

## **Environmental and Social Data Sheet**

### **Overview**

Project Name:	NIGERIA ACCESS TO AGRI MARKETS FRAMEWORK LOAN
Project Number:	2018-0376
Country:	Nigeria
Project Description:	The project consists of a framework loan to finance investments proposed under the Rural Access and Agricultural Marketing Project (RAAMP) in Nigeria. The project includes the rehabilitation and upgrading of rural roads and agro-logistics centres in 13 participating States in the Federal Republic of Nigeria.
EIA required:	Yes. Although unlikely, some of the framework loan sub-projects may require an Environmental Impact Assessment (EIA).
Project included in Carbon Footprint Exercise <sup>1</sup> :	No.

### **Environmental and Social Assessment**

#### **Environmental Assessment**

The operation consists of a framework loan to finance the (re)construction of rural roads and related infrastructure as well as to upgrade existing agro-logistics centres in 13 selected Nigerian states to improve rural access and agricultural markets. The framework loan structure means that each sub-project to be financed will require further due diligence and the Bank's acceptance. This approach was adopted to support the Promoter and to allow for early engagement to ensure that the Bank's safeguards are implemented. The EIB framework loan will be co-financed by the World Bank and AFD. The Government of Nigeria will finance certain non-eligible project costs, such as those foreseen for land acquisition and the maintenance of assets.

The project is part of a broader programme for Nigeria: Rural Access and Agricultural Marketing Project (RAAMP), consisting of the financing of physical infrastructure and the provision of technical assistance, capacity-building and institutional support at federal and state levels. The World Bank is the lead financier and the project is envisaged to follow World Bank safeguard policies, to be enshrined in a Collaboration Agreement between the EIB and the World Bank.

<sup>1</sup> Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO2e/year absolute (gross) or 20,000 tonnes CO2e/year relative (net) – both increases and savings.

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For this purpose, the Bank will analyse World Bank policies, to ensure that all safeguard policies relevant for this project, notably with regard to possible environmental and social risks that the project may trigger and encounter, will be materially consistent with those of the EIB and that any gaps, including in terms of project implementation and monitoring in Environmental and Social terms, are addressed, prior to the signature of the Collaboration Agreement. This, in turn is a precondition for the signature of the EIB loan.

If undertaken within the EU, some sub-projects could potentially fall under Annex II of the EIA Directive 2014/52/EU, amending the EIA Directive 2011/92/EU, whereby the competent authority would be required to determine the need for a full EIA. An Environmental and Social Management Framework (ESMF) has been prepared in line with Nigerian, EIB and World Bank guidelines, to provide an environmental and social screening process that will enable the identification, assessment and mitigation of potential environmental and social impacts of the sub-projects. As said, the WB will ensure, amongst others through its support to the Promoter, full compliance of the sub-projects with WB safeguard policies, EIB minimum requirements and Nigerian legislation, including for the preparation of EIAs as enshrined in Nigeria's EIA Act<sup>2</sup>.

RAAMP has been assigned an Environmental Screening Category B<sup>3</sup> by the lead financier World Bank, and limited adverse environmental impacts of the civil works activities related to both the upgrading of rural access roads and the improvement of existing agro-logistics centers are expected. The Collaboration Agreement between the EIB and the World Bank will limit EIB financing to sub-projects with limited negative impacts and will address any potential gaps, including appropriate assessments of possible impacts on biodiversity, natural habitats and other protected areas, as needed. The project will also improve rural connectivity through spot improvement of rural access roads, and the project plans to introduce sustainable asset management practices in the participating states.

### **Social Assessment**

The development of the agricultural sector and infrastructure to increase its productivity have suffered from political instability, inequality and conflict, notably in the Northern states. The project aims to have a positive socio-economic impact by broadening access to social and economic services and facilities for rural communities in project states, including local women and youth, farmers' cooperatives, and micro and small enterprises. Specifically, the project's social benefits will include direct and indirect employment generated by the project, the lowering of post-harvest losses and increased income generation for rural farmers through increased access to markets, improved sanitary conditions in rural markets and better food hygiene as well as trading opportunities and better prices for agricultural products, lower travel time and enhanced road safety.

Negative social impacts may be associated with civil works needing land acquisition, temporary loss of livelihood and/or limited (involuntary) physical resettlement of homes, and businesses or other income-generating activities.

At this point, sub-projects sites are unknown in sufficient detail. Therefore, the Government has prepared a Resettlement Policy Framework (RPF), which is consistent with EIB social standards. The RPF is publically available at EIB' and Promoter' website, inclusive of a grievance redress provisions. During project implementation, (Abbreviated) Resettlement Actions Plans (RAPs) will be prepared for each of the specific work packages where

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<sup>2</sup> EIA Act 86 of 1992 now EIA Act CAP E12 LFN 2004, and taking into account Nigeria's National EIA Procedure (1995).

<sup>3</sup> A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas—including wetlands, forests, grasslands, and other natural habitats—are expected to be moderate.

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resettlement will occur. The RAPs will be following the guidelines set out in the RPF. People living in the areas where sub-projects will be located are likely to be vulnerable because of the high levels of poverty or social exclusion that exist. These would need to be identified and additional measures may need to be taken for these vulnerable groups. The resettlement process will include identification of any vulnerable groups or individuals. Civil works will not commence on any specific sub-project until project affected persons are compensated in accordance with the principles of the project's RPF.

Moreover, the Government's social assessment, completed as part of project preparation activities, revealed that there exist social risks including labor influx, child labor, and sexual exploitation and abuse related risks (see below). The ESMF sets out principles for addressing these risks during project implementation through preparation of an Environmental and Social Impact Assessment. The ESMF defines an overall action plan to mitigate these risks.

Nigeria has been a member of the International Labour Organization (ILO) since 1960 and has ratified all 8 fundamental ILO conventions. The works contracts will comply with ILO core labour standards and contractors shall ensure occupational and community health and safety safeguards as part of their works contracts.

Requirements for the management of environmental and social aspects of the works in line with ILO and EIB standards will be included into tender documents and subsequent agreements with selected contractors.

With the above, the overall social impact of the project is deemed positive as a result of the expected improvement in rural mobility and connectivity, road safety, agro-productivity and subsequent economic development that it will generate.

### **Management and implementation of Environmental and Social Standards**

The management and implementation of Environmental and Social safeguards, including monitoring, is envisaged to be part of the tasks and responsibilities delegated by the EIB to the World Bank, deemed acceptable once the safeguards of both institutions are aligned, remaining gaps are addressed and the Collaboration Agreement is signed. No significant adverse negative impacts are then expected during project implementation and lead financier World Bank has indicated that the proposed project will not finance any roads or agro-logistics centers that have significant and irreversible adverse environmental and social impact. The project does not foresee (extensive works on) new roads, essentially remaining within the existing right-of-way, and will only make improvements to the already established agro-logistics centres.

As part of the World Bank's safeguards policies, an Environmental and Social Management Framework (ESMF) has been prepared and disclosed (in country in July 2018 and published on the World Bank website in September 2018, and updated in September 2019) and will be disclosed on the EIB website. Environmental and Social Impact Assessments (ESIAs), Environmental Audits (EAs) Environmental and Social Management Plans (ESMPs) and Resettlement Action Plans (RAPs) will be prepared for all sub-projects as needed. All safeguard instruments will be disclosed in-country and on the World Bank and EIB websites in due course.

The ESMF includes an Environmental and Social Screening Checklist. The World Bank's environmental and social safeguards guidelines and the Nigerian Environmental Impact Assessment (EIA) guidelines were used in its design, to assist in the evaluation of proposed project interventions from both environmental and social perspectives. A review process will be put in place to ensure screening of all potential civil work activities for environmental and social impacts prior to the approval of sub-projects by the SPIUs. In addition, each sub-project will be screened to identify relevant stakeholders and the nature and extent of engagement for each stakeholder category.

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The State Project Implementation Units (SPIUs), already established in participating states, will be responsible for monitoring and managing environmental and social safeguards issues at the state level. Most SPIUs are new and have limited experience in World Bank safeguards policies, principles, and procedures. In some states, staff designated as environmental and social safeguards officers have neither the requisite qualification nor experience and will need to be supported by the World Bank and consultants mobilized from the TA provided by the World Bank and AFD. Sufficient and appropriate staffing of the Promoter shall be captured in the Collaboration Agreement and/or the Project Implementation Manual and as a condition in the EIB financing contract. At least three states have now recruited experienced environmental and social safeguards and gender-based violence (GBV) consultants to assist the SPIUs in managing safeguards risks and mitigating their potential impacts. Other states have also started the recruitments of these consultants and the process is expected to be completed before project implementation. At the federal level, RAAMP has recruited environmental and social safeguard consultants in order to coordinate and monitor the state safeguards activities and to provide support to the SPIUs. State safeguard officials have received trainings organized by the Government and supported by World Bank experts. A follow up training is also planned before the commencement of the project.

Apart from the above, the World Bank's broader RAAMP programme will also finance activities related to state-level road sector reforms, asset management and maintenance, and strategies to reduce post-harvest losses and increase productivity of agro-SMEs, studies for which are currently ongoing. Finally, there is a component to support institutional development, project management, risk mitigation and resilience. These activities will include studies and actions to increase the climate resilience of rural infrastructure.

### **Public Consultation and Stakeholder Engagement**

The ESMF was prepared in consultation with relevant state ministries, departments and agencies and other stakeholders. Each sub-project will be screened to identify relevant stakeholders and the nature and extent of engagement for each stakeholder category. As part of its delegation agreement, the EIB will request a stakeholder consultation plan as needed, which outlines the project's approach to implement a programme of stakeholder dialogue throughout the project. Notably, the agro-logistics centres' planning and design will go through an elaborate consultation process with market users. The representation of women, small traders, small farmers who sell their produce in the market will be ensured in the consultation process, and will include requirements related to the inclusion of gender and physically-challenged persons. The stakeholder engagement plan is expected to evolve with the needs of the project/subprojects, where updates are published as the project progresses through the various planning and implementation phases. The World Bank will periodically verify its continued relevance and execution through monitoring missions.

### **Other Environmental and Social Aspects**

#### **Animal welfare**

Feasibility studies have shown current agro-logistics centres have components dedicated to trade in animals and animal products, such as small and large livestock, fish and poultry, which states intend to submit as part of the project as well. The implementation and specific safeguarding and certification of such investments still have to be confirmed by the Promoter and lead financier. The FPMU and SPIUs would need to have confirmed awareness and capabilities on hygiene, OIE animal welfare standards and animal health measures. OIE animal welfare standards would also need to be applied to first-tier suppliers, including also (in cases of) live animal transportation. Even if such activities were to be carved out of the project, compensation measures would need to be taken into account as all centres are envisaged in existing markets, thus affecting current producers and sellers within this subsector. The

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Collaboration Agreement between the World Bank and the EIB will therefore need to specify the sectoral priorities, policies and minimum ERR criteria, as well as E&S safeguards required to implement and/or compensate for such components in a manner acceptable to the Bank. Components dealing with animals will need to be verified by the World Bank for every subproject, as well as systems in place to ensure sufficient safeguards and adherence to standards. These will be included in the Collaboration Agreement between the EIB and the World Bank, stipulating that subprojects that do not meet these criteria in full shall not be eligible for EIB financing.

### **Road safety**

According to the WHO, road traffic accidents in Nigeria kill an estimated 21 out of every 100,000 people, which is over four times the EU average. Together with this human cost, an estimated 3% of the country's GDP is lost to road traffic crashes each year. Nigeria has gone through great efforts to address this concern through its national road safety strategy and has ranked third in the 2015 Mid-Term review of the African Road Safety Action Plan. Roads under this project should contribute to these ongoing efforts. In line with national policies, the EIB will require that roads to be upgraded under this project are subject to Road Safety audits, as well as Road Safety impact assessments, inspections and/or ratings, as needed. Recommendations stemming from these should be included in the design, to be followed up on during implementation, resulting in an expected decrease in road fatalities and injuries. The World Bank is also making funds available to strengthen Road Safety capacity as state and federal level, amongst others through institutional support, data management systems, trainings and the development of a comprehensive Road Safety design and audit manual.

### **Gender**

Gender features in the project in several ways. It attempts to narrow gender inequality by i) promoting the role of women in the implementation of the project, ii) ensuring women's participation in the design and decision making process regarding the agro-logistics centres, iii) directing project support to include female agro-entrepreneurs, and iv) continuously looking for opportunities to minimize gender gaps during its implementation, including through gender-based data-gathering and impact assessments. Moreover, the World Bank has recently rated overall gender-based violence (GBV) related risks in Nigeria as "Substantial" and as such increased its focus on abatement. The project has devised a plan to counteract gender impacts of labour-influx and Sexual Exploitation and Abuse (SEA) risks following a set of principles, under this high-risk scenario. The principles include the application of a "do-no-more-harm" approach and proactivity in mitigation and response measures. These measures would include defining contractual obligation involving the signing of the codes-of-conduct by the contractors' and consultant's personnel, the use of a project specific GBV/SEA specific Grievance Redress Mechanism, GBV/SEA capacity building at the FPMU and SPIU levels, and use of a third-party for the monitoring of GBV risks and effectiveness of the adopted mitigation measures.

## **Conclusions and Recommendations**

The implementation of this project will lead to improvement of living conditions, sustainability and safety of economic infrastructure and an enabling environment for economic activities in the project areas. Possible negative environmental effects should be limited and confined to sites of existing roads infrastructure and agro-logistics centres.

Involuntary resettlement and economic displacements can be expected at the works sites and will be addressed by the project's Environmental and Social Management Plan (ESMP) and Resettlement Action Plan (RAP). The project due diligence has confirmed that delegating certain Environmental and Social safeguarding tasks and responsibilities successfully to the World Bank will be decisive in safeguarding the project, whereby the EIB will rely on the

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implementation arrangements set up by the World Bank not leading to deviations from EIB standards.

The project is considered acceptable for EIB financing from an Environmental and Social point of view once a Collaboration Agreement to the satisfaction of the Bank and confirming the issues highlighted above has been signed, with the following conditions relating to environmental and social matters (including conflict sensitivity analyses, as needed) to be enshrined therein, and reflected in the Project Implementation Manual and/or EIB contract, as appropriate:

- Impact assessments and/or audits, including of protected areas, and a RAP will be a requirement for sites of intervention, as needed and verified by the World Bank, to be published on the EIB website;
- ESMPs and RAPs including a grievance mechanism should be implemented in compliance with the Environmental and Social standards of the EIB and international best practices;
- No works should be implemented without the environmental authorization by the Nigerian authorities;
- No works should be implemented before compensations have been paid to the people affected by the works, as verified by the lead financier, the World Bank;
- The Promoter shall ensure that independent audits are carried out annually to verify the satisfactory implementation of the RAPs.

The EIB will aim to align its conditions and undertakings with the World Bank and, despite delegation of its Environmental and Social tasks and responsibilities, will ensure that the Bank's environmental and social standards will be reflected and implemented in an acceptable manner. This will include that:

- A Collaboration Agreement with the lead financier World Bank will be signed prior to the signature of the EIB finance contract. This Agreement shall include provisions for the safeguarding of environmental and social standards, addressing aforementioned risks related to biodiversity and the natural environment (including animal welfare), project-affected people, labour and GBV/SEA. Conflict sensitivity analyses where needed and appropriate systems for the handling of grievances and complaints shall also feature in this Agreement. These provisions shall also be reflected in a Project Implementation Manual to the satisfaction of the Bank;
- Before each sub-project allocation, for sub-projects requiring an EIA or ESIA, according to World Bank environmental policies and guidelines (or as amended/complemented as part of the Collaboration Agreement), the Promoter should provide the Bank with a copy (preferably electronically), including a non-technical summary (NTS), or provide a web-site link to the location where the ESIA is published for at least 3 years, and will confirm that the project incorporates all mitigating measures recommended as a result of the EIA/ESIA, in order to ensure compliance with the EIB's Public Disclosure Policy;
- Furthermore, a copy of the relevant consent will be provided showing that public consultation has been performed and its results taken into consideration;
- The EIB will receive an Environmental and Social Action Plan addressing identified gaps for the sub-projects, as well as an Environmental and Social Management Plan and a Resettlement Action Plan, where applicable;
- For sub-projects with a potential to affect a site of nature conservation importance that is protected under national or international legislation or agreements, the Promoter shall obtain a confirmation from the competent nature conservation authority, or an equivalent assessment satisfactory to the Bank, that the sub-project does not have a significant negative impact on the site;

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- For all other sub-projects, the Promoter shall provide a signed statement that confirms environmental and social compliance with the World Bank's standards.
- Sub-projects will be implemented in line with the agreed environmental and social policy framework and its subsequent plans, as well as in line with sectoral priorities, policies and minimum criteria;
- Only sub-projects that are category B or less risky in the World Bank's classification will be accepted. No road infrastructure or agro-logistics centres that have significant and/or irreversible adverse environmental and social impact will be financed under the project;
- The Promoter will have sufficient staff members, including a technical coordinator, approved by the World Bank, for environmental and social issues;
- Stakeholder consultation with interested parties has to be put in place to ensure consultation of affected communities and these have to have access to conflict resolution mechanisms. Such stakeholder consultation and public engagement procedures and mechanisms shall be in line with the requirements of the ESMF;
- All environmental evaluations and environmental and social management plans related to works have to be publicly available;
- Socio-environmental reporting and audits will be requested;
- The EIB will require that the Promoter stores and keeps the relevant environmental and social documents updated so that these can be promptly provided to the Bank upon request.

Further disbursement conditions may arise when negotiating the Collaboration Agreement with the World Bank, and/or when the due diligence of specific sub-projects is conducted, as advised by the lead financier.