and disclosed before commencement of the activity.



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

There are no indigenous peoples/sub-saharan African historically underserved traditional local communities in the project area.

ESS8 Cultural Heritage

This standard is relevant. Liberia has very rich cultural resources and heritage. Most Liberians have great respect for their cultural properties, and cultural properties may be found at any place. An assessment of impact of project activities on cultural heritage at potential project sites is included in the existing ESMF and will be subsequently assessed in the site-specific ESIA. Preparation process and mitigation hierarchy will be applied during the management of the project's potential risks and impacts. "Chance Find Procedures" have been included in the ESMF of the parent project and will be included in the ESIA and ESMP to be prepared for sub-projects. Additionally, chance find clauses will be included in works contracts requiring contractors to stop construction if cultural heritage is encountered during construction and to notify and closely coordinate with the relevant mandated Government authority for the salvaging and restoring of such cultural heritage in accordance with national law.

ESS9 Financial Intermediaries

No financial intermediaries are involved in the project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
OP 7.60 Projects in Disputed Areas	No

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

Areas where "Use of Borrower Framework" is being considered:

Not Applicable

IV. CONTACT POINTS

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Borrower: Ministry of Agriculture

Implementing Agency(ies)

Implementing Agency: Ministry of Agriculture

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VI. APPROVAL

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Practice Manager (ENR/Social)	Sanjay Srivastava Cleared on 06-Dec-2022 at 17:35:30 GMT-05:00
Safeguards Advisor ESSA	Nathalie S. Munzberg (SAESSA) Concurred on 07-Dec-2022 at 03:00:48 GMT-05:00