

## INTEGRATED SAFEGUARDS DATA SHEET

Report No.: 122200

Date ISDS Prepared/Updated: 19-Oct-2017

### I. BASIC INFORMATION

#### 1. Basic Project Data

<b>Country:</b>	Ethiopia	<b>Project ID:</b>	P163452
		<b>Parent Project ID:</b>	
<b>Project Name:</b>	Urban Institutional and Infrastructure Development Program (P163452)		
<b>Parent Project Name:</b>			
<b>Task Team Leader(s):</b>	Abebaw Alemayehu, Chyi-Yun Huang		
<b>Estimated Board Date:</b>	15-Mar-2018		
<b>Managing Unit:</b>	GSU13		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Project Financing Data (in USD Million)</b>			
Total Project Cost:	858.8	Total Bank Financing:	600.00
Financing Gap:			
<b>Financing Source</b>			<b>Amount</b>
Borrower			247.6
IDA recommitted as a Credit			600.00
Agence Française de Développement (AFD)			11.2
Total			858.8
<b>Environmental Category:</b>	C - Not Required		
<b>Is this a Repeater project?</b>	No		
<b>Is this a Transferred project?</b>	No		

#### 2. Project Development Objective(s)

This Technical Assistance is processed as an IPF to support the bigger PforR operation on UIIDP to help build the capacity of the Government to implement the said Program. Specifically, the objective of this TA component is system strengthening and capacity building; improving the efficiency and effectiveness of GoE at different tiers in implementing and monitoring the main operation (PforR) in environmentally and socially sustainable manner.

Basically, this TA will strengthen the government's fiduciary and institutional system, and support the Government mobilize specialized expertise and knowledge to support the delivery of results under the UIIDP.

The Program Development Objective (PDO) is to enhance the institutional performance of participating urban local governments to develop and sustain urban infrastructure and services. The Operation will provide direct support to 117 ULGs, as well as to all nine regions and the Federal government (primarily MUDHo) to enable them to effectively support urban development. The primary beneficiaries of the Operation are the 6.5 million residents of the 117 urban local governments, half of whom are female.

### 3. Project Description

1. **The proposed operation will be financed through a hybrid of Investment Project Financing (IPF) and Program for Results (PforR) instruments.** Most of the Operation is financed through the PforR instrument, the optimal and effective mechanism for providing conditional grants to regional states and ULGs, as demonstrated in ULGDPII. A complementary small IPF window will enhance overall Operation management, effectiveness and impact.
2. **A programmatic and phased approach was adopted as a key strategy since the first phase of ULGDP (starting 2008), continued under ULGDP II (beginning 2014) and maturing in UIIDP.** Mindful that institutional strengthening and positive urban transformation require long-term nurturing, a phased approach was adopted and this aligns with the MoUDH's strategy, plans, and the ECSPGs. Phase 1 (ULGDP) supported 19 cities.<sup>1</sup> Phase 2 (ULGDP II) covered an additional 26 ULGs, bringing the total to 44.<sup>2</sup> The intention now is to roll-out the proposed UIIDP to all cities (yielding 117 cities) which meets a set of objective criteria: (a) having autonomous urban administration status (with a responsibility of municipal and state functions), defined as having a city council and a mayor; and (b) having a population above 20,000 people.<sup>3</sup> (See Attachment 1 on details on ULGDP I and II, challenges, lessons learned and revisions adopted.)
3. **Key result areas.** In line with the government's UIIDP policy, the Operation will undertake activities to support seven key results areas. These are:
  1. Enhanced citizen participation and engagement in ULG planning and budgeting;
  2. Increased own source revenue at the ULG level;
  3. Improved infrastructure, service delivery, O&M systems;
  4. Improved efficiency and effectiveness in fiduciary management;
  5. Improved environmental and social management and safeguards;
  6. Strengthened accountability and oversight systems;
  7. Strengthened ULG resilience, improved local economic development (LED) and enhanced gender equity in the ULG operations.

#### 4. The proposed key results indicators are:

---

<sup>1</sup> The 19 cities include Addis Ababa.

<sup>2</sup> Addis Ababa has been excluded from ULGDPII learning from the ULGDP experience that the unique context and conditions of Addis Ababa required a different approach from the other cities.

<sup>3</sup> Some 41 cities had a population of at least 20,000 in 2007, according to the census conducted by the Central Statistics Agency (CSA) and 32 cities had populations of at least 20,000, according to 2013 projections of the CSA. The last available census was conducted in 2007, and the next one in 2017 will not be available during the project preparation period. A mid-term census project conducted in 2012 and released in 2013 is the latest one conducted with actual sampling. While every year a census projection is made, they typically assume a similar growth rate for all cities.

- People provided with improved urban living conditions under the UIIDP, of which female [corporate indicator].
  - Cities with improved livability, sustainability, and management [corporate indicator].
  - Score in the APA for institutional performance of participating ULGs, averaged across all cities.<sup>4</sup>
  - Score in the APA for achievement of urban infrastructure and service targets by ULGs, averaged across all cities.
5. **The proposed Program will finance the first stage of the government’s UIIDP.** The proposed UIIDP targets 117 ULGs (coinciding with the first stage of the GoE’s UIIDP). This will be implemented in a period of 5.5 years (estimated from March 2018 to September 2023), and consist four rounds of performance-based grant allocations: fiscal years 2019/20, 2020/21, 2021/22, and 2022/23.
  6. **This substantial scale-up to 117 cities will bring about greater impact** in terms of population coverage and size of the Program (increasing beneficiaries from 4.36 million under UGLDP II to an estimated 6.54 million in UIIDP) and result in exponentially larger positive impact for the country. The scale-up allows strengthening of the overall programmatic and performance-based approach to support sustainable urban development and leverages on economies of scale for program management and implementation. In addition, the scale-up is built on the solid foundations and tried-and-tested overall successful experiences of ULGDP I and II. Timely support to improve institutional performance in the planning, delivery, and sustained provision of urban services and infrastructure by local governments is critical especially for these rapidly growing cities. See Table 1.1 for the list of ULGs that will participate in the UIIDP and their populations.

#### **4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

7. The physical setting is not relevant for safeguard analysis as the IPF component does not involve any capital investment or civil works and will strengthen the system. The IPF window will be used to fund a range of institutional and capacity development interventions at or coordinated by the federal government level. The MoUDH will undertake activities in four areas: (a) developing capacity, systems, and organizations of federal entities; (b) developing capacity, systems, and organizations of regional and ULG entities, (c) UIIDP management and monitoring and evaluation, and (d) procuring and managing APAs and VfM audits. The capacity building activities, technical assistance and feasibility studies will focus on core and strategic areas such as revenue enhancement, asset management, CIP preparation, financial management, Environment and Social management as well as introducing initiatives on local economic development, urban resilience, gender, cultural heritage, and urban planning. (See Annex 1 Table 1.3 for details of the activities.)

#### **5. Borrower’s Institutional Capacity for Safeguard Policies:**

A series of legal proclamations form the basis for the environmental and social assessment and

---

<sup>4</sup> In the areas of planning and budgeting, assets management, public financial management, procurement, own source revenues, accountability and transparency, environment and social safeguards, land management, and strategic urban planning.

management framework in Ethiopia: The Proclamation on the establishment of Environmental Protection Organs (No. 295/2002); The Proclamation on Environmental Impact Assessment (No. 299/2002); and The Proclamation on Environmental Pollution Control (No. 300/2002). Preliminary assessment of the Implementing Agency, Ministry of Urban Development and Housing, participating regions and cities, indicates that there is basic capacity to manage and monitor safeguard risks and impacts. Environmental and Social System Assessment (ESSA) is conducted and draft report produced. The ESSA examines in-depth existing environmental and social management systems relevant to the implementation of the project, including the environmental and social management systems defined in the country's policies, legal and strategic frameworks; and the capacity and experience of the sector in applying the environmental and social management systems associated with the program's environmental and social effects; and the outcome of the assessment recommends actions to address risks or challenges identified. The IPF component will address some of the challenges by providing capacity building support for strengthening the coordination mechanism and reporting on environmental and social safeguards.

## 6. Environmental and Social Safeguards Specialists on the Team

Yacob Wondimkun (Environment)
Yalemzewud Simachew (Social) Feben Demissie (Social)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	This is a TA component of the PforR program, that will help strengthen the government's fiduciary and institutional system, and support the Government mobilize specialized expertise and knowledge to support the delivery of results under the UIID Program. It will not have any negative impacts on people and environment.
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

## II. KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

**A. Summary of Key Safeguard Issues**

<b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b>
This will only on the capacity building activities. No environmental and social risks are anticipated.
<b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b>
None
<b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b>
Not applicable
<b>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</b>
A series of legal proclamations form the basis for the environmental and social assessment and management framework in Ethiopia: The Proclamation on the Establishment of Environmental Protection Organs (No. 295/2002); the Proclamation on Environmental Impact Assessment (No. 299/2002); the Proclamation on Environmental Pollution Control (No. 300/2002),the proclamation on land acquisition (No.455/2005) and the regulation of council of the Ministries on land acquisition (Reg.no. 135/2007).  For the main operation, the World Bank conducted Environment and Social System Assessment(ESSA) with the aim to address anticipated environmental and social impacts through system strengthening and this TA. The GoE will be responsible for supervising the implementation of the ESSA and related mitigation measures that are captured in DLIs and Program Action Plans, including establishing the roles and responsibilities of institutions that will be accountable for labor and working conditions, public and occupational health, gender equality and broader environmental and social issues.
<b>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</b>
The key stakeholders are Ministry of Urban Development and Housing, Regional Urban Development Bureaus', Regional Environment, Forest and Climate Change Bureaus'', Women affairs offices, Labor and Social affairs offices and City Administrations. Consultation on the ESSA will be held, and it will be disclosed on the info shop and in-country to seek broad support for the parent operation.

**B. Disclosure Requirements**

<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>
Not applicable

**C. Compliance Monitoring Indicators at the Corporate Level**

<b>The World Bank Policy on Disclosure of Information</b>			
Have relevant safeguard policies documents been sent to the World	Yes [ <input type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input checked="" type="checkbox"/> ]

Bank's Infoshop?	
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ ] No [ ] NA [ x ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ ] No [ ] NA [ x ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ ] No [ ] NA [ x ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ ] No [ ] NA [ x ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ ] No [ ] NA [ x ]

### III. APPROVALS

Task Team Leader(s):	Name: Abebaw Alemayehu, Chyi-Yun Huang	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Nathalie Munzberg	Date: 11/21/2017
Practice Manager/Manager:	Name: Bernice Van Bronkhorst	Date: 12/21/2017