



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: | Report No: PCBASIC0293295



**BASIC INFORMATION**

**A. Basic Project Data**

Country Ethiopia	Project ID P181545	Project Name	Parent Project ID (if any) P156433
Parent Project Name Second Ethiopia Urban Water Supply and Sanitation Project	Region EASTERN AND SOUTHERN AFRICA	Estimated Appraisal Date	Estimated Board Date
Practice Area (Lead) Water	Financing Instrument Investment Project Financing	Borrower(s)	Implementing Agency

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Proposed Development Objective(s) Parent

Components

Environmental Assessment Category

- Category B

Decision

Other Decision (as needed)

**B. Introduction and Context**

Country Context



Sectoral and Institutional Context

**C. Proposed Development Objective(s)**

Original PDO

Current PDO

Key Results

**D. Project Description**

The proposed Additional Financing (AF) to the Parent Project will entail a minor, level 2 restructuring. The PDO and all the indicators will be maintained as per the Parent Project. No new activities will be added under the AF. The proposed changes include: (i) additional project funds and (ii) extension of project closing date by three years, from June 30, 2024, to June 30, 2027.

Component 1— Sanitation and Water Supply Services Improvements in Addis Ababa (original financing US\$260 million). This component focuses on investments in wastewater infrastructure for Addis Ababa. It also includes investments to increase the hydraulic capacity of the existing water supply network and reduce losses; non-revenue water (NRW). All key contracts under this component are either ready to be signed or under implementation, and all the project funds are committed. The Addis Ababa water and sewerage utility, AAWSA (Addis Ababa Water and Sewerage Authority), has operationalized 90 vacuum trucks to collect an additional 1200m<sup>3</sup>/day of fecal sludge daily. The utility will complete the Addis Ababa Sanitation Master Plan in 2024. The performance-based contract (PBC) for NRW reduction is also under implementation, albeit delayed due to slow progress in importation of specialized equipment that requires clearances from various Government agencies. The contract for the trunk sewer line for the eastern catchment is already signed. The design-build-operate (DBO) contract for the two eastern catchment wastewater treatment plants, with an estimated value (bid price) of USD 143 million, was signed on January 30, 2024. The value of the contract exceeds the original planned value (USD 86 million) by 70 percent due to inflation and cost escalation. The estimated budget also exceeds the available uncommitted resources in the project. Only after the DBO contract is signed and the treatment plants constructed, the project can reach the project target beneficiaries (495,000 residents). The projected cost-overrun for Component 1 is USD 148 million and a three-year extension of the project closing date is needed to complete all activities.

Component 2— Sanitation and water supply services improvement in select Secondary Cities (original financing US\$254 million). This component finances various investments to increase access to safely managed household and public sanitation services in 22 secondary towns. These investments include constructing fecal sludge treatment plants (FSTPs), construction of public and communal latrines, and NRW management and utility Management Information System (MIS). The construction of public and communal latrines is progressing well in 220 towns. 703 toilets are



operational. The NRW reduction, MIS establishment and water supply improvement works are all progressing well. To date the feasibility studies, detailed designs, and bidding documents for 14 FSTPs have been completed. Those for the other cities will be completed before 30 June 2024. Preparation of the necessary Environmental and Social Impact Assessments and Environmental and Social Management Plans (ESIA/ESMPs) has been finalized and approved by the Bank for most towns. However, the ESIA for Arba Minch and Dessie towns have not been approved as there are concern related to FSTP locations/ buffer zones. The PIU will consider technology and location alternatives before approval of the ESIA for Arba Minch and Dessie. The construction of FSTPs in 20 cities is planned to start before 30 June 2024, with an estimated cost of USD 155million. FSTP construction is critical for the achievement of the outcome and PDO level indicator targets (2.3 million beneficiaries), as well as supporting GoE's social equity policy. The projected cost-overrun for Component 2 is USD 127 million and a minimum of 30-month extension of the project closing date is needed to complete all activities.

Component 3– Project management and Institutional Strengthening (original financing US\$ 9 million). This component supports the project implementing agencies in strengthening their institutional capacity and ability to manage the project. Several plans and policies to strengthen overall project management have been developed. Significant improvement in AAWSA's capacity to manage the project has been noted. The project will continue to support MoWE and AAWSA in improving capacity and implementing project activities. There will be no changes under this component.

## E. Implementation

### Institutional and Implementation Arrangements

The Ministry of Water and Energy (MoWE) and Addis Ababa Water and Sanitation Authority (AAWSA) have the responsibility for overall coordination, fiduciary and safeguards management, and monitoring and evaluation of the Second Urban Water Supply and Sanitation Project, including the AF. Their tasks cover working with the safeguards teams at the utility level. AAWSA implements the environmental and social (E&S) safeguard measures and addresses any related issues for the activities under its implementation responsibility. In early 2024, MoWE has new safeguards experts dedicated for the project, and AAWSA has one environmental and two social safeguards experts for the project. All the 22 secondary towns have also recruited or assigned environmental and social safeguards experts.

The latest E&S performance rating of the project's is moderately satisfactory. There has been significant improvement since the last November 2023 mission in the E&S staffing, capacity building and stakeholders engagement, E&S screening of subprojects, preparation of site-specific E&S instruments, establishment of project-level GRMs, despite some gaps. Besides, subproject E&S instruments have been prepared and approved. Periodic E&S performance reports have been shared with the Bank. C-ESMPs and C-OHS Management Plan have been shared with the Bank. Based on the ESIA recommendation, preparation of RAPs and ARAPs has been initiated for various FSTPs proposed for beneficiary utilities and some are under review process. A draft SESA for the sanitation master plan has been prepared and will be finalized by the end of February 2024. Preparation of an addendum RAP to include land acquisition issues of the sewer line for the ancillary works as part of the Addis Ababa Eastern Catchment WWTP and Sewer Lines Construction such as camping, sewer pipes and fittings storage and workshop is on progress. Appropriate orientation to GRM committee on how to record, report and resolve any grievances related to the project implementation has been provided.

However, there are still delays in finalization of the E&S instruments for FSTPs for Arba Minch and Dessie towns because of buffer zone concerns. Implementation of the approved RAP for the Addis Ababa Eastern Catchment WWTP and Sewer Lines Construction is significantly delayed, and due to the delay, the previously calculated compensation fees



need to be adjusted based on the current market price of construction materials and AAWSA has decided to adjust accordingly and implement the RAP in phased approach. There is staff turnover at MoWE and AAWSA (environmental specialists) recently which will need to be addressed as soon as possible. The rehabilitation works for the dams is under materials production stage and no rehabilitation work is currently underway. The PIU's periodic report will adequately cover implementation of dam safety measures once rehabilitation of Dire and Lege Dadi Dams commences. Despite the establishment of project-level GRMs at all levels, the project is expected to strengthen their functionality to effectively record, resolve, monitor and regularly report grievances related to the project activities.

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

Ethiopia is a country of great geographical and climatic diversity, which has given rise to many and varied ecological systems. The rainfall pattern in Ethiopia is influenced by two rain bearing wind systems, one bringing the monsoonal wind systems from the South Atlantic and the Indian Ocean and the winds from the Arabian Sea. The two wind systems alternate, causing different rainfall regimes in different parts of the country.

Ethiopia's rapid urbanization is putting stress on the already inadequate water supply and sanitation (WSS) system in areas. The capacity of urban centers to adequately dispose of wastewater is low, exposing natural resources to pollution posing a risk to human health. Out of the estimated 398,985 m<sup>3</sup> /day of wastewater produced in Addis Ababa, Addis Water and Sewerage Authority (AAWSA) only has the capacity to properly dispose of 1,727m<sup>3</sup>/day or 0.43% of waste. The situation is even worse in other secondary cities including Mekelle, Bahirdar, Hawassa, Gondar, Dire Dawa, Adama. Considering these challenges, the second phase of the Urban Water Supply and Sanitation Project (UWSP) primarily intended to improve urban sanitation holistically and equitably in the urban space and provide support to improve operational efficiency in 22 Ethiopian cities.

The project has been supporting Addis Ababa city and 22 other secondary cities (Dire Dawa, Mekelle, Adama, Bahir Dar, Hawassa, Jimma, Gondar, Sodo, Adigrate, Harar, Jigjiga, Gode, Gambella, Assosa, Semera, Bishoftu, Dessie, Shashane, Nekemte, Asela, Arbaminch, and Debrebirehan), including all the nine regional capital cities/towns. The infrastructure has been constructed and rehabilitated include: (i) construction of public and communal sanitation facilities in Low Income Areas; (ii) construction of centralized sewerage systems, sludge drying beds, simplified decentralized sewerage systems appropriate and feasible; and (iii) rehabilitation and replacement of old water supply distribution systems in residential areas etc.

#### **G. Environmental and Social Safeguards Specialists on the Team**

Solomon Soroto Tanto, Social Specialist

Tamru Demsis Temam, Senior Environmental Specialist



**SAFEGUARD POLICIES THAT MIGHT APPLY**

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Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project has been supporting infrastructure investments aimed at expanding access to water supply and sanitation services and will require environmental and social due diligence. An Environmental and Social Management Framework has been used as a guide in preventing and managing environmental and social risks and potential negative impacts. Site-specific E&S safeguards instruments have been/will be prepared for each sub-project based on the requirements of the Environmental and Social Management Framework (ESMF).
Performance Standards for Private Sector Activities OP/BP 4.03	No	The project does not finance any private sector activities requiring application of OP/BP 4.03.
Natural Habitats OP/BP 4.04	No	Sub-Projects that may have significant adverse impacts on natural habitats have not been funded under the Parent Project and will not be funded under the AF.
Forests OP/BP 4.36	No	From the ongoing implementation of the project, the AF will not have impacts on the health and quality of forests or the rights and welfare of people and their level of dependence upon or interaction with forests.
Pest Management OP 4.09	No	The AF will not finance activities that may require application of pesticides as it's the case for the Parent Project. Hence, OP 4.09 has not been triggered.
Physical Cultural Resources OP/BP 4.11	Yes	The country's cultural heritage sites are not within the proximity to the project works in the beneficiary cities or towns. This policy is triggered due to the possibility of chance finding during construction and rehabilitation activities. Thus far, no cultural heritage has been encountered under the Parent Project. Any potential chance finds will be managed in line with the chance find procedure in the ESMF.
Indigenous Peoples OP/BP 4.10	No	The AF project will be implemented in urban centers where the beneficiary communities lie within these urban areas, and there are no people who meet the policy criteria (Para. 4 of OP/BP 4.10) expected to be present in the project area.
Involuntary Resettlement OP/BP 4.12	Yes	BP 4.12 has been triggered due to the potential





of the concerned international waterways. Nevertheless, the World Bank notified the riparian Governments on behalf of Ethiopia on December 30, 2016, regarding the relevant details of the project.

Projects in Disputed Areas OP/BP 7.60                      No

The Parent Project and AF activities will not be implemented in disputed areas. Hence, OP 7.60 has not been triggered.

## 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:

Since the AF is proposed due to cost overrun, there will be no new activities that will require change the EA categorization. Thus, the project AF is also classified by the World Bank environmental assessment as category B.

The construction and operation of water supply and sanitation facilities can give rise to various environmental concerns. These concerns encompass solid waste, wastewater, hazardous chemicals, air emissions, and ecological impacts. Wastewater treatment operations can emit hydrogen sulfide, methane, ozone (in the case of ozone disinfection), volatile organic compounds (such as those released by industrial discharges), and gaseous or volatile chemicals used for disinfection processes (e.g., chlorine and ammonia). Hazardous chemicals, including strong acids and bases for pH control, as well as chlorine or other disinfectants, are often used in wastewater treatment. Inadequate operation of fecal sludge treatment plants has the potential to harm aquatic life and the overall environment, negatively impacting the local population and the quality of ground and surface water. Insufficient management and work procedures can lead to untreated sludge overflowing from sludge treatment facilities, contaminating highways, water sources, and nearby residential areas, thereby polluting the surrounding soil and water sources. This contamination can expose the surrounding flora, fauna, and community to harmful pathogens and pollutants. Working at water and sanitation facilities can involve various hazards, such as working near open water, in trenches, on slippery walkways, at heights, around energized circuits, and with heavy equipment. The handling of liquid waste, especially, can generate different odors, such as ammonia.

The project will generate significant social benefits through the provision of improved WSS services, including time savings (especially for women and children), an improved environment, and reduced health risks. The likely adverse social impacts associated with the ongoing and planned construction works such as construction of wastewater treatment plants, reservoirs, public and communal toilets, sewer trunk lines and pipelines, and in some cases, access roads under the project will acquire private or communal land. The social impacts of these works vary from town to town. The overall social risks and potential negative impacts include, among others, physical and economic displacement or loss of shelter, loss of income or means of livelihood due to land acquisition needed for the construction of water, sanitation and hygiene (WASH) facilities, health and safety risks among people near the construction sites, inadequate consultation and participation of communities during sub-project design, implementation and monitoring. To mitigate or minimize negative social impacts related to sub-projects that involve land acquisition, particularly of privately owned land that might affect resident households, shop owners and informal traders who operate near the proposed construction sites, the World Bank's safeguard policy on Involuntary Resettlement (OP/BP 4.12) is triggered and the RPF was developed during the Parent Project preparation. Thus far,

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the project has prepared, consulted by, disclosed, one RAP (with a total of 2,193 PAHHs) for E-WWTP and Sewer Line under AAWSA and under implementation. Two RAPs (with a total of 532 PAHHs) and 4 ARAPs (total 117PAHHs) for the constuction of FSTPs under respective utilities have been initiated and some are reviewed and commented by the Bank team. During the AF, 12 more ARAPs are expected to be developed for the rest of the utilitites based on the ESIA's report. . Overall, no large scale, significant and/or irreversible resettlement impacts are expected due to the Parent Project/AF works. Under the remaining implementation period, attention will be given to increasing awareness of the community sanitation through information provision and education. Moreover, the project ensures carrying out of meaningful consultations with the affected and interested communities and other stakeholders in the project area, aimed at gaining broad community support for the project.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:  
The project is not expected to cause negative indirect and/or long term impacts due to anticipated future activities in the project areas.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.  
Project alternatives covering site and design alternatives and selection of the most cost-efficient technologies are considered as part of the sub-projects' planning and design phase. Various location alternatives have been considered before deciding FSTP locations for each beneficiary town.

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.

During the Parent Project preparation, MoWE prepared an Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) and disclosed them at the MoWE website in month, year. The ESMF was updated for a project restructuring in April 2020 to cover the risks and impacts associated with the new activities included upon the restructuring. The updated ESMF outlines the steps of the E&S screening process and provides a screening form; assignment of the appropriate E&S category to each sub-project (please include the thus far numbers of sub-projects and their categories); carrying out the appropriate level of E&S work based on the screening results; public consultations process; procedures for review and clearance of the E&S screening results and the final ESIA reports; and environmental monitoring and evaluation). The RPF outlines the principles and procedures to be followed in the event of land acquisition, impact on assets and/or loss of livelihoods.

The project conducts robust community and other stakeholders' consultations during the preparation and implementation of E&S instruments. The views and concerns of the consulted parties are being incorporated in the bid documents as well as design and implementation of WaSH facilities. In addition, to engage citizens under the project and the AF, a customer forum was established in year and the existing forums in the beneficiary water and sewerage utilities will continue to be strengthened to service habitants in the utilities' service areas, including those not directly connected to the water supply and sewer network. The forum, which will also serve as a monitoring tool, and has been meeting on a quarterly basis and a summary of the issues discussed in such meetings has been reflected on the quarterly reports submitted to the World Bank. The forum, among others, is expected to discuss issues related to service coverage and quality, affordability of tariffs, consultation on selection of locations for the sanitation facilities. In addition, the project will support the establishment and strengthening of websites in the utilities for customer feedback. This website can be expanded to have a specific section regarding the activities under the project and allow customers and users to provide their respective feedback.

The UWSSP-II is implemented through Government systems in 22 cities including Addis Ababa which has big share of



the allocated budget. The additional finance (AF) will continue with similar safeguards implementation arrangement. While implementing various World Bank financed infrastructure projects, MoWE has gained experience in preparing safeguards instruments (ESMFs, ESIA/ESMPs, RPFs and RAPs) to identify and address E&S risks and impacts. MoWE is one of the few federal agencies to have an Environment Unit with a full mandate to review and approve E&S screening, ESIA/ESMPs, and RAPs. Each of the utilities under the 22 towns has hired E&S safeguard experts in accordance with the ESMF requirements. With the assistance of WB and other partners, all newly hired E&S safeguards staff members received a four-day training and continuous capacity building activities will be implemented pertinent to the E&S safeguards requirements including GRM.

Similarly, while implementing various World Bank financed infrastructure projects including the UWSSP phase one and the ongoing UWSSP-II, Addis Ababa Water and Sewerage Authority (AAWSA) through its Water and Sanitation Infrastructure Development Division (AAWSID) has gained experiences in preparing and implementing safeguards instruments (ESMF, RPF, ESIA and RAP). Currently, the office has assigned full staff working on E&S safeguards. More importantly, Environmental & Social Impact Study, Monitoring and Evaluation (ESIS&ME) sub-process/unit has been established under AAWSID as part of institutional strengthening plan. The Sub-process has 1 Social individual consultant and 8 Senior Experts working also for government projects for proper management of Environmental and Social risks. Although, they have gained experience and progressively developed capacity on E&S risk management, the capacity building activities need to be further enhanced during the AF.

The AF will not finance any new activities. Thus, MoWE will continue implementing the ESMF of May 2020 and the RPF of \_\_\_\_\_ month, \_\_\_\_\_ year, \_\_\_\_\_ are \_\_\_\_\_ available \_\_\_\_\_ at <https://www.mowe.gov.et/sites/default/files/resource/UWSSP%20II%20ESMF%20%281%29-converted%20%281%29%20RESTRUCTURING.pdf> and the World Bank's external website under the Parent Project's code P156433.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The project involves in engaging various stakeholders including the implementing units at all levels of project's government structure, including the beneficiary utilities or water boards who are responsible for designing, operationalizing of the water supply and sanitation services, development partners, NGOs, interested private sector actors, and other stakeholders.

Project-level GRM has been established at all levels. At the utilities level, all the 22 towns had already formed grievance redress committee (GRC) committees in compliance with the GRM guideline developed and disseminated to each of the utilities. To strengthen the functionality of the established GRCs, capacity building training has been provided for the committee members and other relevant stakeholders. Similarly, for AAWSA, the existing GRM has been maintained and being strengthened through provision of appropriate training to the GRM committees on how to record, report and resolve any grievances related to the project implementation. Given the active functioning of customer forums serve as a platform for stakeholders, including the project beneficiaries, to engage in dialogue, share feedback, and participate in decision-making processes under each utility including AAWSA, many issues, concerns and grievances are being addressed through such platform. However, the project is expected to strengthen the effective operation of the established project-level GRMs to record, resolve, monitor and regularly report grievances



related to the project interventions through continuous awareness creation and capacity building activities, disclosure of the GRM structures, procedures, focal points and appeal mechanism to the public, provisions of logistics and other resources to the GRCs, etc.

**B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

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.

If in-country disclosure of any of the above documents is not expected, please explain why:

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

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