

**RWANDA: ADDITIONAL FINANCING FOR
THE TRANSFORMATION OF AGRICULTURE
SECTOR PROGRAM 4 PforR PHASE 2**

**ADDENDUM TO ENVIRONMENTAL AND SOCIAL
SYSTEMS ASSESSMENT (ESSA)**

PREPARED BY THE WORLD BANK

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Environment and Social Systems Assessment - Addendum

1. The additional financing (AF) for the Transformation of Agriculture Sector Program 4 PforR Phase (P169514) builds on past engagement and is in line with the parent IDA program. The original program development objective (PDO) would remain unchanged. The AF financing will support the PforR Program results areas by allocating financing to the disbursement-linked indicators (DLIs) and as such the AF will not introduce new DLIs but rather contribute to the approved activities of the program in the PforR PAD and the AF funds will be allocated proportionally.
2. Considering the unchanged objective, scope, and activities of the AF, the environmental and social impact; and Systematic Operations Risk Rating (SORT) will remain the same. According to the World Bank's policy, an Environmental and Social Systems Assessment (ESSA) was conducted for the parent program. The ESSA assessed the authority and organization capacity of the key implementing agency, that is, the Ministry of Agriculture (MINAGRI), Rwanda Agriculture Board (RAB), National Agriculture Export Board (NAEB), Rwanda Cooperative Agency (RCA), Districts, and identified gaps and opportunities to strengthen the system.
3. The risk mitigation measures in the parent ESSA have been successfully implemented in the six months of project execution. The additional financing does not introduce new environmental or social risks. Project implementation unit, has satisfactorily followed the guidance of the Environmental and Social Implementation Manual, as recommended in the parent ESSA. The unit has adopted a subproject screening procedure that identifies and excludes those with high environmental and social risks and impacts.
4. Although the environmental and social impacts are moderate, the ESSA identified systemic gaps that would be addressed through the program action plan. The ESSA identified capacity gaps, with regard to implementation of the ESIM, that calls for a continuous training program on ESIM to improve the understanding and application of the Government of Rwanda (GOR) environment and social policies, and adoption of good sector practices on environmental and social risk management and social accountability, at the National and District level, including any private sector entities participating in the PforR Program. The ESSA identified the need to develop a compliance Checklist by June 2019, to ensure that activities that are not legally permissible under PforR are not undertaken and that requisite permissions are taken before any scheme/intervention is financed. The ESSA also recommends establishing a selection and performance criteria for participating private- sector entities by June 2019, consistent with the ESIM and overall national environmental and social government regulations. The ESSA recommends that the Private Sector Leveraging Strategy (PSLS) to include conditions for PPP design, such as land acquisition and compensation management to be done by public sector by June 30th, 2019 for DLI 2 Deliverables. The ESSA also calls for the PPP Agreement to include a requirement to comply with ESIM through implementation and to conduct an audit to assess application of the private sector screening procedure by June 30th, 2019.
5. As the AF does not change the priority areas or DLIs of the approved parent program, there are no new significant environmental and social issues identified for this AF. However, there are some measures focused on capacity building and improving systems to management environmental and social aspects of the PSLS of the program that requires to be strengthened in the Program Action Plan in regard to the AF, which include; a) to closely monitor and regularly report on the selection of physical investment to avoid significant environment and social risks b) to audit capacity of district/local level E&S authorities and PPP private sector participants c) to

ensure regular reporting on the issues of land acquisition and resettlement under this program, d) to ensure that the ESIM is clear on the process of land acquisition to follow up on:

- GoR's commitment to use available public land; or buy private land at a negotiated market price/replacement cost, and not acquire land owned by vulnerable groups, and land with unresolved claims. Also make sure that land in any of these categories is not eligible if occupied by non-rights holders.
- Inclusion of informal land-holders rights to assistance, and clarity as to the meaning of market value to achieve full replacement cost in program supported ESMS and regulations adopted by MINAGRI and RAB for PPPs and otherwise.

6. There is inadequate reporting on program activities in relation to land acquisition and resettlement (LAR) issues by MINAGRI. The existing PAP actions do not explicitly require regularly reporting on screening and handling of LAR issues. A new PAP action that requires the MINAGRI to regularly report on this issue has been added to Program Action Plan to strengthen monitoring and reporting. This new PAP action is well articulated in the program paper para. 48, under section C.

7. MINAGRI has operationalized the Grievance Redress Mechanism (GRM). The GRM received several grievances from the stakeholders between July 2018 to March 2019. The grievance summary reports shared with the Bank indicate that, though commendable progress has been done to operationalize the call center as a GRM platform, the mission noted that the GRM mechanism requires more to be done to make it an effective platform to serve its intended purpose. This requires MINAGRI to undertake a GRM awareness campaigns to all the Districts, to ensure that the local leaders, and farmers are aware of the call center GRM, its function, and how to access it. The farmers who contact the GRM through the call center, are charged a fee per call. This charge to the caller, can potentially contribute to exclusion of some categories of farmers that can hardly afford to pay for the call. MINAGRI, should consider an alternative option that could make the call center a GRM mechanism more accessible to all, and at less or no cost to the farmers.

8. An effective communication strategy and capacity building of the subnational government staffs with adequate budget for monitoring are critical for the effective implementation of safeguard provisions in the AF.

9. The tasks to be completed are (a) preparation of training programs/schedules for relevant stakeholders at national and subnational levels, and (b) updating the ESIM requirements in the Program Implementation Manual to include informal land-holders rights to assistance, and clarity to the meaning of market value to achieve replacement cost. To expedite the preparation of the AF, the MINAGRI/PIU is working on the above tasks to be completed by appraisal scheduled for March 18-29, 2019.