

PROJECT INFORMATION DOCUMENT (PID) APPRAISAL STAGE

Report No.:

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Project Name	REDD+ READINESS PREPARATION SUPPORT
Region	AFR
Country	ETHIOPIA
Sector	ENVIRONMENT, FORESTRY
Lending Instrument	TF Grant
Project ID	P124074
<i>{If Add. Fin.}</i> Parent Project ID	N/A
Borrower(s)	FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
Implementing Agency	MINISTRY OF AGRICULTURE
Environmental Screening Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD
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Estimated Date of Appraisal Completion	N/A
Estimated Date of Board Approval	N/A
Concept Review Decision	Following the review of the R-PP Assessment Note, the decision was taken to proceed with FCPF grant signature.

I. Introduction and Context

A. Country Context

1. **Population and economic growth.** Ethiopia has a population of more than 80 million and is the second-most populous country in Sub-Saharan Africa. At US\$780, Ethiopia's Gross National Income (GNI) is much lower than the Sub-Saharan African average of US\$1950. Nevertheless, its economic growth since 2003 has been averaging about 11 percent per year and, taking into account population size, is now one of the biggest economies in eastern Africa.

2. **Progress in human development.** Over the past two decades, there has been significant progress in key human development indicators: primary school enrollments have quadrupled, child mortality has been cut in half, and the number of people with access to clean water has more than doubled. More recently, poverty reduction has accelerated. The poverty headcount, which stood at 46 percent in 1999 and 2000, had fallen to 39 percent by 2004 - 2005, and there is optimism that more recent household surveys will demonstrate substantial further progress.

3. **Plans for growth and transformation.** The Government of Ethiopia (GoE) launched a new five-year plan (2011-2015) called the Growth and Transformation Plan (GTP). The GTP aims at fostering broad-based development in a sustainable manner to achieve the Millennium

Development Goals (MDGs). Over the next five years, the GTP envisions a major leap in terms of economic structure and income levels including at the level of social indicators. Key goals including rapid economic growth, targeting 11 percent per year at worst and, at best, doubling the size of the economy by 2015, with GDP per capita expected to increase from the current average of US\$ 351 to reach US\$698 by 2015.

4. **Plans for climate resilient “green growth.”** With existing climatic variability already hampering its current growth through extreme weather events such as droughts and floods, Ethiopia is one of the countries in Africa potentially most vulnerable to future climatic changes. At the same time, given its large potential in renewable energy, Ethiopia can lead the way within Africa and the developing world more generally in promoting low or neutral carbon growth. In this regard, the government is keen to flip these challenges into genuine opportunities.

5. **Ethiopia’s plans for “green growth” are elaborated in the Climate Resilient Green Economy (CRGE) strategy which is anchored in the GTP.** The CRGE seeks to put Ethiopia on the path of environmentally sustainable economic development while offsetting the potential impact of ambitious growth plans by 2030 in terms of Green House Gas (GHG) emissions. The CRGE strategy identifies eight key sectors that will play a significant role in the sustainable development of the country: forestry and REDD+, energy, buildings and cities, soils, livestock, industry, transport and health. The initiative takes a comprehensive approach, to make sure that no key GHG abatement lever is neglected and that any interdependency between sectors is taken into account. The CRGE Vision document identifies the following necessary steps for achieving a climate resilient green economy: the development of CRGE Strategy, the development of CRGE Investment Plan, the establishment of a CRGE Facility to support a CRGE Strategy and Investment Plan implementation.

B. Sectoral and Institutional Context

6. **Environmental degradation remains a major problem.** This is particularly the case with regard to soil and biodiversity degradation and loss. Estimates indicate that the economic losses from soil erosion alone could lead to a 2-3 percent drop in annual agricultural GDP, which would have major negative repercussions on Ethiopia’s already precarious food security situation. This is a significant loss for a country where agriculture—broadly defined to include forestry and other natural resources—accounts for nearly 50 percent of GDP, 90 percent of export revenue, and is a source of livelihood for more than 85 percent of the country’s 80 million people. This picture is complicated even further by the higher probability of extreme weather conditions arising from climate change and increased variability in rain and temperature.

7. **The causes of environmental degradation, loss of forest cover and soil erosion in Ethiopia are many and complex.** An initial analysis of drivers of deforestation and forest degradation was carried out during the Readiness Preparation Proposal (R-PP) development phase. Agricultural expansion, fuel wood consumption, illegal logging and forest fires were identified as the main drivers of deforestation and forest degradation in Ethiopia. Chief among these however is the very high dependence on wood and other biomass for household energy. Nearly 95 percent of the Ethiopia’s energy consumption comes from biomass fuels. Deforestation ultimately strips the land of its vegetative biomass, exposing it to high levels of soil erosion.

8. **Vulnerability owing to drivers of deforestation.** As mentioned, conversion of forests to agricultural land is one of the major drivers of deforestation. Logging is another. It is mainly carried out in natural forests without adequate control or management planning. Loggers are known to focus only on high market value species especially *Podocarpus gracilior* and *Juniperus procera*. This has contributed to the fast depletion of the country's forest eco-system.

9. **The pace of conversion of forests to agricultural land could accelerate in the coming years, unless proper policies towards forest conversation are enforced.** Agriculture is a core component of Ethiopia's ambitious GTP, which aims to make Ethiopia a middle income economy by 2025. The political emphasis on developing profitable agriculture, including horticulture, coffee, tea and others has been given strong national support by the government's industrialization and agricultural development policies. In contrast, the GoE's support for forestry management, especially in natural forest, has tended towards conservation rather than supporting sustainable forest management *per se*. **In sum, Ethiopia's forestry sector is in a precarious situation.** Its once dense forests, covering about 40 percent of the country's land area, have been reduced to only 2.4 percent. Even this remaining forest is being depleted at an alarming rate. Although no consensus figure for the rate of deforestation exists, recent studies establish an average deforestation rate of 1.0–1.5 % percent annually particularly focusing on the loss of woody biomass, based on studies covering the period 1972 to 2005.¹

10. **The latest forest cover figures for Ethiopia show a decline.** Although a reliable estimate of deforestation rates in the country is difficult to come by due to methodological and regional variability, the latest sets of figures are available from the 2010 Forest Resource Assessment conducted by FAO. This data shows a decline in forest cover from 15.11million ha in 1990 to 12.2 million ha in 2010, while cover belonging to other wooded land remained constant at 44.65 million ha in the same period. These figures are extrapolated from data collected in the context of the Woody Biomass Inventory and Strategic Planning Project which financed inventories through 2005 and mapped fourteen classes of land use, including forests, and also estimated woody biomass volumes in the country through forest inventories.

11. **Government action.** The Government has taken action to stem forest losses. Policy options for turning around the forestry sector are being explored and implemented. Adequate incentives for sustaining the natural resource base and managing the environment need to be provided to sustain the forests of Ethiopia. The main challenges in the forestry sector include the need to develop and implement a coherent incentive framework to curtail illegal logging driven largely by domestic markets, to promote sustainable forest management, and to improve the capture of revenues.

12. **The GoE has also promoted community-based forest management organizations.** Over the last twelve years the GoE has supported the development of community-based forest management organizations within various Participatory Forest Management (PFM) programs. The organizations, which may take any of three legal forms— associations, cooperatives or private limited liability companies—sign Joint Forest Management Agreements (JFMA) with the GoE or regional governments to manage and benefit from demarcated forest areas. The most

¹ Lemenih, M. and Woldemariam, T. (2010). *Review of Forest, Woodland and Bushland Resources in Ethiopia up to 2008*. Unpublished manuscript received April 2010.

common of the three organizational types is however cooperatives, which are often criticized for the level of bureaucracy which leads to poor performance and slow payment of dividends.

13. **Institutional context.** Ethiopia has a highly decentralized political structure. The federal Government oversees nine regions and two chartered cities. The regions are further divided into 68 zones, which are in turn divided into districts (woredas). The districts are made up of neighborhood associations (kebeles). The 1995 Federal Constitution assigns extensive powers to the nine regions to establish their own structures and carry out functions of government through an executive committee and regional sectoral bureaus. This structure of council, executive, and sectoral public institutions is replicated to the next administrative level of district (woreda). Some regions such as Oromia have established fairly robust regional-level forestry and wildlife institutions.² This pattern is being emulated in other forest rich regional States. The Oromia Forest and Wildlife Enterprise (OFWE) which was established in 2009 administers forest land estimated at 1.75 million hectares, including 1.2 million ha of natural forest, 74,000 ha of forest plantations and 470,000 ha of other land types within the Oromia region.

14. **Institutional framework for forestry.** At the federal level, the Ministry of Agriculture (MoA) and the Ethiopian Wildlife Conservation Agency (EWCA) (which is administratively under the Ministry of Culture and Tourism (MoCT)) are the institutions responsible for forestry in Ethiopia. There is no national institution clearly dedicated to forestry. At the federal level, forestry is administered under MoA's Natural Resource Management Directorate which currently has only a limited number of qualified foresters within the Forestry "Case Team" of the Directorate. At the lower administrative levels (Woredas and Kebeles), woreda-level subject matter specialists and Agricultural and Rural Development Agents are tasked with a wide range of agricultural development activities, presumably including forestry, but in practice, only limited attention is given to forestry activities.

15. **Policy and legal context.** In Ethiopia the ownership of land and other natural resources is vested in the people and the State. This is based on the 1995 Constitution which provides in Article 40(3) that: "The right to ownership of rural and urban land, as well as of all natural resources, is exclusively vested in the State and in the peoples of Ethiopia. Land is a common property of the Nations, Nationalities and Peoples of Ethiopia and shall not be subject to sale or to other means of exchange." In line with this Constitutional provision, a number of laws have been enacted that further confirm the State's ownership of all lands in Ethiopia. The most relevant is the *Rural Land Administration and Land Use Proclamation No. 456/2005*, which indicates that the Ethiopian government is the owner of all rural lands.

16. **Rural lands also include forests.** All natural forests are considered to be government owned, but they can also be owned by communities when the government transfers ownership or management of a forest to them. Plantations are government owned when planted by the government and community owned when planted by the community on land transferred to them by the government. The rights to use land and other natural resources may be disaggregated, and in this regard, forests are considered natural resources which can be sold independently from the

² See Regulation No. 122/2009, A Regulation to provide for the establishment of Oromia Regional State Forest and Wildlife Enterprise. Article 3 states "Provisions in this regulation shall apply to forest and wildlife resources of Oromia Regional State." The Amhara region has also established a forest and wildlife enterprise although this was done more recently.

land. Through the *Forest Development, Conservation and Utilization Proclamation No. 542/2007*, the Federal Government has explicitly granted power to the regions to administer state forests.

17. **The universe of forest law and policy** in Ethiopia is comprised of federal level policies and proclamations as well as regional level regulatory frameworks that are expected to be of no lesser stringency than those at the federal level. At the moment, the federal level legal and policy framework comprises the following:

- **Forest Conservation and Development Proclamation No.94/1994**: was issued to provide for the conservation, development and utilization of forest resources. Three types of forest ownership were identified under this proclamation: State Forests, Forest of Regional States and Private Forests. This proclamation was superseded by the 2007 Forest Proclamation.
- **Forest Policy, 2007**: The overall objective of this policy is to conserve and develop forest resources properly so that there could be sustainable supply of forest products to the society and contribute to the development of the national economy. The policy in its specific objectives contains among others: encouraging public and private sectors to participate in forest development; improving productivity of forests; and also improving, replicating and distributing suitable tree species.
- **Forest Development, Conservation and Utilization Proclamation No. 542/2007**: This proclamation recognizes two types of ownership i.e. Private forest and State Forest. The proclamation provides for the promotion of private forest development, conservation and utilization, promotion of forest technology, promotion of market for forest technology, promotion of market for forest products and clarifies the obligations of private forest developers.

18. **Weak law enforcement and lack of incentives at local level for sustainable forest management have contributed to forest cover loss.** The GoE acknowledges that deforestation and forest degradation occurs due to an open access mentality and weak enforcement of laws, coupled with lack of local-level incentives to promote sustainable forest management. Gaps and incoherencies in the regulatory and institutional environment, coupled with low empowerment of local communities and absence of clear and uniform benefit sharing and reward mechanisms, encourage an “open access” mentality and forest conversion to other land uses.

19. **In order to address this challenge of weak law enforcement, during the R-PP development phase the GoE identified the following as critical elements:** (i) empowering and strengthening local community organizations; (ii) institutionalizing the required inspection and regulatory activities at the federal, regional and district levels; (iii) increasing the number of forest inspectors and the frequency of inspection; (iv) capacity building and empowerment of the inspectors; (v) creating a wood and timber product certification system; and (vi) strengthening coordination between the judiciary and public prosecution authorities. These aspects should be incorporated into the national REDD+ strategy to be designed.

20. **The lack of a strong forestry institution at the federal level has also contributed to forest degradation.** There is currently no effective forestry institution within the GoE structure.

During the RPP development phase, this was acknowledged as a major impediment to proper oversight over the sector and a hindrance on sustainable forest management. The absence of an institutional home within GoE has hampered improvements to law enforcement and made it more difficult to effectively monitor forest health and regulatory compliance.

21. **New incentives for institutional and policy reform.** Improving the institutional, regulatory and policy and identifying alternatives to existing policy instruments for conserving Ethiopia's forests has been a common goal shared by the Government, civil society and development partners. The establishment of an international mechanism to compensate countries for reducing emissions from deforestation and forest degradation (REDD+) as part of the international climate change negotiations provides Ethiopia with an opportunity to create and operationalize a new incentives framework conducive to effective forest protection and management and to capitalize on its natural wealth for generating financial stream flows much needed to fund Ethiopia's development efforts.

C. Relationship between World Bank engagement in the Natural Resources Sector and the Fiscal Year 12-15 Country Partnership Strategy (CPS)

22. **The FY 12-15 CPS focuses on, inter alia, the promotion of economic growth and the reduction of vulnerability.** The Bank's over-arching goal remains to support the country's growth and poverty reduction objectives. In the CPS, the Bank seeks to help by focusing on four key objectives: (i) fostering economic growth; (ii) improving access to and quality of basic services; (iii) reducing vulnerability; and, (iv) fostering improved governance. The ultimate goal of the proposed REDD+ Readiness support is to harness the potential of forests in reducing poverty, integrating forests in sustainable development, while protecting vital local and global environmental assets. To this end, it is therefore in line with the CPS objectives of fostering economic growth, reducing vulnerability and fostering improved governance.

23. **The proposed REDD+ Readiness Preparation process will assist Ethiopia in preparing itself for a future REDD+ mechanism,** which has the potential to generate financial flows to reward countries for improved management of its forest resources, and could thus ultimately contribute to the country's sustainable development. Being "ready" for REDD+ will require increased capacity to develop and coordinate land use policies with the view of mitigating future impacts on forest cover, while ensuring that benefits from forests flow to those communities dependent on these resources and to stakeholders taking actions to address deforestation and forest degradation. By creating an enabling environment for increased private sector investment in forestry and improving social participation and oversight in forest related policies, the REDD+ Readiness Program will contribute to achieving the CAS objectives of fostering economic growth, reducing vulnerability and fostering improved governance.

24. Currently, the **Forest Carbon Partnership Facility (FCPF)** (with the World Bank as its delivery partner) is supporting Ethiopia in its national efforts towards "REDD+ Readiness". The FCPF is a multi-donor initiative assisting countries in establishing the key pillars of REDD+ readiness i.e.:

(1) developing their national reference scenarios for emissions from deforestation and forest degradation;

- (2) adopting and complementing national strategies for reducing deforestation and forest degradation; and
 - (3) establishing a national monitoring, reporting and verification systems for REDD+.
- Collectively, these activities are referred to as 'REDD+ Readiness'.

25. **Status of the FCPF grants application.** The FCPF Participants Committee authorized grant funding of \$3.4m in March 2011, based on Ethiopia's submission of its Readiness Preparation Proposal (R-PP).³ As approved by the FCPF Participants Committee Resolution of February 20, 2012, this amount has been increased with an additional \$200,000 to finance the establishment or strengthening of a national REDD+ feedback and grievance redress mechanism. The R-PP lays out the roadmap for REDD+ Readiness in the country. The FCPF financing will largely contribute to the formulation of a National REDD+ Strategy and overall institutional and technical readiness for REDD+. As the FCPF grant will not fund all REDD+ Readiness activities, Ethiopia is expected to leverage resources from other sources to complete its REDD+ Readiness.

26. **The REDD+ Readiness process will also contribute to overall donor coordination in the forest sector in Ethiopia.** The World Bank is working closely with UNDP, FAO, DfID, Government of Norway and other donors to ensure all initiatives jointly support Ethiopia's REDD+ agenda.

II. Project Development Objective

27. **The Project Development Objective of this grant is to strengthen the capacity of Ethiopia's institutions dealing with land use on REDD+.**

Key Results

- i. The National REDD+ Secretariat within MoA is fully operational;
- ii. A national strategy to reduce emissions from deforestation and forest degradation (REDD+), including its legal and institutional framework, is prepared and validated by a broad spectrum of national stakeholders;
- iii. An Environmental and Social Management Framework (ESMF) is prepared and validated through the use of a Strategic Environmental and Social Assessment (SESA);

III. Detailed Description of Project Components

COMPONENT 1: SUPPORT TO THE NATIONAL READINESS MANAGEMENT ARRANGEMENTS (US\$1.4 MILLION)

³ The latest version of Ethiopia's R-PP (May 2011) is available at: www.forestcarbonpartnership.org.

28. This component will support the structures that will lead the coordination and implementation of the REDD+ Readiness process in Ethiopia, including the National REDD+ Secretariat within the Ministry of Agriculture, the REDD+ Steering Committee (RSC) and the REDD+ Technical Working Groups (RTWG) at the national and regional levels by providing them with the adequate human, technical and operational resources. FCPF Grant funds will finance the following:

- Staff hired to strengthen the National REDD+ Secretariat within the Ministry of Agriculture, to ensure it can deliver the activities planned as part of the REDD+ readiness process. This will include: a National REDD+ Coordinator, a Communications Specialist and a Safeguards Specialist. A senior expert on monitoring and evaluation will be hired to strengthen of the M&E framework for the Process, support the mid-term review process and gather information towards the preparation of the R-Package⁴.
- Capacity strengthening targeted at the members of the REDD+ Secretariat, REDD+ Steering. As discussed under the “Implementing Agency Assessment” section, these are the structures responsible for leading the execution and strategic planning of the REDD+ process and for providing it with technical inputs. The grant will finance training, workshops and the operational costs associated with the meetings of the RSC and RTWG.
- Capacity building and institutional strengthening targeted at the decentralized levels (regions and woredas). Those regions where pilot projects are taking place will be prioritized, so as to ensure that the knowledge generated from the implementation of these pilots will enrich the REDD+ Strategy Implementation and inform the choice of legal and institutional options for the national REDD+ implementation framework.
- FCPF grant management, including recruiting a Procurement Specialist and a Financial Management Specialist, in addition to costs associated with yearly audits of the grant.

COMPONENT 2: SUPPORT TO THE DESIGN OF A NATIONAL REDD+ STRATEGY (US\$1.7 MILLION)

30. A REDD+ Strategy in Ethiopia will necessarily have to be multi-sectoral, placing special emphasis on the energy and agriculture sectors given the relevance of these sectors to deforestation and forest degradation. In addition, such a Strategy will also need to address governance and law enforcement issues. An indicative list of options for the National REDD+ Strategy has been elaborated in the Ethiopia R-PP and will serve as the basis for further dialogue. The final selection of strategic options and the eventual formulation of the REDD+ Strategy document will require further analytical work, consensus building, prioritization and operationalization. Ongoing and planned pilot REDD+ projects, ongoing projects and programs as well as key GoE documents such as the CRGE and the GTP, will also provide lessons for the development of the REDD+ strategy.

31. A Strategic Environmental and Social Assessment of REDD+ in Ethiopia will also be conducted to ensure that the social and environmental risks associated with the implementation

⁴ The R-Package will summarize all the achievements of the REDD+ Readiness phase, and serve as the basis for the FCPF Participants Committee to assess the country’s progress in achieving REDD+ Readiness.

of the proposed strategic options are well identified and addressed. Associated with SESA will be the preparation of an Environmental and Social Management Framework to allow the government to mitigate the residual risks of implementing the proposed REDD+ strategies.

32. Given the broad range of stakeholders involved, and the potential complexity of REDD+ processes in Ethiopia, a functional and easily accessible national feedback and grievance redress mechanism is critical from the earliest stages of R-PP implementation. In this regard, particular attention will be paid to geographically, culturally or economically isolated or excluded groups. The grant will support the design and early implementation of this mechanism. The FCPF Grant funds will be used to:

- Support multi-stakeholder consultation, mobilization and participation for the design of the national REDD+ strategy. This will follow the Consultation and Participation plan developed as part of the R-PP. The support will include the preparation of communication material targeted at different audiences;
- Conduct an in-depth analysis of drivers of deforestation and forest degradation in Ethiopia (including governance issues), identify potential pilot REDD+ projects and ensure knowledge exchange across ongoing activities related to REDD+ (REDD+ pilot projects and other projects and programs in the area of agriculture, energy, forestry, etc.). and consolidate and disseminate knowledge on the strengths and weaknesses of Participatory Forest Management in Ethiopia;
- Conduct a Strategic Environmental and Social Assessment (SESA) of REDD+ in Ethiopia, and prepare an Environmental and Social Management Framework to mitigate the residual risks of implementing the RED+ strategy. This includes the multi-stakeholder consultations required to conduct the SESA.
- Finance the establishment or strengthening of a national feedback and grievance redress mechanisms. This will include an assessment of existing national institutional capacity for feedback and grievance redress and staffing to implement the identified redress mechanism during the REDD+ readiness process;

COMPONENT 3: PREPARATION OF THE NATIONAL IMPLEMENTATION FRAMEWORK FOR REDD+ (US\$0.5 MILLION)

33. This component will contribute to identify legal and institutional options to deliver REDD+ in Ethiopia. As such, the activities noted here are fully complementary with those identified in Component 2, and will be implemented in close coordination. This component will allow Government to assess options to design an institutional framework for REDD+ that is efficient, effective and deliver social and environmental co-benefits. Among the most important issues to address in this framework are how benefits associated with REDD+ are to be shared across stakeholders and levels; how REDD+ funds are to be managed (including the relation to the proposed CRGE Facility); how to deal with different sources of funds for REDD+ (donors, markets, etc.); how REDD+ projects fit into (nesting) a national framework for REDD+, among other issues. This component will contribute to the broader structure for managing climate change investment activities currently under design in Ethiopia through the CRGE. FCPF grant funds will finance:

- Identification of options for: i) development of an efficient, effective and fair mechanism for sharing benefits related to the implementation of REDD+; ii) mechanisms for managing funds at the national level and for distributing them to the local level; and iii) legal status of emission reductions (carbon credits) in Ethiopia;
- Support the development of a national registry for REDD+ initiatives, projects and to track financial flows to REDD+ activities.
- Assess the most adequate institutional framework to deliver REDD+ in Ethiopia, including to ensure multi-sectoral coordination in land use planning.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered <i>(please explain why)</i>	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)	x		
<p>In view of the nature of REDD + Readiness the borrower will use a Strategic Environmental and Social Assessment (SESA) in the context of REDD+ readiness. The strength of a SESA for REDD+ is that it will combine the analytical work and consultation in an iterative fashion to inform the preparation of the REDD+ strategy. The SESA will help ensure compliance with the Bank’s safeguard policies by integrating key environmental and social considerations relevant to REDD+, including all those covered by the safeguard policies. The SESA will help the borrower formulate their REDD+ strategy in a way that reflects inputs from key stakeholder groups and addresses the main environmental and social issues to be identified. The SESA includes an Environmental and Social Management Framework (ESMF) as a distinct output, which provides a framework for managing and mitigating the environmental and social risks related to investments and carbon finance transactions in the context of the future implementation of REDD+. The future investments and carbon finance transactions will still require specific environmental and social assessments, but these will benefit from the strategic context created by the SESA and ESMF. The ESMF will include standard methods and procedures, along with appropriate institutional arrangements for screening, reviewing, implementing and monitoring specific ESMFs to prevent adverse impacts as well as cumulative impacts. Thus Standard project-level environmental and social impact assessment will not be prepared for REDD+ as it is not appropriate.</p>			
Natural Habitats (OP/BP 4.04)	x		
<p>This policy seeks to ensure that all options proposed in the National REDD+ Strategy should take into account the conservation of biodiversity, as well as the numerous environmental services and products that natural habitats provide to human society. Overall, REDD+ activities are expected to have significant positive impacts on natural habitats, as the country puts in place an effective strategy to reduce loss of natural forests. This policy strictly limits the circumstances under which any Bank-supported project can damage natural habitats (land and water areas, in which most of the native plant and animal species are still present). The SESA will address issues related to natural habitats and potential impacts of the National REDD+ Strategy, which will later be included in the ESMF.</p>			
Forests (OP/BP 4.36)	x		
<p>Overall, REDD+ activities are expected to have significant positive impacts on forest, in that the main goal of the program is to reduce deforestation and forest degradation, while contributing to the well-being of forest-dependent communities. Potential impact of the National REDD+ Strategy on natural forests will be assessed through the SESA and included in the ESMF. The SESA and associated ESMF will reflect the requirements of the Bank’s Operational Policy regarding forest management, in particular as</p>			

Safeguard Policies Triggered <i>(please explain why)</i>	Yes	No	TBD
these relate to the establishment of plantations.			
Pest Management (OP 4.09)		X	
Agricultural intensification and reforestation activities may form part of the final scope of the National REDD+ Strategy. While increased procurement of pesticides or use of pesticides is often associated with agricultural intensification, and could thus trigger this policy, it is assumed that the SESA process would lead to the identification of environmentally sustainable alternatives, such as Integrated Pest Management practices in strategy options related to intensified agricultural activities. The SESA will address critical issues related to pest management upstream, as necessary. The policy has thus not been triggered.			
Physical Cultural Resources (OP/BP 4.11)			X
This policy could be triggered if REDD+ activities promote actions in areas containing sites deemed physical cultural resources by the local communities living there (e.g. holy/secret sites such as sacred groves, sacred forests, etc.). Though it is not anticipated that the project will have negative impacts on any such sites, the existence of any such sites and the corresponding need to trigger this policy will be determined once the National REDD+ Strategy is completed.			
Indigenous Peoples (OP/BP 4.10)		X	
Involuntary Resettlement (OP/BP 4.12)	X		
REDD+ activities might trigger Involuntary Resettlement in situations involving involuntary restrictions of access to legally designated parks, protected areas, or forest management / reforestation areas. The policy aims to avoid involuntary resettlement to the extent feasible, or to minimize and mitigate its adverse social and economic impacts in cases where resettlement or other involuntary restrictions cannot be avoided. Through the SESA process, any issues related to land acquisition or involuntary resettlement will be identified, and a Resettlement Policy Framework will be prepared.			
Safety of Dams (OP/BP 4.37)		x	
Projects on International Waterways (OP/BP 7.50)		x	
Projects in Disputed Areas (OP/BP 7.60)		x	
Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank-Supported Projects (OP/BP 4.00)			

V. Tentative Financing

I. Tentative financing

Source:	(\$m.)
Borrower/Recipient (in-kind)	1.12
FCPF	3.6

VI. Contact Points

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