

**INTEGRATED SAFEGUARDS DATASHEET  
APPRAISAL STAGE**

**I. Basic Information**

Date prepared/updated: 04/13/2010

Report No.: AC4884

**1. Basic Project Data**

Country: Ethiopia	Project ID: P113032	
Project Name: ET: Agricultural Growth Program		
Task Team Leader: Achim Fock		
Estimated Appraisal Date: March 22, 2010	Estimated Board Date: June 24, 2010	
Managing Unit: AFTAR	Lending Instrument: Specific Investment Loan	
Sector: General agriculture, fishing and forestry sector (80%);Agricultural extension and research (20%)		
Theme: Rural services and infrastructure (70%);Rural policies and institutions (20%);Land administration and management (10%)		
IBRD Amount (US\$m.):	0.00	
IDA Amount (US\$m.):	150.00	
GEF Amount (US\$m.):	0.00	
PCF Amount (US\$m.):	0.00	
Other financing amounts by source:		
	BORROWER/RECIPIENT	30.00
	<u>Bilateral Agencies (unidentified)</u>	<u>103.00</u>
		133.00
Environmental Category: B - Partial Assessment		
Simplified Processing	Simple <input type="checkbox"/>	Repeater <input type="checkbox"/>
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

**2. Project Objectives**

The PDO is to increase agricultural proactivity and market access for key crop and livestock products in targeted areas (AGP woredas) with focused attention to women and youth.

**3. Project Description**

Approach. To achieve its PDO, the AGP will: (i) focus on smallholder famers that contribute to the majority (around 90 percent) of agricultural production in the country; (ii) adopt an approach that seeks to scale up existing best practices and innovations among public sector institutions as well as among farmers and the private sector in both agricultural production and post harvest value addition # with due emphasis on natural resource conservation and rehabilitation; (iii) strengthen the ability of public and private advisory service providers to respond to the demand of smallholders for new technologies, advice on improved practices and investment in infrastructure; (iv) focus on improving knowledge of and access to existing technologies that have proved to be effective among some farmers;(vi) invest in rural infrastructure such as small scale

irrigation; watershed management, including water harvesting and micro-irrigation technologies; rural roads; market infrastructure and possibly other areas such as the development of alternative energy sources. Most interventions will be implemented in a decentralized manner, based on bottom up planning by local communities or farmer groups (whether formal cooperatives or informal common interest groups).

**Expected Benefits.** Specific benefits expected from the AGP include: improved productivity, value addition and market opportunities, resulting in increased incomes, employment opportunities and food security of the smallholder households engaged in the commodities targeted by the AGP. These benefits will primarily result from: (i) increased output and productivity; (ii) reduced post-harvest losses; (iii) improved access to goods, services, markets and information; (iv) reduced transaction costs; (v) improved product quality and increased producer (farm gate) prices; and (vi) improved economies of scale. Increased output, income and employment in the AGP woredas is expected to result in increased demand for goods and services, which is expected to generate additional income and employment effects, and increase GoE tax revenues. As the AGP is supporting high potential areas in the production of major food crops and livestock, the increased output from the targeted areas will increase national production, and thereby contribute to growth in the overall GDP and national food security. In addition, increased exports and/or reduced imports will result in foreign exchange earnings/savings. Furthermore, it is expected that consumers will benefit from reduced consumer prices and improved availability of food commodities of better quality, which would in turn improve food security.

**Beneficiaries.** The primary beneficiaries of the AGP are the small- and medium-size farmers in the 83 selected AGP woredas (districts) which have a total population of 9.8 million. An estimated 2 million agricultural households in 2,109 kebeles (villages) will primarily benefit in the following ways: (i) directly, through capacity building, support to farmer sub-projects, value chain enterprises and irrigated agriculture; and (ii) indirectly, through improved public and private advisory services, road and market infrastructure, and sustainable watershed management. The project will focus on the participation of women and women-headed households as well as the youth. Other beneficiaries of the AGP are farmer organizations, large commercial farms, traders, agro-processors and public and private advisory services.

**Component Design.** The AGP would have two technical components, i.e., Component 1: Agricultural Production and Commercialization and Component 2: Small scale Rural Infrastructure Development, as well as a Project Management and Monitoring and Evaluation Component 3.

**Component 1: Agricultural Production and Commercialization.** The objective of this component would be to strengthen the advisory services, particularly agricultural extension, and develop institutional capacity of farmer organizations, other private sector stakeholders involved in supporting AGP activities. It would support strengthening farmer-market linkages and promote agri-business enterprises. The component would have the following three sub-components: Sub-component 1.1: Institutional Development and Strengthening; Sub-component 1.2: Scaling-up of Best Practices; and Sub-component 1.3: Market and Agribusiness Development (to be funded through USAID and, possibly other development partners).

Component 2: Small scale Rural Infrastructure Development. The objective of this component would be to support the construction, rehabilitation and/or improvement, and management of small-scale infrastructure (agricultural water, rural roads and market) investments to address key constraints in the agricultural production system in order to improve productivity, and to further develop and increase the efficiency of identified value chains supported under Component 1 through improved access to market. The component would have the following two sub-components: Sub-component 2.1: Small Scale Agricultural Water Management; and Sub-component 2.2: Small Scale Market Infrastructure Development and Management

Component 3: Project Management and Monitoring and Evaluation. This component is an integral part of the AGP across all levels and stakeholders. Its objective would be to ensure effective coordination and management of the AGP at all levels of implementation. The component would have the following two sub-components: Sub-component 3.1: Project (AGP) Management; and Sub-component 3.2: Monitoring and Evaluation.

#### **4. Project Location and salient physical characteristics relevant to the safeguard analysis**

AGP is a five-year program implemented in the four major regions. To achieve maximum impact in the specified period and given limited resources, the AGP targets clusters of high agricultural potential areas (AGP woredas) in the four main regional states; namely, Amhara, Oromia, Southern Nations, Nationalities and Peoples Region (SNNPR) and Tigray. Based on criteria such as suitability for agriculture, potentials for irrigation, access to infrastructure and institutional capacity, a total of 83 woredas are selected; i.e., 22 woredas in Amhara, 34 woredas in Oromia, 19 woredas in SNNPR and 8 woredas in Tigray.

#### **5. Environmental and Social Safeguards Specialists**

Ms Yasmin Tayyab (AFTCS)

Mr Edward Felix Dwumfour (AFTEN)

<b>6. Safeguard Policies Triggered</b>	<b>Yes</b>	<b>No</b>
<b>Environmental Assessment (OP/BP 4.01)</b>	<b>X</b>	
<b>Natural Habitats (OP/BP 4.04)</b>		<b>X</b>
<b>Forests (OP/BP 4.36)</b>		<b>X</b>
<b>Pest Management (OP 4.09)</b>	<b>X</b>	
<b>Physical Cultural Resources (OP/BP 4.11)</b>	<b>X</b>	
<b>Indigenous Peoples (OP/BP 4.10)</b>		<b>X</b>
<b>Involuntary Resettlement (OP/BP 4.12)</b>	<b>X</b>	
<b>Safety of Dams (OP/BP 4.37)</b>	<b>X</b>	
<b>Projects on International Waterways (OP/BP 7.50)</b>	<b>X</b>	
<b>Projects in Disputed Areas (OP/BP 7.60)</b>		<b>X</b>

## **II. Key Safeguard Policy Issues and Their Management**

### ***A. Summary of Key Safeguard Issues***

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts: The Environmental Category assigned the AGP is Category B, predicated on the fact that environmental risks and social impacts may be minimal, manageable and, in most cases, reversible. The proposed operation will impact positively on the biophysical environments since it will support land management (improvement of soil and water as well as watersheds). In so much as the operation will impact positively on the biophysical, this project still triggers six World Bank safeguard policies namely: Environmental Assessment (OP/BP 4.01), related to possible risks associated with the biophysical environment; Pest Management (OP/BP 4.09), predicated on the possibility of agrochemical application and disposal; Physical Cultural Resources (OP/BP 4.11), because "chance find" seem likely and cannot be ruled out; Involuntary Resettlement (OP/BP 4.12), predicated on the assumption that the subprojects are likely to result in land take, loss of income and sources of livelihood; Safety of Dams (OP/BP 4.37), because although construction of dams above 15 meters will not be funded, AGP may finance check dams or small dams or finance activities that may rely on the performance of existing larger dams; for projects on International Waterways (OP/BP 7.50), in view of the small amounts of water extraction for small scale irrigation purposes, negative impacts are unlikely, however, AGP has informed riparian countries in accordance with OP/BP 7.50.

This operation will finance activities, especially those related to groundwater abstraction, small-scale irrigation schemes, establishment of product storage facilities and large-scale adoption of innovative agricultural and livestock productivity-enhancing approaches. Likely environmental (loss of vegetation cover, biodiversity loss, pollution, contamination, etc), health (e.g., pesticide poisoning) and safety (e.g., accidents at work camps) risks may be associated with pre-construction, construction/rehabilitation and operation of facilities, use and disposal of agrochemicals.

Inappropriate use of groundwater resources (through over-use, agrochemical sippage, etc.) could result in aquifer depletion and contamination, affecting water quantity and quality in neighboring communities and downstream in riparian countries. Recognizing that AGP could result in potential adverse risks, AGP has formulated an Environmental and Social Management Framework (ESMF) that describes in broad terms how potential project related risks and impacts associated with all the World Bank safeguard policies would be mitigated and addressed before and during implementation of project activities. The specific mitigations for each of these policies are addressed in the following sections of the ESMF: EA (OP/BP 4.01) in chapter 7 Guideline for EIA; Pest Management (OP 4.09) in Chapter 8.1.1 and Annex 5 Integrated Pest Management Guideline; Involuntary Resettlement (OP/BP 4.12) in Chapter 8.1.2 Resettlement Policy Framework and Annex 7 Compensation Calculations; Physical Cultural Property (OP/BP 4.11) in Chapter 8.1.3, Projects on International Waterways (OP 7.50) in Chapter 8.1.4, and Safety of Dams (OP/BP 4.37) in Chapter 8.1.5 . Section 8.1.2 describes the grievance mechanism; these grievance mechanism are also part of the main part of the Implementation Manual and will apply to all complaints and grievances related to the AGP.

In addition, the ESMF describes the institutional responsibilities, capacities, financial resources and monitoring needs essential to implement mitigation measures. Also, to guide implementation at the woreda and kebele level, the ESMF has a simple, easy to use checklist that woreda level development agents could use to screen and vet subprojects against their environmental and social soundness before these are approved for support. Furthermore, the ESMF has emphasized the need to undertake site-specific Environmental and Social Impact Assessments (ESIAs) for those subprojects that are likely to cause significant negative environmental and social impacts. RAPs will be prepared in case of land acquisition and dislocation of communities.

While it is unlikely that the sub-projects will cause any potential large scale or irreversible environmental and social safeguard impacts, there is a likely chance of small scale impacts. Earlier inhabitants and local groups, land, trees, and natural resources are at stake due to high influx of migrants. Resentments are observed among farmers whose communal land is given out to large scale commercial farms in a situation where an extreme land shortage exists. The first category of those identified groups are being marginalized, others are in a stiff competition for natural resources (grazing and open land, water and trees) that will affect the implementation of AGP Component 2 (PIM 5.2. Rural Infrastructure Development and Management) as well some aspects of Component 1 (PIM 5.1.) to support farmers sub-projects in activities related to livestock. With respect to the use of existing dams for purposes of the AGP, the Bank will review previous assessment of dam safety or recommendation and safety program already in operation for a particular Dam prior to commencement of the AGP activity.

The project triggers OP 4.12 Involuntary Resettlement in line with the Bank's safeguard policies, the access to and use of common or natural resources need to be safeguarded in a process of "free, prior and informed consultation". Consultations have taken place between all those traditionally inhabiting an area with those external people who made agricultural investments in the area. The ESMF has developed mechanisms through which kebele-based arbitrations and compensations are implemented. At kebele level, grievance redressing complaints and issues related to the implementation of sub-projects that affect private and community properties will be incorporated in participatory sub-project planning guidelines and screening criteria in the Project Implementation Manual.

Substantial numbers of community level sacred and ritual sites of religious and cultural importance, (sacred trees, springs, rivers, ritual sites, etc) have been identified by the social assessment in all target locations, thereby triggering OP4.11 Physical Cultural Resources. Implementation of AGP's sub-components in the area of small irrigation schemes, water reservoir and dam excavation and rural roads construction may likely affect physical cultural resources (PCRs). A set of procedures for ensuring that PCRs are considered in the designing process of AGP sub-projects is part of the ESMF. Mandatory measures are detailed once a PCR safeguard is triggered during a sub project screening process.

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

AGP resources are expected to support institutional building of farmer organizations, processing and marketing entities and strengthening advisory and extension services, sustainable land management (including soil & water conservation, watershed

protection), improvement in agricultural and livestock productivity and socially and environmentally sound subprojects such as crop and fodder production and agroforestry. This operation will also finance small-scale rural infrastructure including micro-irrigation and market related infrastructure such as foot paths, footbridges, rural drainage, rural roads, market centers, community warehouses, etc. Woreda experts and kebele members will receive training in environmental and social safeguard management during implementation of AGP and if any potential long-term or cumulative impacts are anticipated it is believed that these could be detected early enough through the screening process so that they can easily be avoided or mitigated. In view of this, there is no anticipation of any indirect and/or long-term negative impact in the areas where AGP will be operating. It is anticipated that AGP will result in long-term positive safeguard impacts in the project area because of the emphasis the project places on ensuring sustainable agricultural production practices.

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

The formulation of the Environmental and Social Management Framework (ESMF) as a screening, vetting and mitigation tool for assessing the environmental and social soundness of subprojects will help eliminate environmentally and socially unsustainable subprojects upfront. The ESMF also contains a positive and negative list of subproject to be supported or rejected under the AGP financing.

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. Borrower systems have not yet been introduced into Ethiopia. The Client's environmental legal framework is sufficient and compares favorably to the Bank's environmental safeguard policies. However, there could be few minor discrepancies with the social safeguards, especially the one that relates to involuntary resettlement. For this project the Bank's safeguard policies will supersede the Client's safeguard system for the reasons alluded to above.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. The key stakeholders are the project affected communities, the Ministry of Agriculture and Rural Development, Agriculture and Rural Development Bureaus at regional, zonal and woreda level and the kebele administration. The private sector, research and academia and civil society constitute another category of stakeholders who will engage in delivering specific services and benefitting directly from the project as well. The ESMF has been translated into Amharic. It will be disclosed locally in all the project woredas offices. The ESMF has been also disclosed on the ministry's website and announced in a national newspaper.

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***B. Disclosure Requirements Date***

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**Environmental Assessment/Audit/Management Plan/Other:**

Was the document disclosed <b>prior to appraisal?</b>	Yes
Date of receipt by the Bank	03/01/2010
Date of "in-country" disclosure	03/05/2010
Date of submission to InfoShop	04/13/2010
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
<b>Resettlement Action Plan/Framework/Policy Process:</b>	
Was the document disclosed <b>prior to appraisal?</b>	Yes
Date of receipt by the Bank	03/01/2010
Date of "in-country" disclosure	03/05/2010
Date of submission to InfoShop	04/13/2010
<b>Indigenous Peoples Plan/Planning Framework:</b>	
Was the document disclosed <b>prior to appraisal?</b>	N/A
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	
<b>Pest Management Plan:</b>	
Was the document disclosed <b>prior to appraisal?</b>	N/A
Date of receipt by the Bank	03/01/2010
Date of "in-country" disclosure	03/05/2010
Date of submission to InfoShop	04/13/2010
<b>* If the project triggers the Pest Management and/or Physical Cultural Resources, 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>	
The ESMF including chapters on RPF and Pest Management Guidelines has been received by the Bank on March 1, 2010, and was disclosed in-country on March 5, 2010.	

***C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)***

<b>OP/BP/GP 4.01 - Environment Assessment</b>	
Does the project require a stand-alone EA (including EMP) report?	Yes
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes
<b>OP 4.09 - Pest Management</b>	
Does the EA adequately address the pest management issues?	Yes
Is a separate PMP required?	No
If yes, has the PMP been reviewed and approved by a safeguards specialist or SM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	N/A
<b>OP/BP 4.11 - Physical Cultural Resources</b>	

Does the EA include adequate measures related to cultural property?	Yes
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes

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**OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes

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**OP/BP 4.37 - Safety of Dams**

Have dam safety plans been prepared?	Yes
Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?	N/A
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?	N/A

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**OP 7.50 - Projects on International Waterways**

Have the other riparians been notified of the project?	Yes
If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?	N/A
Has the RVP approved such an exception?	N/A

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**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes
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

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**All Safeguard Policies**

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes
Have costs related to safeguard policy measures been included in the project cost?	Yes
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes

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***D. Approvals***

<b><i>Signed and submitted by:</i></b>	<b><i>Name</i></b>	<b><i>Date</i></b>
Task Team Leader:	Mr Achim Fock	04/11/2010
Environmental Specialist:	Mr Edward Felix Dwumfour	04/11/2010
Social Development Specialist	Ms Yasmin Tayyab	04/11/2010
Additional Environmental and/or Social Development Specialist(s):		
<b><i>Approved by:</i></b>		
Regional Safeguards Coordinator:	Ms Alexandra C. Bezeredi	04/13/2010
Comments:		
Sector Manager:	Ms Christine E. Cornelius	04/13/2010
Comments:		