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ENVIRONMENTAL AND SOCIAL SYSTEMS ASSESSMENT (ESSA)

FOR THE

URBAN INSTITUTIONAL AND INFRASTRUCTURE DEVELOPMENT PROGRAM (UIIDP)

December, 2017

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ACRONYMS

AACG	Addis Ababa City Government
APAs	Annual Performance Assessments
ARAP	Abbreviated Resettlement Action plan
BOFED	Bureau of Finance and Economic Development (Regional)
BoEPLAU	Bureau of Environment Protection Land Administration and Use
BTIUD	Bureau of Trade, Industry and Urban Development (Regional)
BOFED	Bureau of Finance and Economic Development (Regional)
BWUD	Bureau of Works and Urban Development
CIPs	Capital Investment Plans
CB	Capacity Building
CBG	Capacity Building Grant
DDCA	Dire Dawa City Administration
DLIs	Disbursement linked Indicators
EC	Ethiopian Calendar
EFY	Ethiopian Fiscal year
EIA	Environmental Impact Assessment
EIS	Environmental Impact Study
EMP	Environmental Management Plans
EFWPDA	Environment Protection Forest and Climate Change Protection and Development Authority
EPFA	Environment Protection and Forest Authority
EPFCCA	Environment Protection, Forest, Climate Change Authority
EPLAUA	Environment Protection Land Administration and Use Agency
EPMFEDA	Environmental Protection Mining, Forest and Energy Development Agency
ESDU	Environment and Social Development Unit
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESSA	Environmental and Social Management System Assessment
ESMS	Environment and Social Management System
FY	Fiscal Year
GoE	Government of Ethiopia
HTP	Harmful Traditional Practice
IEE	Initial Environmental Examination
LEPB	Land and Environmental Protection Board
LEPO	Land and Environment Protection Office
LG	Local Government
LDP	Local Development Plans
LGA	Local Government Authority
MC	Minimum (access) Conditions
MoEFCC	Ministry of Environment Forest and Climate Change
MoFEC	Ministry of Finance and Economic Cooperation (Federal)
MoUD	Ministry of Urban Development
MoUDH	Ministry of Urban Development and Housing
OP/BP	Operational Policy/Business Procedures
PAPs	Project Affected People
PBG	Performance Based Grant

PCR	Physical Cultural Resources
PWD	Persons with Disability
PDO	Project Development Objective
PforR	Program for Results
RAP	Resettlement Action Plan
REPFCCA	Regional Environmental Protection, Forest and Climate Change Authority
REFA	Regional Environmental Forest Agency
UDCBO	Urban Development and Capacity Building Office
UGCBB	Urban Governance and Capacity Building Bureau
UIIDP	Urban Institutional and Infrastructure Development Program
ULG	Urban local Government
ULGDP	Urban Local Government Development Project
UGCBB	Urban Governance and Capacity Building Bureau
ULGDP II	Second Urban Local Government Development Program
WAEPO	Woreda Agriculture and Environment Protection Offices
WCAO	Women and Children Affairs Office
ZEPSO	Zonal Environmental Protection and Sustainability Offices

EXECUTIVE SUMMARY

Introduction

The World Bank, in collaboration with the Government of Ethiopia, is developing Urban Institutional and Infrastructure Development Program (UIIDP), as a continuation to the Program for Result (P for R) operation of the Ethiopia Urban Local Government Development Program ULGDP II, in accordance with the Bank policy: *Program for Results Financing*. The proposed UIIDP Program will use the existing country systems with regard to safeguards, procurement and financial management. Strong emphasis will be put on strengthening the capacity of the sector institutions to achieve the targets linked with UIIDP activities, the support will be on planning, technical implementation, financial management, Procurement, Governance, and Safeguards: *social and environmental management*, Gender, Skill development and financial viability.

This Environment and Social Systems Assessment (ESSA) has been carried out to review the systems and procedures followed by Federal, Regional and City level government to address social and environmental issues related to UIID Program. The ESSA review and update is limited to the scope of the proposed Urban Institutional and Infrastructure Development Program, and provides an assessment and a summary of the key environment and social risks associated with the program and existing institutions and system of the GoE to manage and mitigate associated risks and ensure effective and successful implementation of the Program. As is a standard practice, operations to be prepared under this lending instrument will follow a set of principles and attributes as set out in the Bank policy: *Program for Result Financing*, consistent with P for R principles.

UIID Program Description

The Urban Institutional and Infrastructure Development Program (UIIDP) will be financed through a hybrid of Investment Project Financing (IPF) and Program for Results (PforR) instruments, which builds on, up-scale and refine the ongoing ULGDP II (2014/15-2018/19) – a performance-based grant (PBG) program, with financing from the World Bank, French Development Agency and Government of Ethiopia (GoE), in the form of contributions from the regions and participating urban local governments (ULGs). GoE has expressed a strong wish and commitment to scale up performance-based grants to cover 117 major cities under the upcoming new phase as part of its urban development vision and strategy. The UIIDP in the first phase will be implemented in 117 cities i.e. the existing 44 cities in ULGDP II and an additional 73 new cities. In the second phase, the number of cities will be expanded to include the remaining 39 of the total of 156 cities that the Ministry is specifically targeting in its urban reform and development agenda.

The Program development objective (PDO) of the UIIDP is to enhance the institutional performance in the planning, delivery, and sustained provision of urban services and infrastructure by ULGs. The key result areas of the new Program will produce institutional performance resulting in: enhanced citizen participation and engagement in ULG planning and budgeting; increased own source revenue at the ULG level; improved infrastructure, service delivery, O&M systems and job creation; improved efficiency and effectiveness in fiduciary management; improved environmental and social management; strengthened accountability and oversight systems; and strengthened ULG resilience, improved Local Economic

Development (LED) and enhanced gender equity in the ULG operations (which are new key results compared with ULGDP II). The proposed UIIDP duration will be for a period of five years and six months (estimated from March 2018 to September 2023). The total IDA funding for UIIDP is US\$ 600 million. In addition, AFD will contribute co-financing of Euro 10 million (US\$11.2 million equivalent). The GoE (from regions and cities) will contribute around US\$247.56 million.

The purpose of this Environmental and Social Systems Assessment (ESSA) is to: (i) review the environmental and social management rules and procedures and institutional responsibilities that are being used by the Program; (ii) assess the implementing agency MUDH institutional capacity and performance to date to manage potential adverse environmental and social issues; and (iii) recommend specific actions for improving the capacity of the main implementing institutions with regard to effective management of environmental, social, health and safety issues during implementation.

The ESSA provides a comprehensive review of relevant government systems and procedures that address environmental and social issues associated with the Program. The ESSA describes the extent to which the applicable government environmental and social policies, legislations, program procedures and institutional systems are consistent with the six ‘core principles’ of the Bank policy: *Program for Results Financing* and recommends actions to address the gaps and to enhance performance during Program implementation. This ESSA report presents summary of findings based on assessment of extent to which the existing program procedures for social and environment meet the applicable core principles, and where they do not, recommends an action plan to address shortfalls.

Scope and Methodology

An Environmental and Social Systems Assessment (ESSA) of the proposed Program was undertaken by the World Bank to understand the Environmental and Social management policies and practices on the ground and to identify the potential environmental and social benefits, risks, impacts and opportunities of the existing urban development sector. The assessment is also part of the World Bank’s preparation in line with the requirements of the Bank policy: *Program for Results financing*.

Methods employed during the assessment include: (i) Desk Review of policies, legal framework, environment and social audits and Annual Performance Assessment (APA) documents; (ii) Institutional Analysis - conducted to identify the roles and responsibilities of implementing institutions and the respective capacity in place to implement the environmental and social management systems of UIIDP. (iii) Interviews - were held with key experts/decision makers at the federal, regional, and city level; (iv) Field visits - conducted at the regional capitals (Oromia, Amhara, Somali and SNNPR) and at eleven new ULGs cities (Gode, Injibara, Woreta, Kobo, Holeta, Modjo, Arsi Negele, Dodolla, Halaba Kulito, Durame, Bodit) to assess existing systems and practices of ULGs as part of the ESSA assessment.

Institutional Arrangement

The institutional arrangements for program implementation will be based on the experiences from the current ULGDP, with clear division of tasks and responsibilities between federal government, regional government and LGs (Local Governments), as per the GoE structure and consistent with existing legal provisions, regulations and guidelines. At the central level, the Ministry of Urban Development and Housing (MUDH) will be responsible for the overall proposed program management and operations through its Urban Revenue Enhancement, Fund Mobilization Finance Bureau (UREFMFB). At regional

level, the regional Urban sector bureaus assisted by respective regional Environmental authorities and Bureaus will be responsible to implement and monitor the environmental and social aspects of the program, while at Local Government level, a unit/office dedicated for environment and social development will be responsible for effective environment and social management. The division of tasks will be clearly outlined in the revised UIIDP Operational Manual, which will be updated prior to the commencement of the Program.

Findings of ESSA

The ESSA provides an assessment of the current conditions of environmental and social management system and proposes measures that are built into the Program in order to strengthen implementing institutions towards sound implementation of environmental and social management. The ESSA reviewed and evaluated the Ethiopian environmental and social management system against the six core principles of environment and social sustainability as outlined in the Bank Policy: Program-for-Results financing guideline (i.e. *Core Principle 1: General Principle of Environmental and Social Management; Core Principle 2: Natural Habitats and Physical Cultural Resources; Core Principle 3: Public and Worker Safety; Core Principle 4: Land Acquisition; Core Principle 5: Indigenous Peoples and Vulnerable Groups; and Core Principle 6: Social Conflict*).

Cognizant of the immense institutional and infrastructure capacity built in 44 cities benefiting from implementation of ULGDP I &II over the last eight years, the GoE and WB are preparing to launch UIIDP to scale up and strengthen the urban government's institutions capacity to provide infrastructure and service provision. The UIID ESSA analysis has redefined the gaps and opportunities in Ethiopia's environmental and social management system to effectively addressing the environmental and social risks associated with the Program. Given the significant geographic dispersion of the participating ULGs and addition of newly nominated 73 ULGs, as well as different scale of proposed investments **substantial Environment and Social risk** is associated with the program. Many of the risks relate to design and implementation stage, including lack of application of standard procedures for risk screening and implementation of mitigation measures by ULGs; lack of coordination among relevant agencies; and lack of technical capacity among implementers at different levels specially with the newly nominated cities.

The ESSA finding shows that Ethiopia has adequate legal framework, including environment and social regulations, which are basically in line with Program for Results financing core principles. ULGDPII program has put in place guidelines on Environment and Social system (ESMS) as well as resettlement management basing the country framework as part of strengthening the environment and social management system under the program. Moreover, environment and social development staffs have been assigned to strengthen the system and annual environmental and social audits have been conducted. Many of the ULGDP II Cities have made significant improvements in integrating the environmental and social management system requirements into their development planning and creating the basic capacity to implement it, as witnessed by the screening carried for all CIP sub-projects and the opening of job placement for permanent environment and social development specialists within the infrastructure offices. These achievements represent the growing institutionalization and strengthening of the Environmental and Social management systems within the ULGs, which basically contribute a lot for the proposed UIIDP to ensure every activity under the program to be environmental friendly and socially acceptable.

Though there is a general improvement in strengthening the institutional mechanism for Environment and Social Management System (ESMS) in the ULGs and growing clarity in the roles and responsibilities of the regulatory agencies, the experience of the ULGDP II program shows mixed implementation of the Environmental and Social Management Guideline (ESMSG) and Resettlement System Guideline (RSG). While some of the cities are able to use the prepared environment and social management instruments properly, others show poor implementation performance in the use of the approved instruments. There is also staffing (for instance social experts) and training gap in some cases which translates to gap in implementation of environment and social management activities with the degree varying from town to town. The capacity of newly nominated cities, is at its infancy with some cities not having the system at all.

Environmental, Social and Safety Risks

The Environmental, social, and safety risk management for UIIDP operations applies throughout the program implementation period. MoUDH is responsible for Environmental and Social Risk Management (ESRM) during UIIDP implementation period to ensure the environmental, social and safety management practice under the program is at acceptable level as required by the relevant national and international policies and legal frameworks. This will be revitalized through regular dialogue on ESRM among program key implementer (MoUDH), other national and regional relevant sectoral ministries and bureaus, project managers, contractors and sub-contractors. Appropriate implementation of best practice ESRM supports the program to improve the quality of environmental, social, and occupational health and safety management practices and its compliance with international and national standards, via technical assistance, advice, support, and provision of resources.

This risk management mechanism and risk ratings meets the objectives of harmonizing the National and World Bank environmental and social procedures and policies that are applicable to the UIIDP and confirm sound implementation of the program with no or limited risk that will be addressed and mitigated through best management practices.

Given the significant geographic dispersion of the participating ULGs, different scale of proposed investments, and the potential environmental and social impacts associated with each subproject in the program, the ESSA has determined that the overall risk of the program is rated as ***SUBSTANTIAL/HIGH***.

Public Consultation and Disclosure:

Stakeholder consultation workshops on the draft Environmental and Social Systems Assessment (ESSA) were conducted at Hawassa and Bahir Dar cities on November 11 and 14, 2017 respectively. More than 130 participants from implementers at national, regional and city level as well as other relevant stakeholders actively participated during the consultation workshop for detail please refer to annex 6. The draft ESSA was publicly disclosed on the MoUDH website and World Bank External Website, prior to the consultations. The final ESSA report will be disclosed on the WB's external website and the client's website.

Program Action Plan

This section describes the action plans associated with each of the identified gaps to ensure viable strategy to strengthen environmental and social management capacity and performance at the national, regional, and local levels. The ESSA analysis identified and proposed following main areas for actions/recommendations to ensure that the Program interventions are sustainable and aligned with the Core Principles of the Bank policy: *Program for Results financing*. To manage potential impacts/risks, and to strengthen the country system for environmental, social and safety management, particularly at all levels, the ESSA suggests the following measures/actions. These actions are applicable for all implementing institutions (MoUDH) by large, particularly those newly selected ULGs at regional and local levels. Other organizations who have stake on the implementation of the UIIDP and linked with environmental and social management will also be considered to bring their level of capacity at acceptable level. The recommendations to address the identified risks and impacts and improve the performance of the program are listed E-1 below.

- ***Establishing and strengthening the Environmental and Social Management System at city level:*** Under UIIDP, all urban local governments must demonstrate that they have established a functional system for Environmental and Social Management as a minimum requirement to access grant. However, a distinction needs to be made between the performances of previously ULGDP covered cities (44) and newly nominated ones (73). For the newly nominated cities, before commencement of the program MoUDH should update the guidelines both Environment and Social Management System Guidelines (ESMSG) and Resettlement System Guidelines (RSG) prepared during ULGDP II. Accordingly, during the first year of the program implementation period, all participating ULGs will be required to endorse and adopt ESMSG and RSG and demonstrate that all projects are screened for impacts and prepare the required instruments to recommend and implement the appropriate mitigation measures, and that all projects have approvals from the relevant woreda, zonal or regional environmental protection authorities prior to initiating sub project activities/works. The same applies for the already ULGDP covered cities, but they should demonstrate the presence of a higher quality and seamless system in place with better knowledge and understanding of the guidelines and tools. ***All ULGs need to have a system that will*** outline specific roles and responsibilities for environmental and social risk screening, due diligence and regulatory requirements, consultation and coordination with other local and regional agencies, technical instruments for environmental and social management implementation and monitoring, staffing, training and capacity building plan.
- ***Technical Guidance and Capacity Building:*** ULGs can benefit significantly from sector specific technical guidelines that integrate environmental and social management requirements for subprojects under each sector such as road and drainage construction, waste management, building slaughter houses, landfill management, water supply etc. MoUDH shall update the Environment and Social Management System Guideline (ESMSG) and Resettlement System Guidelines (RSG) developed during ULGDP II based on the country's laws and regulations mainly on Health and Safety and share to all ULGs to be endorsed and used as an instrument for environmental and social management. ULGDP II participating ULGs have learnt from ESMSG and RSG implementation, through the preparation of relevant documents including RAP, ESMPs. In cities joining the

proposed UIIDP, especially New cities, there is a need to raise their technical capacity and level of awareness on environment and social management including city administrators and experts, adopt guidelines and other environmental and social management instruments and assign social development specialist and environmentalist and train these professionals to put in place a well-functioning environmental and social management system. It is also essential to provide a refresher course for the specialists under 44 cities from ULGDPII and an induction and exhaustive training for new cities staffs. All UIIDP cities institutional strengthening endeavors should focus on environmental and social management and include diversity in expertise (for example more social workers and gender specialists) and focus on gender balance (hiring more female workers) for enhanced performance. Continuous training should be effective over the program implementation period to ensure the level of understanding of the program environmental and social management along with the project activities and to broaden knowledge and understanding of new thinking and practice of environmental and social management practices, which align with the UIIDP scope. This will not only enhance performance but also help minimize staff turnover that all ULGs faced particularly at local levels in emerging regions. Moreover, a capacity building and training program will be key to ensure that staff within ULGs understand their roles, have the capacity to fulfill them, and clearly understand how they will be evaluated through the Annual Performance Assessment.

- **Addressing Resource Constraints:** This area includes measures to overcome constraints with respect to human and budgetary resources, through the Program incentive structure, as well as capacity building and training. There is lack of/limited transport facilities and other logistics that are required to ensure close follow up and monitoring of environment and social management as stated in the guidelines or management plans for the UIIDP. This needs resource allocation to address the gaps.
- **Annual Performance review and audit on Environment and social management:** Annual performance review and audit on environment and social management (ESM) during implementation of program activities has a vital role to ensure the implementation of ESM as required and minimize and/or avoid the potential impacts anticipated during the design and implementation phases of the program. From ULGDP II experience, the audit needs strengthening by developing a harmonized and standardized Terms of References (ToR) to define the Environmental and social management audit objectives, scope and criteria, so that comparable audit results could be obtained from all ULGs in environmental and social management performance of all participating Cities.
- **Increase stakeholders' awareness on social and environmental impacts management of UIIDP sub-projects:** Throughout the program implementation period, MoUDH need to conduct trainings and briefings on social, and environmental impacts and the respective mitigation measures for city administrators, staffs and other relevant experts as well as the communities impacted by the Program's sub-project activities.
- **Strengthening consultation and stakeholders' collaboration:** Similar to the already existing environmental and social management practice under the ULGDP II, all ULGs in UIIDP need to establish and strengthen the consultation and stakeholder collaboration with community members

and other relevant beneficiaries and institutions. Previous practices have shown that well informed residents tend to support local governments efforts by cooperating in fund raising, organizing themselves and regulating performance of contractors. UIIDP intends not only strengthen results achieved in ULGDP II but also wide coverage, which requires more stakeholders and actors' including offices for Labour and social affairs and Women and child affairs involvement in the program planning and implementation process, as well as supervision of subprojects, as required. Labour and Social Affairs and Women Affairs offices will assign focal persons to work with the cities for the proper implementation of the prevailing laws and directives and these institutions will be represented in implementing committees including steering committees.

The UIIDP will adopt similar tools to ULGDP II with concrete results, to scaling up its coverage as well as address persisting environmental and social challenges and gaps by integrating into the overall Program a "Minimum Access Condition," and set of "Disbursement Linked Indicators (DLIs)". These include:

- **Prior-agreement and advance planning for Environmental and Social risk screening.** Each Program local government will sign a Participatory Performance Agreement (PPA) with MoUDH to show commitment by all parties to work under a common set of rules. This includes a process for ULG to produce an approved Capital Investment Plan (CIP), Annual Plan, and Budget. This will allow timely environment and social risk-screening and monitoring before endorsing environmentally and socially sensitive investments.
- **Institutional capacity and system.** To ensure that there is minimum capacity to handle the entire project implementation process at ULGs, key positions, including environment and social development specialists to be in place at MoUDH, regional and ULGs levels, with a clear distinction among new and previously covered cities. Under UIIDP, ULGs will be expected to demonstrate that they have established a functional system for environmental and social management (ESMS) and assignment of environmental and social dedicated person (s) as a minimum condition to access Program funds. This will ensure that there is a mechanism and capacity to screen environmental and social risks of the CIP prior to implementation. The city level ESMS (to be adopted for new 73 cities) will include procedures for due diligence; institutional procedures for grievance management, managing resettlement/land-take processes and environmental and social mitigation and monitoring plan.
- **Pre-requisite for environmentally and socially sensitive investments.** Investments in sanitary landfills¹ and building of Slaughter houses² could cause significant environmental and social risks

¹ **Landfills:** To ensure that all landfills activities to be environment friendly and socially acceptable with no or minimum impacts to the nearby environment, landfills construction and operation activities should not exceed 10 hectares and with provisions as stated in MoUDH standard. These include, among others: all landfills should have 1. bottom lining system with compact clay soil and covered by geo-membrane (synthetic linings) to separate the trash and subsequent leachate from groundwater; 2. Leachate collection system to collect rain or other water percolated through landfill which possibly contains contaminating substances (leachate); 3. Oxidation or other treatment ponds for further treatment of leachate; 4. Methane collection system/gas management to collect methane gas that is formed during the breakdown of trash; 5. Runoff water drainage system to prevent

if not planned, screened, or managed properly. Experience from current ULGDP II sub projects shows that application of ESMSG and RSG have created opportunities to minimize environmental and social risks as well as prepare sound mitigation measures, when it is inevitable. Moreover, to ensure the management of point source pollution to the nearby biophysical and social environment from market area, landfill and slaughter house construction and operations, and sustainable use of landfills, market area and slaughter houses during program implementation period, MoUDH will develop a waste management plan (WMP), that encompasses the general waste management practices applicable to UIIDP, including landfills management, market area and slaughter house. These activities will be supported by respective relevant institution at Regional/ National levels before dealing with sensitive investments. However, all ULGs should be aware and commit to avoid the implementation of sensitive subprojects listed under the exclusion lists of sensitive project for this program UIIDP (Annex 5).

- **Training:** Appropriate induction and on job training will be provided to the environmental and social management specialists and other technical staffs, as required. The main topics of training will be subproject screening, identification and management of environment and social impacts, preparation and implementation of environmental and social management instruments, approach to implement the program environmental and social management instruments (for instance RAP, WMP, LIMP, ESMP), Type and use PPE, Land fill management, waste disposal and management, etc. These training activities will be supported by MoEFCC and Regional environmental agencies before dealing with sensitive investments.
- **Grievance redress system:** To receive, review and address complaints related to environmental degradation of the surrounding and adverse social and health impacts on people including; loss of livelihood, income or assets, a function office and Grievance Redress Mechanism (GRM) committee needs to be in place with members who are independent from the government and represent interest of potentially affected people.
- **Evidence of implementation.** As one of the indicators of DLI on Institutional Capacity, the ULGs will be required to generate evidence (for independent verification) that all capital sub projects in previous FY were screened against the set of environment and social criteria in the planning stage,

rain water flash from the nearby area; and 6. Composting yard and other facilities within the landfill site and upstream collection and transportation area. Cities should comply with the national standard and classification set by MoUDH. Also, cities must conduct landfill feasibility study, ESIA and RAP for review and clearance by REPAs. All landfills are subject to regional environmental and social performance review and annual audits.

² **Slaughterhouse/abattoir:** Slaughterhouse construction should follow the MoUDH standards and classification for environmentally safe implementation of the investment. Slaughterhouse under the program should not exceed 2ha (level B, C, and D) of the MoUDH classification. The following provisions should be included in the design for construction and operation phase. These are: 1. liquid waste treatment plant, which is sited at minimum distance of 50 meter from slaughter house; 2. separate closed drainage line for collection of liquid wastes from slaughterhouse to the septic tank; 3. septic tank bed level shall be below nearby ground water level; 4. slaughter house at metropolitan cities shall have rendering plant with smell nuisance control; 5. Runoff water drainage system to prevent rain water flash from the nearby area; and 6. Other facilities like guardhouse and water points. Cities should comply with the national standard and classification set by MoUDH. Cities must conduct Slaughterhouse feasibility study, ESIA and RAP for review and clearance by REPAs. All slaughterhouses are subject to regional environmental and social performance review and annual audits.

including preparation and approval of environmental management plans and resettlement action plans by relevant authority. Evidence of public consultation as a process of the environmental and social management should also be generated.

- **Incentive to ULGs for being environmental responsible and socially inclusive.** Against DLI 6, Regional Government will be able to access grant by supporting and reviewing the preparation of environmental and social management instruments, which ultimately represented by demonstrating a functioning Environment and Social Management system for all ULGs under their jurisdiction.

The program action plan depicted in table E-1 below is proposed based on the assessment of the Ethiopian country system to improve the proposed program environmental and social management and to strengthen the capacity of the Ethiopian country system. These action plans, which ESSA recommends should be included in the Program Action Plan (PAP).

The budget for the implementation of the action plans at the different levels is sourced from the IPF and the PforR Program. All the Federal level establishments and improvements, development/updating of technical guidelines, sustained training and capacity building, requirement for E & S staffing at various levels will be covered by the IPF, whereas the Regional level environmental and social management activities get resources from implementation of DLI 5 to DLI 10. The Program requires that every city assigns 5% of its budget for Capacity development.

Table E-1: Summary of the Recommended Program Action Plan (PAP) for Environmental Social and Safety Risk Management

Action Description	DLI	IPF	Covenant	Due Date	Responsible Party	Completion Measurement
<p>Establishing the Environmental and Social Management System at new 73 UIIDP cities and strengthen at MoUDH, BoU and previous ULGDP II 44 cities;</p> <ul style="list-style-type: none"> • Update and endorse ULGDP II environment and social risk management guidelines mainly on Health and Safety (ESMSG, RSG), • Staffing (Environmental, Social development specialist, gender specialist) in place • Screening for Environment and Social Risks of all proposed investments and preparation of environmental and social management instruments (ESMP, RAP, WMP, SMP) 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Program effectiveness</p> <p>Before commencing of construction activities</p>	MoUDH and BUDs	<ul style="list-style-type: none"> • Established and strengthened ESMS • Updated ESMG and RSG • Staffs in place • Screening reports • environmental and social management instruments are prepared, as required
<p>Ensure that the federal and regional mobile teams are adequately staffed with environment, gender and social management specialists having appropriate skills</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Program effectiveness	MoUDH and BUDs	The mentioned staffing in place, Program Reports
<p>Technical Guidance and Capacity Building: Develop capacity building and training plans, Procure and ensure implementation of standard urban local government environment and social management training program from University and/or other designated centres of excellence on urban</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Program implementation	MoUDH, BUDs and ULGs	<ul style="list-style-type: none"> • Prepared Capacity building and Training plans • Training reports • Procurement reports on

Environment and Social Management System (ESMS) and <i>Addressing Resource Constraints through availing the required facilities for environmental and social management activities at all level</i>						resources and facilities
Increase stakeholders' awareness on social, safety and environmental impacts of UIIDP sub-projects by developing SMP, guideline for setting service delivery standards, and citizen charters including vulnerable groups; Organize awareness raising session for city administrators and other experts and community members as applicable on environment and social risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Throughout program implementation	MoUDH, BoUD and local level UGs, MoEFCC and REFA	<ul style="list-style-type: none"> • Developed service delivery standards, and citizen charters • Briefing note on conducted awareness and sensitization program • Environment and Social Management Implementation Reports • Training reports
Broaden stakeholders' involvement by including and working closely with the offices in charge of environmental protection, Labour and Social Affairs and Women and Children Affairs Offices to improve planning and implementation of environment and social management instruments, health, safety and	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	During Annual Planning, program implementation	MoUDH BUD, ULGs, MoEFCC, REFA, MoLSA,	Briefing note on coordination mechanism of the various relevant parties

gender equality issues and access to service by vulnerable group (specially the elderly and people with disabilities).				on and Monitoring	MoWCA BoLSA, , BoWCA City LSA and WAs offices	Annual Plans, and progress reports Joint monitoring reports
Develop a harmonized and standardized Environment and Social Audit ToRs; and Ensure quarterly performance review and annual environmental and social audit.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Quarterly At the end of every year	REFA MoUDH	Developed TOR Quarterly performance review report Annual audit report
Ensure management of community and worker's health and safety risk and develop Safety management plan (SMP) as required; <ul style="list-style-type: none"> include Health and Safety considerations/articles in the program design, make available safety protection materials, tools and Personal Protective Equipment (PPE) over the program implementation period 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Program effectiveness Program implementation Prior to validating civil works contracts	MoUDH, BoUD and ULGs	Developed SMP Included EHS code of practice on contract document Progress report and incident notification checklist Report on distribution and compliance on use of PPE

Conduct adequate consultations where land (communal or private) is acquired and/or vulnerable person is involved and ensure proper documentation of the same	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Throughout the program	MoUDH, BUD, ULGs	Minutes of Consultations Implementation Reports
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CHAPTER 1: DESCRIPTION OF THE PROGRAM

1.1. Introduction

The World Bank, in collaboration with the Government of Ethiopia, is developing a program called Urban Institutional and Infrastructure Development Program (UIIDP), as a continuation to the Program for Result (P for R) operation of the Ethiopia Urban Local Government Development Program ULGDP II, in accordance with the Bank policy: *Program for Results Financing*. The proposed operation will be financed through a hybrid, which comprises both Investment Project Financing (IPF) and Program for Results (PforR) instruments. The UIIDP Program-P for R- is based on the use of existing country systems with regard to safeguards, procurement and financial management. Strong emphasis will be put on strengthening the capacity of the sector institutions to achieve the targets linked with UIID activities, the support will be on planning, technical implementation, financial management, Procurement, Governance, and Safeguards: *social and environmental management*, Gender, skill Development and Financial Viability.

This Environment and Social Systems Assessment (ESSA) has been carried out to review the systems and procedures followed by Federal, Regional and City level government to address social and environmental issues related to UIID Program. The ESSA review and update is limited to the scope of the proposed Urban Institutional and Infrastructure Development Program, and provides an assessment and a summary of the key environment and social risks associated with the program and existing institutions and system of the GoE to manage and mitigate associated risks and ensure effective and successful implementation of the Program. As is a standard practice, operations to be prepared under this lending instrument will follow a set of principles and attributes as set out in the Bank policy: Program for Result Financing, consistent with Six P for R principles. This report presents summary of finding based on the assessment of extent to which the existing program procedures for social and environment management are meet the six core principles, and where they don't, recommends an action plan to address shortfalls.

The report is organized in sections, as follows: **Chapter 1** presents the general background to the Program and the ESSA exercise as well as a brief introduction to the key elements of the Urban Institutional and Infrastructure Development program (UIIDP). **Chapter 2** describes the scope and methodology of the Environmental and Social Systems Assessment process conducted to inform design and preparation of the Program for Results Operation. **Chapter 3** examines the potential environmental and social effects of the proposed Program. **Chapter 4** describes Ethiopia's existing environmental and social management system relevant to urban sector. **Chapter 5** presents an assessment of Institutional Capacity of participating cities, including institutions responsible for implementation of environment and social management. **Chapter 6** presents Ethiopian system's analyses against the six Core Principles of environment and social sustainability outlined in the Bank policy: Program for Results financing. **Chapter 7** presents the measures to strengthen the system performance, **Chapter 8** summarizes the potential Environmental and social risks. Additionally, Annexes are attached to the report that supplements information on the ESSA report to be adopted for future consideration by the implementing institutions.

1.2. UIID Program Description

The GoE and the World Bank have been working in partnership since the early 2000s to help Ethiopia's urban local governments effectively meet their new responsibilities. The Bank has supported the government's strategy through a series of projects, and continued doing so in the first phase of ULGDP since its initiation in 2008 and the second phase of the program (ULGDP II) since 2014.

The Urban Infrastructure and Institutional Development Program (UIIDP) is designed as Program for Results (P for R), which builds on, up-scale and refine the ongoing ULGDP II (2014/15-2018/19) – a performance-based grant (PBG) program -, with financing from the World Bank, French Development Agency and Government of Ethiopia (GoE), in the form of contributions from the regions and participating urban local governments (ULGs).

The UIIDP in the first phase will be implemented in 117 cities i.e. the existing 44 cities in ULGDP II and an additional 73 new cities. In the second phase, the number of cities will be expanded to include the remaining 39 of the total of 156 cities that the Ministry has specifically targeting in its urban reform and development agenda. GoE has expressed a strong wish and commitment to scale up performance-based grants to cover 117 major cities under the upcoming new phase (i.e. additional 73 new cities), as part of its urban development vision and strategy.

UIIDP will enhance the institutional performance of participating ULGs in developing and sustaining resilient and growth enhancing urban infrastructure and services, through provision of three interlinked and mutually strengthening tools: (i) Performance-based investment grants, (ii) objective and neutral annual performance assessments, linked to the size of allocations and (iii) comprehensive capacity building support to the cities and to the regions to enhance their capacity in supporting ULGs as well as support to the implementing agency. The UIIDP is for some core parts based on refined and up-scaled Program with core elements of the current ULGDP –II, which targets 44 ULGs, but with *new* elements of support especially with stronger focus on resilience, social inclusion and economic development.

The UIIDP will be based on the lessons learnt from ULGDP I and II, which were successful in getting funds out to the local (city) level for investments in core urban infrastructure and services, delivery of numerous infrastructure investments, and in enhancing the capacity of the participating cities in planning, budgeting, financial management, procurement, accountability and social and environmental systems management.

The UIIDP is sought to scale-up the ongoing program of performance-based grant allocations **from targeting of 44 ULGs to 117 ULGs** (all the cities above 20,000 inhabitants, and which can comply with the access conditions) through: (i) replenishing the funding resource pool as a result of the cities' better-than-anticipated performance; (ii) increasing the number of participating cities in the Program; (iii) reviewing and adjusting Disbursement Linked Indicators (DLIs) and associated performance measures to respond to scale-up and enhanced technical focus areas; (iv) expanding and improving on the quality and coverage of the technical assistance and capacity building efforts in order to enhance development impact and results, and ensuring sustainable and resilient urban development. UIIDP will strive to elevate the

performance standards and indicators developed under ULGDP to create “third generation” dimensions to the DLIs and results, and include new focus areas such as in urban resilience and local economic development and further strengthening of gender sensitive considerations and explore cross-sector collaborations.

The overall objective (PDO) of the UIIDP is to enhance the institutional performance of participating urban local governments to develop and sustain urban infrastructure and services. The Operation will provide direct support to all 117 potentially eligible ULGs, as well as to all nine regions and the Federal government (primarily MoUDH) to enable them to effectively support urban development. The proposed UIIDP duration will be for a period of 5 1/2 years. The program’s allocations to ULGs will begin from FY 2019/20 (EFY 2011). The total IDA funding for UIIDP is **US\$ 600 million**. In addition, AFD will contribute co-financing of Euro 10 million (US\$11.20 million equivalent). The GoE (from regions and cities) will contribute around **US\$247.56 million**. This brings the total Operation budget envelope to around **US\$858.76 million**.

In line with the government’s UIIDP policy, the Operation will undertake activities to support seven key results areas. These are:

- Enhanced citizen participation and engagement in ULG planning and budgeting;
- Increased own source revenue at the ULG level;
- Improved infrastructure, service delivery, O&M systems;
- Improved efficiency and effectiveness in fiduciary management;
- Improved environmental and social management;
- Strengthened accountability and oversight systems;
- Strengthened ULG resilience, improved local economic development (LED) and enhanced gender equity in the ULG operations.

The Program will ensure continued support for additional three years to the existing ULGs and to implement the scaling –up of the grant system to cover all cities in the country with more than 20,000 inhabitants ³ (total 117), to the extent they pass the minimum access conditions. Similar to ULGDP II, the Program will apply a phased approach whereby the new ULGs will be phased in, with a lower grant amount the first year, and only subject to MC review. These ULGs will also have a prior 18 months CB support prior to the first APA, starting from September 2018. From the second year, all ULGs will be subject to APA results, which will be decisive for the actual grants allocated.

For this P for R financing, the scope and boundaries will be identical to the scope and boundaries of the new government UIIDP program. The UIIDP will follow-up and support the roll-out of development

³From the census estimates of 2013 population figures. In this TA, FY is applied, except for the bank funding tables on DLIs where World Bank “Fiscal” is applied.

grants to all ULGs, above 20,000 inhabitants, which have autonomous urban administration status (with a responsibility of municipal and state functions), and have city council and mayor, with financing provided partly by the World Bank and partly by government.

Table 1: Government program and World Bank support

Program and Target	1st Phase (2008- 2014)	2nd Phase (2014 – 2019)	UIIDP (planned for 2018- 2023)
Government program (program)	ULGDP		UIIDP
World Bank Program (Program and operation)	ULGDP (IPF)	ULGDP II (P for R)	UIIDP (P for with an IPF) window
Target ULGs	19+18 (37)	18+26 (44)	44+41+32 (117)

The UIIDP Program aims to strengthen relevant stakeholder incentives to contribute to Program objectives, through the application of the following elements embedded in its design, of which some have been tested and rolled out under ULGDP I and II and other refined in the UIIDP design, based on lessons learned:

- Use of enhanced government systems to strengthen capacity at both the federal, regional at city level (the participating ULGs) for urban development⁴, within flow of funds, financial management and operations;
- Focus on ULGs as the main implementing bodies - The ULGs will be responsible for the implementation of the Program activities at their level. The Program therefore provides an opportunity for the participating ULGs to improve their capacity – thus contributing to the achievement of the Program objective;
- Place strong incentives through focus on performance – although each ULG will be given a tentative allocation (also referred to as indicative planning figure (IPFs) for the duration of the Program period, the actual amount of funds they receive will be based meeting and maintaining the minimum condition throughout the Program period and their performance outcomes. The performance assessment system is at the core of Program design since it will be the main driver for ULG capacity building and is directly linked to the Program results and disbursements. The assessment tool, which is based on the experiences from the current ULGDP-I and II and from other relevant cases in different countries, has been refined during preparation, and will be

⁴ ULGDP has developed a number of guidelines issues by MUDH, including for Assets Management, PFM, Capital investment planning, the Program Operational Manual (most recently Nov. 2016) Accounting System, M&E volumes and guidelines, etc., which with slight up-date and refinement, will be used for the UIIDP as well.

reviewed during implementation, if necessary. The annual performance assessment has therefore adequate inbuilt sanctions and incentives mechanisms, and has proved to be an indeed very effective tool;

- Get the focus areas right. The incentives in the APA will continue support core urban management areas of such as proper planning and budgeting, revenue mobilization, asset management planning, procurement and PFM, as well as strengthening of good governance and accountability, but will also address new areas such as particularly urban resilience, gender and Local Economic Development (LED);
- Provide a flexible capacity building to allow ULGs to respond to the incentive mechanism. All participating ULGs will benefit from municipal capacity building, to prepare them to receive the significant performance grants during the next assessment and ensure improved capacity for all ULGs by end of Program period;
- Strengthen the links between investments, incentives and capacity building support, whereby the capacity building support is applied in a targeted manner to address identified gaps in the annual performance assessments;
- Support the incentives of federal and regional level for backstopping support, CB, oversight and performance of roles vis-à-vis the ULGs through result-oriented allocations.
- Introduce the PBG element gradually for the new ULGs, with a smaller grant funding in the first year linked with compliance with MCs and then only from the second year apply the full set of MCs and PMs for the new ULGs;
- Strengthen longer-term sustainability of the investments made and the entire ULG funding system by strengthening of the focus on improved municipal revenue mobilization through introduction of strong incentives for improved ULG own source revenues and strengthening of the backstopping support and guidance from the regional and federal level of government and maintenance of the investments, as well as LED, which in turn will create more tax base for ULGs;
- Continue to strengthen the oversight, audit and safeguard procedures at all tiers of government, and address the few bottlenecks identified in the first ULGDP-II.
- Strengthen the timeliness of the APAs through multiyear contracting and earlier start on the procurement process (one of the challenges in the ULGDP).

The experiences with an independent annual assessment, which have proved to be an effective tool, and been the main contributor to performance enhancements during ULGDP I and II, will be the main tool for assessing progress and achievements. The aggregate score of all the local government annual assessments will largely determine progress towards PDO. Previous experiences from performance (incentive-) based grant allocations have been very positive and the system has been further sharpened with improvement of the APA tool and sharpening of the indicators as well as the focal areas.

1.3. Disbursement Linked Indicators

Program funds will be provided through disbursement-linked indicators (DLI). The first set of DLIs (1 through 3) will aim to strengthen institutions and delivery of infrastructure and services by ULGs. These three DLIs will target ULGs. Each of these DLIs will represent a composite index of different minimum conditions and performance measures:

Table 1. Program Disbursement linked Indicators (DLIs)

Results area	DLIs	Approximate disbursement amount (US\$ million)	Percent of total IDA (PforR) amount
ULGs deliver infrastructure and services	DLI 1: ULGs have achieved Program MCs in the APAs. ⁵	109.33	19.0
	DLI 2: ULGs have strengthened institutional performance as scored in the APAs.	189.62	32.9
	DLI 3: ULGs have delivered quality infrastructure and maintenance, as per the capital investment plans, as scored in the APAs, and ensured value for money.	90.09	15.6
	DLI 4: ULGs have strengthened performance on LED, resilience and gender, as scored in the annual performance assessments.	52.90	9.2
Regional government entities support ULGs to strengthen institutions and enable them to deliver infrastructure and services.	DLI 5: Regional government capacity building and support teams in place and supported ULGs.	27.88	4.8
	DLI 6: Regional Government Audit Agencies (ORAGs) carry out ULG audits on time (by January 7).	14.96	2.6
	DLI 7: Regional environmental protection agencies (REPA) review ULG environmental and social management compliance on time.	13.12	2.3
	DLI 8: Regional Revenue Authorities support ULG revenue generation.	7.04	1.2
	DLI 9: Regional Public Procurement Agencies (RPPA) conduct timely and quality procurement audit of ULG's accounts and performance.		

⁵ ULGs must comply with the MCs to get access to the allocations from DLIs 2, 3, and 4, as the MCs are the basic safeguards for handling of larger discretionary funds.

Results area	DLIs	Approximate disbursement amount (US\$ million)	Percent of total IDA (PforR) amount
		7.04	1.2
Prior results: overachievement in performance.	DLI 10: Achievement of Prior Results in ULGDP II.	63.74	11.1
	Total	575.76	100.0

DLI 1, 2, 4 and 7 are related to environmental and social management. The minimum condition under DLI 1 will be measured in line with ULGs performance on having a functional system for environmental and social management including full time dedicated one environmentalist and one social development specialist and updated guidelines (ESMSG and RSG) endorsed by City Councils which will lead to getting access to the allocation for DLIs 2 to 4.

Under DLI 2, all capital project screening and approval by the regional Environment Authority as per Environmental and Social Management System Guideline and Resettlement System Guideline at planning stage, environmental and social management instruments such as ESIA, ESMPs, RAPs, preparation completion and approval by regional or regional designated authority as required, RAP and ESMP implementation will be reviewed during the annual performance assessment.

DLI 4, includes strengthened performance on gender, as scored in the annual performance assessments. Activities that will contribute to enhanced gender equality at cities are related to Women’s voice and rights, Gender-balanced employment and Economic Development. More specifically, the data on proportion of women participating in decision making meeting, Proportion of women public professionals in city municipal, Proportion of women as a head of office and above in city municipal service administration, proportion of women employed through infrastructure works under UIIDP, percentage of women benefiting from provision of MSE sheds, awarded contracts and employed in infrastructure works will be part of the performance indicators to be reviewed.

DLI 7 will provide incentives to address the core issues on timely social and environmental performance reviews and annual environmental and social audits. This DLI is on Regional Environmental Protection and Forest Authorities/agencies (REFPA) review of ULG environmental and social management compliance timely. As part of DLI7 REFPA will oversee environment and social management activities over the project period and conduct quarterly environmental and social management performance review and annual environmental and social management audit and produce quality environment and social performance review and audit report in a timely manner. The details of required actions for regional government against DLI 7 may include:

- (a) A need to undertake Annual audit and quarterly Performance Review of Environment and Social Management of ULGs under their jurisdiction;
- (b) Provide a regular support for ULGs to ensure sound implementation of ESMPs, RAP and other instruments and compliance of the national and international standards, as required;
- (c) Quarterly environmental and social monitoring report for sensitive sample sub projects under the program; and
- (d) A requirement to organize annually training program targeting cities; themes and officials for continually improving environmental and social sustainability at regional level

1.4. Institutional Arrangement

The institutional and implementation arrangements which have worked well under ULGDP II will be continued with few adjustments made to address some of the challenges faced and gaps observed as well as to cater for the increase in the number of cities which are expected to rise from 44 to 117 in the first phase and from 117 to 156 in the second phase.

The Operation will be implemented through institutional arrangements at the Federal, regional, and urban government levels, with clear division of tasks and responsibilities between the three levels. It follows the government structure and is consistent with existing legal provisions, regulations, and guidelines. The roles and responsibilities of the relevant entities are summarized below.

Federal level

- i. At Federal level, the MoUDH will be the lead implementing agency, with a UIIDP Unit in the Urban Revenue Enhancement, Fund Mobilization, and Finance Bureau (UREFMFB) responsible for daily coordination of the Operation. The UIIDP Unit consists an Program Coordinator and 27 other staff who double up as members of the Federal Mobile Team (FMT). They will have expertise in the various Program focus areas, including newly introduced areas on gender equity, resilience, and LED. The UIIDP Program Coordinator will report to and act under the direction of the Director General of the UREFMFB, MoUDH. The main tasks of the UIIDP Unit are:
 - Overall responsibility for day-to-day coordination and management of the Operation.
 - Capacity building, including direct support to regional and urban local governments, and issuance of guidelines and standard regulations for matters such as municipal revenue generation, assets management, service delivery standards, and the like.
 - Program management and implementation of activities under the IPF window, including the procurement and management of the APAs and the value for money audits and to ensure the timeliness.
 - Overall Operation monitoring and evaluation.
 - Operation reporting, including the semi-annual progress reports.
 - Accounting for the UIIDP funds to MoFEC.
- ii. MoFEC is responsible for ensuring that Operation resources are budgeted for and disbursed within the expenditure framework. MoFEC will also be responsible for financial management for the Operation funds, including reporting, auditing, and compilation of federal fiscal reports.

MoFEC will also be responsible for drawdown of funds from IDA, transfers of funds to MoUDH, Regional States (including Dire Dawa City Administration) and through Regional BoFEDs, to the ULGs.

- iii. Several other federal entities have guiding and supporting roles in UIIDP. These include the Office of the Federal Auditor General (OFAG), especially for the annual program audits; the Federal Public Procurement and Property Administration Agency (FPPAA) on procurement procedures; Ethiopian Revenue and Customs Authority (ERCA) on revenue generation, Ministry of Environment Forest and Climate Change (MOEFCC) on environmental and social management and the Federal Ethics and Anti-Corruption Commission (FEACC) on fraud and corruption monitoring and reporting.
- iv. A UIIDP Steering Committee (SC) will provide Operation oversight, endorse Program performance and allocations, arbitrate conflicts and strengthen inter-ministerial coordination. The ULGDP II SC will transition into the UIIDP SC as ULGDP II concludes. The SC comprises representatives from MoUDH, MoFEC, MEF, Ministry of Federal Affairs, FEACC, OFAG and the Ministry of Labor and Social Affairs (a new addition under UIIDP). It will ensure proper coordination of issues on planning, allocations, flow of funds, compilation of data, and endorsement of the results of the APA and final yearly allocations. It will meet at least yearly and as when required.
- v. A UIIDP Technical Committee (TC) will support the SC, providing advice, conflict resolution at the technical level, and verify Program performance and compliance. Similar to the SC, the ULGDP II TC will transition into the UIIDP TC. It will comprise key technical staff of the MOUDH, MoFEC, MEF, OFAG, FEACC, FPPAA and ERCA. It verify the results of the APAs and resolve complaints that cannot be resolved at entity level. The TC is expected to meet half yearly and to review Program implementation against objectives, bring policy issues to the SC, and ensure that the Operation is implemented in line with the POM.

Regional level

Regional governments will have a greater role under the UIIDP as compared to ULGDP II, in providing oversight and in building ULGs' capacity. Six of the nine regional governments, each with a large number of participating ULGs, will establish RMTs that will directly backstop ULGs as well as strengthen the regional BUDs' own capacity to guide and support the ULGs. The FMT will directly support the other three regional governments, which have fewer participating ULGs and relatively modest capacity.

At the regional government level:

- i. The respective regional BUDs are responsible for daily coordination of the Operation at the regional level. Specifically, the BUDs are responsible for:
 - Capacity building support of the ULGs in their jurisdiction.
 - Preparation of consolidated (ULG and RG) progress reports covering all ULGs in their jurisdiction.
 - Oversight and backstopping support related to aspects of the Operation.
- ii. Other regional entities will play important roles. The (i) ORAGs will conduct external audits of ULG financial reports; (ii) the REPAs will oversee the Program's environmental and social management agreements; (iii) the Bureaus of Finance and Economic Development (BoFEDs)

will manage the regional fund flow and reporting, the regional public procurement and asset management agencies will guide and support on procurement procedures and capacity building; (iv) the Regional Revenue Authorities (RRAs) will support ULGs in the areas of own source revenue generation; (v) the Regional Public Procurement and Asset Management Agency (RPPA) to conduct the annual independent procurement audits of ULGs; and (v) the Regional Ethics and Anti-Corruption Commissions (REACC) will be responsible for fraud and corruption monitoring and reporting.

ULG level

- i. The mayor's office in each ULG is responsible for overall performance of the ULG. It ensures compliance with all financial management, procurement, and Operation environmental and social management and regulations. It also facilitates access to the information required as part of the APA.
- ii. Each city is required to establish a UIIDP Coordination Team, reporting to the City Manager. This team will be responsible for day-to-day coordination of the Operation, working closely with relevant offices of the city. The team should consist full-time focal persons from the relevant departments for each Operation focus area (as defined in the minimum conditions). Their key responsibilities would include liaising with respective city offices to ensure implementation are in accordance with the Operation's environmental and social management and fiduciary guidelines; monitoring, reporting and disseminating information about the Operation (including contract awards, physical and financial progress of works contracts etc.), contribute to capacity building activities, and act as resource persons for the Operation. The various offices of the city manager will be responsible for implementation of infrastructure and activities supported through Program Funds. Implementation of infrastructure, services and activities supported through Program funds are mainstreamed in each ULG and carried out by the relevant offices in the city administration.
- iii. The Offices of Finance and Economic Development (OFEDs) hold overall fiduciary responsibilities. They will ensure that all Operation funds are included in IBEX and that financial reports are submitted to ORAG as soon as possible after the end of the Ethiopian fiscal year.
- iv. The Ethics Liaison Unit of the ULG is responsible for dealing with fraud and corruption, handling related complaints and consolidating reporting of complaints on environment and social aspect as well as procurement.⁶
- v. City councils are responsible for reviewing and approving cities' capital investment plans, revenue enhancement plans, asset management plans and capacity building plans.
- vi. Each ULG will also establish a capacity building cell, coordinating the planning and implementation of CB activities, and reporting of these activities.
- vii. Women and Children Affairs office (WCO) is responsible for leading and coordinating initiatives identified in the Gender Action Plan and champion gender mainstreaming in planning, M&E, reporting and management.

⁶ Note that units with the same mandates have different names in different places.

- viii. A Disaster Risk Management (DRM) Unit is proposed to be established in each ULG to lead efforts in risk assessment, develop emergency response plans and related capacity building activities.

Existing Cities and Capacity Building delivery modalities: capacity building to these cities will continue to be both supply and demand driven. It will continue to be at all three levels, federal, regional and city level with federal level and regions getting their capacity building funds through the DLIs. The cities, in addition to benefitting from capacity building from the two higher levels, will be allowed to allocate a maximum of 5% of their CIP (performance grants and contributions) to their own capacity building plans.

The ministry plans to build capacity of new and aspiring town by procuring consulting firms to provide technical assistance before the launch of the program keep it on until the new cities meet agreed minimum requirements to qualify to participate in the program. Experiences gained and systems used in the ULGDP I&II will be shared to benefit new cities and build their institutional and organizational performance.

Need for minimum staffing level before a ULG can access the Program funds – UIIDP will address issues of capacity, which, if not attended, would pose a serious threat to the successful implementation of the Program. The main focus would be capacity gaps relating to staff competencies, operational tools equipment and financial resources. The widespread turn over in key professional and technical cadres pose a significant risk to the successful implementation. In this regard, the following core administrative and technical positions will be required to be substantively filled before a ULG can access the Program funds: (i) city administrator, who is also the main coordinator of the ULGDP II operations, or another dedicated officer (ii) Finance, (iii) Procurement Officer, (iv) Engineer, (v) Physical/Urban Planner, (vi) Environmental and Social management officers.

CHAPTER 2: SCOPE, OBJECTIVE AND METHODOLOGY FOR ENVIRONMENTAL AND SOCIAL SYSTEM ASSESSMENT

2.1. Purpose and Objectives of ESSA

2.1.1. Purpose of ESSA

The UIIDP builds on the ongoing ULGDP II which is implemented through Bank Policy PforR financing instrument. This UIIDP Environmental and Social System Assessment (ESSA) is prepared based on the current applied ULGDP II ESSA and is updated to meet the UIIDP program scope and requirements. The ESSA reviewed and examined the existing regulatory and institutional framework and performance to date to manage environmental and social systems and stipulated supplementary measures to strengthen and integrate into the overall Program. The ESSA provides a comprehensive review of relevant government systems and procedures together with implementation practices that address environmental and social issues associated with the Program. The ESSA also describes the extent to which the applicable government environmental and social policies, legislations, procedures and institutional systems are consistent with the six ‘core principles’ of the Bank policy: *Program for Results financing* and recommends actions to address the gaps and to enhance performance during Program implementation.

The purpose of this Environmental and Social Systems Assessment (ESSA) is to: (i) review the environmental and social management rules and procedures and institutional responsibilities that are being used by the Program; (ii) assess the implementing agency MoUDH and other relevant institutions’ institutional capacity and performance to date to manage potential adverse environmental and social issues under the Program; and (iii) recommend specific actions for improving the capacity of the main implementing institutions with regard to effective management of environmental, social, health and safety issues during implementation.

The ESSA exercise is designed to consider the consistency of the existing country systems and practices with the proposed P for R operation along two dimensions: (1) systems as defined in the legal and regulatory framework of the country; and, (2) capacity of the Program institutions to effectively apply the environmental and social management systems associated with the Program’s environmental and social effects as well as the proposed set of actions in the Program Action Plan that address the major gaps in the system as identified in the ESSA with respect to the six core principles of the Bank policy: *Program for Results financing*.

The six core principles that guide the ESSA analysis as presented in the Program-for-Results financing guidelines are as follows: **Core Principle 1: General Principle of Environmental and Social Management.** This core principle aims to promote environmental and social sustainability in Program design; avoid, minimize, or mitigate adverse impacts, and promote informed decision-making related to the Program’s environmental and social impacts. **Core Principle 2: Natural Habitats and Physical Cultural Resources.** This core principle aims to avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program. **Core Principle 3: Public and Worker Safety.** This core principles aims to promote public and worker safety with respect to the potential risks associated with: (i) construction and/or operation of facilities or other operational practices under the Program; (ii) exposure to toxic chemicals, hazardous wastes, and other dangerous materials

under the Program; and (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards. **Core Principle 4: Land Acquisition.** This core principle aims to manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement, and assists affected people in improving, or at the minimum restoring, their livelihoods and living standards. **Core Principle 5: Indigenous Peoples and Vulnerable Groups.** This core principle aims to give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups. **Core Principle 6: Social Conflict.** This core principle aims to avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

In analyzing a program for consistency with the sustainability principles of the Bank policy: *Program for Results financing*, the ESSA is intended to ensure that programs supported by PforR financing are implemented in a manner that maximizes potential environmental and social benefits and avoids, minimizes or mitigates any adverse environmental and social impacts and risks. For this PforR operation, the ESSA examined Ethiopia's existing environmental and social management systems as applicable to the set of activities supported by the UIID Program.

This ESSA considers the assessment data to inform the analysis of the existing systems vis-à-vis the six Core Principles for environmental and social management in the Bank policy: *Program for Results financing*. Based on the findings of the analysis, the ESSA report presents a set of actions to strengthen the existing system proposed for inclusion in the Program Action Plan. These actions are intended to contribute to the Program's anticipated results to enhance institutional performance.

2.1.2. Objectives of ESSA

ESSA aims to ensure environmental, social, and safety impacts and risks are addressed from an early stage in the process of formulating the environmental and social management policy and guidelines for the proposed UIIDP, and that the UIIDP PforR implementation is in line with the Bank's Policy: *Program for Results Financing*.

The specific objectives of the ESSA are to:

- establish clear procedures and methodologies for environmental and social planning, review, approval and implementation of the proposed Program;
- evaluate the institutional capacity to manage the likely environmental and social effects in accordance with the country's own requirements under the proposed Program;
- prescribe institutional arrangements for the identification, planning, design, preparation and implementation of the projects under the proposed program to adequately address environmental and social sustainability issues;
- specify appropriate roles and responsibilities, and outline the necessary program management and reporting procedures for managing and monitoring environmental and social concerns related to the proposed program;

- assess the consistency of the borrower's systems with six core principles and attributes defined in the Bank's Policy: Program for Results Financing;
- identify the potential environmental and social impacts/risks anticipated due to the proposed UIIDP interventions and recommend the respective mitigation measures;
- establish a system to manage Program's risks and environmental impacts and ensure that all project activities under the Program will be subjected to adequate initial screening so that relevant mitigation measures can be identified and the respective instruments will be prepared and implemented;
- recommend specific actions for improving counterpart capacity during implementation of the Program to ensure that they are able to adequately perform their mandate;
- describe actions to fill the gaps that will constitute and input into the Program Action Plan (PAP) to strengthen the Program's performance with respect to the core principles of the PforR instrument.

2.2. Methodology

In order to review and assess the existing environmental and social management systems as well as analyze how these systems are applied in practice, the ESSA has drawn a wide range of data to be analyzed and highlighted the following methodologies employed to conduct the ESSA:

- **Desk Review of policies, legal framework, and program documents:** The review examined the set of national and regional states policy and legal requirements related to environment and social management in the urban sector. The review also examined, Environmental and Social Audit Reports and APAs of ULGs covered by the ongoing program (ULGDP II) and other technical documents prepared by World Bank and MoUDH.
- **Institutional Analysis:** An in-depth institutional analysis was carried out to identify the roles, responsibilities, and structure of the relevant institutions responsible for implementing the environmental and social management systems for UIIDP, including coordination between different entities at the national, regional and ULG levels. Sources included: assessments of existing key institutions focusing on enforcing environmental and social assessment and management, public and workers' safety, women and Child abuse prevention processes. The Regional and ULG level Environment, Forest and Climate Change offices, Labor and Social affair office and Women and Children Affairs offices who have a mandate and/or role in enforcing environmental and social management and Occupational Health and Safety at the Regional and ULG level were assessed.
- **Interviews:** During the period of April to End of May 2017, the ESSA team conducted Interviews with various GoE ministries and authorities, including those at the national, regional, and city level as well as technical experts involved with environmental and social impact assessment and management, occupational health and safety management, public and construction safety management, as well as women and child issues in the urban sector. The list of consulted people is annexed in this ESSA (see Annex 6)

- **Field visits:** Fourteen Cities (11 new and 3 existing), including the regional capitals were visited to assess the baseline situations of the existing systems and practices, as part of the ESSA assessment. These eleven new cities are Gode, Injibara, Woreta, Kobo, Holeta, Modjo, Arsi Negele, Dodolla, Halaba Kulito, Durame, Boditi plus the Regional capitals of Oromia, Amhara, Somali and SNNPR Regional states. The aim of the field visits was to assess baseline conditions and existing environmental and social management practices along with the program activities and the capacity of the existing system.



Figure 1: Sites visited during ESSA preparation

2.3. Stakeholder Consultation and Disclosure Process

The ESSA process includes comprehensive stakeholder consultations and disclosure of the ESSA Report following the World Bank's Access to Information Policy. The field assessment was undertaken from the end of April to the end of May 2017. Extensive consultations were carried out with representatives from relevant sector offices that will be directly or indirectly engaged in the implementations of Environmental and social and public and worker's safety management as

well as women and child labour abuse prevention issues at the ULG and Regional levels. These series of consultation were carried in the fourteen ULGs (11 new and 3 existing) mainly involving the new candidate ULGs and that constituted the initial grass root level of consultation on the ESSA (figure 2).



Figure 2: Showing Stakeholder consultations carried in Godey and Injibara cities during ESSA field assessment

CHAPTER 3: ENVIRONMENTAL AND SOCIAL IMPACTS OF THE PROGRAM

3.1. Introduction

The UIIDP is a refined and up-scaled Program with **core elements of the current ULGDPII**, and stronger focus on resilience, social inclusion and local economic development targeting **117 ULGs**. The program objective is to enhance institutional performance of ULGs to develop and sustain urban infrastructure and service through enhanced citizen's participation and engagement and gender equity in all ULG operations. The Program will be a continuation of the improvement of infrastructure and services in the 44 cities currently participating in the program (ULGDP II), through performance based capital grants, as well as an important kick-start on urban development in the new 73 ULGs.

The Program will address urban poverty through the provision of employment opportunities during civil works activities in the ULGs, improving infrastructure important for private growth, market opportunities and improvement of service in core areas of importance for urban development and support and incentives development towards a more conducive environment for LED. It will also catalyze enhanced contributions from the regional and city level for core infrastructure and services at the local level.

The experience gained by ULGs and MoUDH under the first and second ULGD programs will be extremely useful to identify and mitigate the adverse environment and social impact of infrastructure that the new Program is likely to include. Currently sub projects of the ULGDP II apply the Environmental and Social Management Systems Guideline (ESMSG) and Resettlement Systems Guideline (RSG) consistent with the Six Core principle and the associated key planning elements of the Bank policy: Program for Results financing on environmental and social risk management, which has enhanced further the performance of participating ULGs. These were used by local governments in implementing sub projects including roads construction, solid waste management, landfills, slaughterhouses, water supply, urban drainage, market sheds, and bus terminals. The cities have continued to practice screening of all infrastructure investments for environment and social risks for approval by respective Environmental Forest and Climate Change (EFCC) authorities and bureaus using relevant environmental and social management instruments (EIAs, EMPs, and ARAPs), supported by site visits.

3.2. Context and Potential Environment and Social Effects

The design of UIIDP Program sub projects must fulfill minimum environmental and social requirements that ensure sustainability of the program, in line with Ethiopian environmental legal frameworks as well as the Six Core principle and the associated key planning elements of the Bank policy: Program for Results financing on environmental and social risk management to access fund under UIIDP.

ULGs will use the Program funds to finance urban infrastructure works as well as capacity building activities, in compliance with the Program's investment menu and capacity building manual. Eligible infrastructure investments fall under 8 groups including: (i) urban roads, (ii) integrated infrastructure and land services, (iii) sanitation (liquid waste), (iv) solid waste management, (v) urban drainage, (vi) urban disaster risk management and urban resilience, (vii) built facilities, and (viii) urban green infrastructure (see Table 2 for details). All proposed subproject with significant impacts and categorize under World Bank environment assessment Category A projects and GoE Schedule I category, will be automatically

listed under exclusion list and ineligible from implementation using the program funds. Compliance with the investment menu is a minimum condition for receiving funds. In addition, ULGs will be required to prepare the project in a participatory manner, and consider: (i) social inclusion requirements, including gender and disability considerations; (ii) climate change and disaster adaptation; and (iii) contribution to LED.⁷

Table 2: Investment Menu for ULGs - Eligible Areas in Infrastructure and Services

Infrastructure/Service	Type
Roads	<u>Expenditure group 1:</u> Cobblestone, gravel, red ash and earthen roads. (asphalt roads are not eligible)
	<u>Expenditure group 2:</u> Rehabilitation of roads (except asphalt), bridges, fords and culverts, pedestrian walkways or footpath, cycle path, paved area, roundabout, street lighting, road signs and traffic lights, bus terminals, bus stop/station.
	<i>Note: Note: Road works outside of existing rights-of-way or require significant resettlement of people (more than 200 people, project-specific) will not be eligible for funding under the UIIDP.</i>
Integrated multiple infrastructure and land services (residential, micro and small enterprises, industrial zones, tourism sites)	<u>Expenditure group 3:</u> Servicing of land with utilities (water supply, electricity, telecommunications, roads and drains (within planned right of way, as per the structural plan/local development plan)), solid and liquid waste collection and disposal.
Sanitation (liquid waste)	<u>Expenditure group 4:</u> Sewer reticulation systems (no large canals ⁸), Wastewater treatment ponds/treatment plants, sludge ponds, community soak away pit and septic tanks, public and communal toilets, ventilated improved pit, Ecosan, biogas and vacuum trucks, vacuum handcart. (in planning and implementation cities must follow manual and standard from Urban Water Supply and Sanitation Project.)
Solid waste management	<u>Expenditure group 5:</u> Collection trucks and other collection tools, collection bins, transfer stations, recycling

⁷ Details of and procedures for the use of investment project prioritization and selection criteria will be included in the POM.

⁸ Sewer reticulation systems canals (primary canals) shall not exceed in diameter 1,000 millimeters or 10 kilometers.

Infrastructure/Service	Type
	center/sorting facilities, collection points; skips and skip loaders, hand push carts, landfills ⁹ (of the size of maximum 10 hectares and minimum design criteria as per the solid waste management manual), biogas and composting plants; and landfill site equipment including compaction vehicles, garbage truck, grader, dozer, loader, dump truck and excavator
Urban drainage	<u>Expenditure group 6:</u> Drainage systems (follow the guideline developed by the MoUDH), flood control systems.
Urban disaster risk management and initiatives to enhance resilience¹⁰	<u>Expenditure group 7:</u> Fire brigade equipment, trucks, facilities, fire stations, non-grid renewable energy supply (e.g. solar, wind), landslide protection structures
Built facilities	<u>Expenditure group 8:</u> Markets for small businesses <i>not exceeding ground floor</i> with associated services (water supply, drainage, access roads, sanitation facilities), upgrading the existing markets, one-stop shops, slaughter houses (abattoirs) ¹¹ (<i>not exceeding size of 2 ha and the category of level B, C, and D</i>) with by-products and processing facilities, abattoir trucks, production and premises, sales and display

⁹ Landfills: To ensure that all landfills activities to be environment friendly and socially acceptable with no or minimum impacts to the nearby environment, landfills construction and operation activities should not exceed 10 hectares and with provisions as stated in MoUDH standard. These include, among others: all landfills should have 1. bottom lining system with compact clay soil and covered by geo-membrane (synthetic linings) to separate the trash and subsequent leachate from groundwater; 2. Leachate collection system to collect rain or other water percolated through landfill which possibly contains contaminating substances (leachate); 3. Oxidation or other treatment ponds for further treatment of leachate; 4. Methane collection system/gas management to collect methane gas that is formed during the breakdown of trash; 5. Runoff water drainage system to prevent rain water flash from the nearby area; and 6. Composting yard and other facilities within the landfill site and upstream collection and transportation area. Cities should comply with the national standard and classification set by MoUDH. Also, cities must conduct landfill feasibility study, ESIA and RAP for review and clearance. All landfills are subject to regional environmental and social performance review and annual audits.

¹⁰ Only cities who have emergency response unit and emergency plan are eligible

¹¹ Slaughterhouse/abattoir: Slaughterhouse construction should follow the MoUDH standards and classification for environmentally safe implementation of the investment. Slaughterhouse under the program should not exceed 2ha (level B, C, and D) of the MoUDH classification. The following provisions should be included in the design for construction and operation phase. These are: 1. liquid waste treatment plant, which is sited at minimum distance of 50 meter from slaughter house; 2. separate closed drainage line for collection of liquid wastes from slaughterhouse to the septic tank; 3. septic tank bed level shall be below nearby ground water level; 4. slaughter house at metropolitan cities shall have rendering plant with smell nuisance control; 5. Runoff water drainage system to prevent rain water flash from the nearby area; and 6. Other facilities like guardhouse and water points. Cities should comply with the national standard and classification set by MoUDH. Cities must conduct Slaughterhouse feasibility study, ESIA and RAP for review and clearance. All slaughterhouses are subject to regional environmental and social performance review and annual audits

Infrastructure/Service	Type
	centers for MSEs, community center, youth center, cultural centers
Urban green infrastructure	<u>Expenditure group 9</u> : Urban parks, public spaces and greenery development projects.
Consultancy services for design, studies and contract management	<u>Expenditure group 10</u> : For studies relating to preliminary and detailed design, contract documentation and supervision relating to the above infrastructure and services.
Capacity Building Support	<u>Expenditure group 11</u> : Up to 5 percent of investment grants and regional/city contributions can be utilized on capacity building support, see menu for capacity building support below.

The Program will avoid including sub-projects that are likely to have significant environment and social risks. One of the criteria in the choice of specific infrastructure investments under the Program is to avoid/minimize anticipated social and environmental effect, particularly risks associated with potential loss or conversion of natural habitats; adverse effects on physical and cultural resources; potential pollution or other project externalities; and changes in land or resource use. The program will also consider social effects of involuntary resettlement or land acquisition required; potential negative impacts on vulnerable groups and communities; changes in access to resource and impacts on underserved groups. The program is expected to involve multiple jurisdiction and implementing partners with varying capacity to implement regulations and procedures.

While the scope and scale of works for most of the subprojects under the Program are not expected to cause significant adverse impacts, the current EIA procedures in Ethiopia require that all investments are screened for negative impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people. In addition to screening for significant negative impacts, the following works will be ineligible for financing under the UIIDP program, and have been agreed with the GoE:

- Road works outside of existing rights-of-way;
- Works involving physical relocation of more than 200 people;
- Likely to adversely create or exacerbate conflict within communities
- Have significant adverse impacts on vulnerable and underserved communities
- Large scale market construction that contribute large amount of solid wastes in the cities
- Large-scale flood control systems (such as dams or large dykes);
- New landfills that are larger than 10 hectares in area or have no system for upstream waste collection, segregation, transportation; and treatment and disposal of leachates or that do not

strictly follow the solid waste management manual of the MoUDH that sets out the minimum conditions;

- New slaughterhouse without strictly follow the design on the construction and operation standard prepared by the MoUDH, with no consideration and full package of the and all the environmental and social risk management provisions, like treatment pond, solid waste management system, proper site location, etc. as stated in the MoUDH and other national guidelines and standards
- Activities that would significantly convert natural habitats or significantly alter potentially important biodiversity and/or cultural resource areas.

The Investment menu in table 2 above explicitly excludes possible high-risk activities. This exclusion of investments with significant environment and social impacts will be further ensured through the environment and social risks screening that would be followed at all ULGs. The infrastructure investments that will be supported by the UIIDP will remain at the municipal level and the procedures for preparing sub-projects will, as per current practice, include criteria to screen for significant negative impacts that are sensitive, adverse, or unprecedented on the environment and/or affected people.

The infrastructure projects implemented by ULGs are likely to deliver significant social benefits, provided that they are planned in an inclusive manner, and they are designed to ensure a distribution of benefits to vulnerable groups including the old, youth, women, and the poorest. Social benefits cannot be guaranteed, and there is a requirement to ensure that projects are planned, constructed and operated in a manner which maximizes benefits. In particular, this should take cognizance of the vulnerable groups, and ensure their participation in ongoing consultation throughout the design and implementation of UIIDP project. In some cases, there may be risks of the permanent or economic displacement of people, requiring a carefully planned and implemented RAP. The potential environmental effects of urban infrastructural projects depend on the nature and location of the project, though they are likely to be limited in scale.

As in the previous phases of ULGDP II, an assessment of potential effects of the types of investments eligible for financing in the context of the UIIDP indicate that most adverse impacts and risks are associated with civil works, as well as the possibility of land acquisition, resettlement, and livelihood impacts. Potential adverse environmental impacts include air pollution from dust and exhaust; nuisances such as noise, traffic interruptions, and blocking access paths; water and soil pollution from the accidental spillage of fuels, leachate from landfills or other materials associated with construction works, Occupational health and safety impacts, as well as solid and liquid wastes from construction sites and worker campsites; traffic interruptions and accidents; and accidental damage to infrastructure such as electric, wastewater, and water facilities. In addition, some important impacts arising during operation (after commissioning) of the infrastructure projects include mainly public safety impacts caused by open drainages becoming sources of falling accidents happening to elderly, women and children in the ULGs.

These types of impacts, however, are generally site-specific and temporary. Experience from implementation of previous ULGD projects in Ethiopia indicates that short-term construction impacts for the most part can be prevented or mitigated with standard operational procedures and good construction management practices. Knowledge and experience from previous programs (e.g. including safeguard requirements in bidding documents) and use of Technical Manuals adopted by the MoUDH could also

minimize adverse impacts. In addition, Consultation and public participation, with the possibility of using local knowledge could help reduce or avoid negative effects.

3.2.1. Potential Environmental Impacts and Risks

This section outlines the potential environmental impacts that could be generated from the implementation of the proposed UIIDP and these impacts were identified through reviewing relevant documents, comprehensive stakeholder consultation process and field visit of the existing beneficiaries and potential sites in selected regions/localities.

The environmental impacts and risks due to the implementation of most of the proposed UIID Program activities are assumed not to be significant and the level of significance of the impacts are more or less similar to previous programs ULGDP I and II, considering: (i) that most proposed works are relatively small and confined within the existing right-of-way where the incremental environmental effects are likely to be not significant; (ii) the limited geographic footprint of planned works; (iii) the nature of works which focus primarily on repair, maintenance and minor upgrade; and (iv) mitigation measures are known and effective, provided proper care and oversight during construction. The Program activities are unlikely to encroach upon or degrade sensitive habitats because the Program excludes new construction of any infrastructure located in sensitive areas of biodiversity and localities designated as protected areas. Adverse environmental effects of the civil works related to sub projects are likely to be temporary in nature but depending on local conditions may have implications for the following issues to varying degrees. The potential adverse environmental impacts that can be envisaged of UIIDP sub projects are discussed below.

3.2.1.1 Environmental implication of construction materials

Some infrastructural projects may require small area of land. In addition, the sourcing of construction materials (cobblestone, gravel, sand etc.) from borrows pits and gravel pits can potentially result in the complete removal of vegetation. In addition to the displacement of people, urban infrastructure projects could lead to loss of important ecological resources for local people, vegetation that provides watershed protection, and the depletion of biodiversity of national or international importance. The exact location of the project and the management of the sourcing of construction materials are the key issues here, which the program shall conduct an appropriate screening for each subprojects and the recommended ESIA with consideration of cumulative impacts for environmental and social sensitive investments, like landfills and slaughterhouses and develop the required environmental and social management plan to ensure environment friendly investment site selection and implementation to address the potential impacts emanated from the subproject activities.

3.2.1.2 Implications on Air quality

During the construction and operation phases of each subprojects, there might be an open burring of vegetation and other wastes that could contribute a potential impact on the ambient Air Quality, which ultimately result in health effect to the workers and nearby community due to increase in bronchial and eye disorders. Dust and exhaust emissions from concurrent construction activity with multiple crews operating off and on road equipment and excavation works. General construction, excavation, material transportation, establishment of landfills and slaughter houses, and fugitive dust from travel along the

construction site and ROW that could be occurred during the construction period. The impacts can be reduced if all program activities are implemented in an environmental friendly with best management practices, considering watering of the road regularly, regular vehicle maintenance, etc. Community members and contractor's staff shall be advised and enforced to avoid such open burning that result smoking and pollution of air.

3.2.1.3 Implications for Physical Cultural Resources

Any sub project activities that require road alignments and other smaller infrastructures will avoid the sites of archeological, cultural, religious, and historic value. The expected cobble stone roads will be constructed along the existing right-of-way that already exists. Hence, there is little chance of occupying the area belonging to the known sites of cultural, religious, archeological and historic value. Review of the implementation report from first and second ULGD program did not found issues related to Physical Cultural Resources. However, for the possibility of "chance finds" for unknown cultural heritage, the program will follow the standard chance find procedure which will be included in the environmental and social management guideline.

3.2.1.4 Fugitive Dust and Noise

Noise resulting from access road and other construction activities and may disturb neighboring communities. This impact will be of a temporary nature and can be minimized by adopting appropriate mitigation measures including maintaining equipment and vehicles to manufacturers' standards and limiting operating times to daylight hours.

Dust will be an issue during the construction of access roads and excavation work for construction of market, landfill site, slaughter houses etc., especially since it is recommended that construction take place during the dry season and as most construction activities will be undertaken within urban center and nearby residential areas, the impact is expected to be significant.

Therefore, to minimize and/avoid the anticipated impacts the contractor shall consider and implement the followings:

- The dirt roads and exposed construction areas should be moisturized during the dry season to prevent or minimize the fugitive dust emissions.
- Proper location of material stockpiles, especially selection of sites for sand and soil at downwind from the commercial, residential and other establishments will be required.
- Frequent wetting of the stockpile and working area, if applicable.
- Workers in the program site must be equipped with the necessary and required Personal Protective Equipment (PPE) prescribed by the construction industry to mitigate dust impacts.
- The construction schedule should be communicated with potentially affected parties.
- Construction timeframes should be discussed with property owners.
- Dust-suppression techniques should be used along gravel roads, when required.

3.2.1.5 Potential for Soil erosion

Soil erosion could result around infrastructure, undermining the foundation of the infrastructure itself, and reduce its operational life greatly. Soil erosion, especially alongside roads, can also result in the loss of

productive gardening or plantation area and silting of nearby watercourses, unless it is built according to the required engineering design specifications. Ministry of Urban Development and Housing has strong engineering and technical manuals mainstreaming environmental requirements that the ULGs are expected to follow for all infrastructure. This includes road, drainage or other infrastructure works including water points (boreholes, pans etc.).

3.2.1.6 Implication of Solid waste management

Waste management at the core sub project area shall be efficient and required to be implemented in an environmentally friendly and socially acceptable manner. Indiscriminate disposal and/or storage of solid and liquid wastes including, cement and other material packages, and left over construction materials and cements, have potential to generate an adverse impact on the nearby environment and health and safety of the workers, local community, and the beneficiaries. Solid waste materials during the construction include paper wrapping, scrap metal, excavated soils, polythene, plastic and metal will cause pollution and littering of the immediate and localized environment.

This should be addressed promptly and wisely, through best practice methods for waste management and disposal in and around the program site and these are:

- Conduct regular awareness creation and sensitization program for the proponent and community reside in the area about the potential negative impacts, health and safety risks, and proper waste management practices.
- Segregate wastes at the generation site, store properly with no impacts to be generated to the nearby biophysical environment.
- Final domestic and/or other nonhazardous wastes, after proper segregation, have to be disposed of safely at the designated waste disposal site.
- The contractor should engage a refuse handling company to remove the wastes from the site to the recommended dumping site.
- The contractor should erect warning signs against littering and dumping sites within the construction site.
- Excavated top soil should be separately stored and used as backfill for waste dumping site by the contractor to generate regrowth of vegetation.
- The contractor shall develop a waste management plan in line with the national policies, standards and guidelines as well as international standards, including World Bank/IFC Environmental, Health, and Safety (EHS) Guidelines GENERAL EHS GUIDELINES: ENVIRONMENTAL WASTE MANAGEMENT¹².

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http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines

3.2.1.7 Potential for Deforestation and over-exploitation of natural resources

Timber and poles could be used in construction, placing greater pressure on forest resources, unless they are procured from sustainable sources. However, civil works of sub project are unlikely to request any large number of timbers or other forest products for the anticipated program activities. Also, Ethiopia has a robust environmental regulation to prevent activities that could cause large scale deforestation.

3.2.1.8 Potential for Depletion and pollution of surface- and ground- water resources

Water required for construction purposes could potentially place greater demand on both surface and groundwater resources. Drainage systems in urban areas to divert flood water could have a significant adverse environmental impact on water courses, resulting in pollution with solid waste debris, wastewater, and silt, and thereby a significant reduction in the human and ecological value of the water course. Review of the implementation report from previous ULGD programs did not find issues related to over-exploitation of ground water. The risk of over-extraction of groundwater due to anticipated program activities remains quite low.

3.2.1.9 Potential for Atmospheric Ozone depletion with application of CFC based fire extinguishers

The ban on production of Chlorofluorocarbons (CFCs) begins to take effect in the early 1990s following the ratifications of the Vienna Convention for the Protection of the Ozone Layer and its Montreal Protocol. A CFC Halon 1301 was the gaseous extinguishing agent of choice for total-flooding applications until its production began to be phased out for environmental reasons. Several non-CFC alternatives are developed since then and made widely available in the markets. The potential that UIIDP sub-projects on Fire and Emergency Response to release CFCs to the environment is insignificant due to the fact that use of CFCs based equipment is also banned in Ethiopia and the availability of non-CFC choices in the market. Therefore, the impact of Fire and Emergency Response sub projects can be avoided by making the correct choice of non-CFC based equipment during procurement.

3.2.1.10 Public and Occupational health and safety (OHS)

The ESSA identified the Public and Occupational health and safety issues are among the main concern of the program. The significant concern of public and OHS will arise during the program implementation periods, predominantly during excavation works, operation of equipment and machinery during construction, operation and installation landfills and slaughter houses that causes a likelihood of accidents occurring especially to the workers and leads to serious injury or loss of life to the workers or community residing nearby.

All Environmental and social management procedures and processes recommended to be implemented during program implementation period are in consistent with Core principle 3, which are designed to protect public and worker safety against the potential risks associated with: -

- construction and/or operations of facilities or other operational practices developed or promoted under the program;
- exposure to toxic chemicals, hazardous wastes, and otherwise dangerous materials; and

- reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards. This will be implemented in line with core principles 3 and national and WB/IFC-Environmental, Health, and Safety (EHS) Guidelines: General EHS Guidelines: Occupational Health and Safety¹³.

Specifically, to avoid these safety hazards and risks, the following measures need to be considered during program implementation period.

- Ensure safe handling and use of PPE.
- Ensure the availability and proper use of PPE by the program beneficiaries, contractors, laborer who are engaged in the construction, installation and operation activities of the proposed program
- Monitor regularly the use and availability of PPE and other protective tools and materials by the program coordination unit at all phases of the programs.
- All workers entering the construction site must be equipped with PPE including goggles, safety shoes, overalls, gloves, dust masks, among others. The PPE should be those that follow the international standards of PPE.
- ONLY competent workers and staff should be allowed to operate any machinery and equipment to reduce the incidents of accidents.
- During the construction, the program site should be completely sealed off and warning signs erected informing the public to keep off the construction site when construction is in progress.
- Personal protection gear applicable to the activities must be provided and its use made compulsory to all.
- For any incidents of leakage or spill during installation, temporary containment structure is required to clean-up accidental spills.
- Provide regular OHS induction training for staffs before mobilization to work
- Create awareness to the community reside nearby and ensure their understanding of the potential safety and health impacts and respective measure
- The contractor must develop workers' Health and Safety Manual for which all the workers should be conversant with for response in case of accidents.

During construction period, the contractor and other parties may use child labor due to lack of awareness on the proclamation and the negative impact of child labor. Therefore, contractors and other participating companies are not allowed to use child labor at any stage of the sub-projects implementation. Contractor will be aware to enforce and respect the national Proclamation No. 377/2003 which states that children under the age of 14 will not be employed and young workers (14 to 18 years) shall not perform work that is likely to jeopardize their health or safety.

3.2.1.11 Implication for Cumulative Impacts of the Project

UIIDP activities may individually have insignificant adverse environmental impacts. However, several projects in combination with other government or private sector activities at ULG level, have potential to

¹³ <http://www.ifc.org/wps/wcm/connect/9aef2880488559a983acd36a6515bb18/2%2BOccupational%2BHealth%2BAnd%2BSafety.pdf?MOD=AJPERES>

cause cumulative impact that could be significant. This could be relevant if program activities involve: Construction material quarrying for cobble and gravel combined with other major civil works conducted in the area, deforestation due to the exploitation of forest resources, owing to the use of timber and poles for construction, combined with greater access to forests; Groundwater depletion owing to the demand for water for construction; and surface water depletion, owing to the impact of several diversion schemes on small streams and watercourses. In addition, resettlement due to the acquisition of land for urban infrastructure projects also has potential to induce migration of people (for labor, services etc.) that can potentially put pressure on natural resources in sensitive areas.

However, the design of UIIDP activities relies on the principles of avoidance and mitigation of impacts of individual projects; careful planning considering the potential anticipated cumulative impacts within and around the subproject implementation area, based on sound technical knowledge of the location, size, and material requirements of infrastructural projects, under the ULG and regional planning cycles. The improved planning ability combined with a strategy to screen out risky sub project at city level will ensure that cumulative impacts of investments are not significant.

3.2.2. Potential Social Impacts and Risks

3.2.2.1 Project Benefits

Implications for Employment

Road rehabilitation and construction will have significant positive impacts on the socio-economic environment in the short term, as they provide employment for laborers in the local community leading to increased income. In the long term, improved road conditions provide increased access to social services, markets and can improve the overall employment situation¹⁴. This Program will ensure employment opportunities created reflect gender equity.

Specific socio-economic benefits include: Increased demand for skilled and unskilled labor; increase in income for local communities; and indirect employment opportunities from provision of services to construction workers, such as sale of food and beverages.

Improved quality of neighborhood and access to transportation

Socio-economic benefits provided by road rehabilitation and construction include all-weather road reliability, reduced transportation costs, increased access to markets for local produce and products, increased investment in real estate development, industry and commerce, better access to health care and other social services. In the long term, this will have a positive benefit to local economic development.

Furthermore, improvements in the quality of roads and drainage lines is likely to improve the quality of neighbourhoods increasing the overall value of property. Enhanced accessibility may also increase the influx of people to rehabilitated neighbourhoods in search for better facilities and services. Though the

¹⁴The UIIDP program activities like similar previous programs will include a substantial component, in each implementing ULG, of labor intensive construction works such as cobblestone roads, open drains, etc.

positive impact of such process is likely to create an opportunity to generate more income for owners, high competition on the other hand may force especially the low income (usually renters) to look for cheaper options.

Improved availability of clean water, resulting in improved environmental health

Water supply projects can significantly improve peoples' lives by giving access to clean water. This decreases child mortality and general health levels in the community by decreasing waterborne diseases, and increasing hygiene and sanitation. This in turn increases productivity and opportunities for social development and overall community improvement, particularly for household women who are disproportionately affected due to poor access to clean water supply.

Avoidance of damaging floods in urban areas

Floods can have devastating social and economic consequences, limiting communities in terms of access, sustainable production, and income streams. Addressing the problem of floods through infrastructure improvements can have a significant impact on livelihoods of residents and strengthen resilience and sustainability of LGs. However, care should be made that improvements do not create damage on downstream settlements and natural resources.

Public health improvements of investments in improved sanitation services

A wide range of diseases, environmental impact on ground and surface water, soil and air environment can be caused by poor collection and disposal of solid and liquid wastes within an urban setting. Contamination of ground water, soil and air could cause serious environmental health concerns in neighborhoods and amongst poor people in particular.

Provision of integrated urban infrastructure services make available serviced land for residential, commercial and industrial purposes. The beneficiaries may include governmental authorities as well as vulnerable groups such as women, NGOs, real estate developers, private individuals, cooperatives, etc. The potential multiplier economic effects are considerable in a broad range of examples from employment generation, productive investment in industry and services to the generation of increased ULG revenues.

3.2.2.2 Social Risks

Risk related to Land acquisition and resettlement

Project Affected people/households will be negatively impacted if there is disturbance of livelihoods and physical displacement due to land acquisition or involuntary resettlements. As discussed in previous sections the negative social impacts of the Program are not expected to be significant provided that land and RoW acquisition are conducted in a manner consistent with adopted resettlement guidelines (RSG).

Community health and safety

Given the nature and scale of the infrastructure investments, the anticipated safety and health impacts are minimal if managed well. Operations related to the Program require local workers/employers observe the necessary safety precaution and adhered to stipulation of the GoE laws (building and Labor laws), occupational safety and health laws (labor law) to protect workers and the larger public from accidents.

One of the major objectives of the Program is to create job opportunities to significant number of unskilled and semi-skilled laborers within the locality in urban areas. From ULGDP II, ongoing project experience, labor influx due to the program is not expected as the program benefits the locals in the implementation areas. ULGs have used local labor in most cases and the objective of creating job opportunity to the locals has been fully realized in previously covered ULGs. On the other hand, job opportunities may signal young children to skip school in the hope of employment thus encourages child labor if not managed well. Dust, disruption of access and damage to public utilities will also negatively affect the community in the project area if proper measure is not taken.

The field visits to the project sites similar to those proposed under this program revealed inadequate provision to and use of safety gears by the local workers. Public safety issues during construction activities and later during operation were not addressed in the design and construction phases of the sub-projects. For example, constructed open drainages have become a source of concern for public safety in the ULGs. Delay in clearing construction material and debris collected from cleaned open drainage network from streets obstructs movement of people specially the elderly, people with disability, children, and women and vehicles. These adverse impacts on community, individual and worker safety are expected to be mitigated through improved implementation of safety & health laws as well as the Building laws of Ethiopia that have provisions for ensuring workers and public safety in design, construction, operation and maintenance of physical infrastructure.

CHAPTER 4: ETHIOPIA’S ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS RELEVANT TO URBAN SECTOR

4.1. Introduction

The Bank Policy: Program for Results financing requires that all P for R operations function within an adequate legal and regulatory framework to guide environmental and social impact assessment and management. In this context, management of the environmental and social effects of UIIDP financed activities is assessed based on the existing environmental and social management systems of Ethiopia.

To assess the adequacy of Ethiopia’s legal and regulatory framework, relevant laws and institutions for environmental and social impact assessment and management are described in this section, along with the roles and responsibilities of institutions involved in the assessment and management processes. The assessment of how these systems function in practice is presented in Section 6 along with a structured gap analysis that identifies inconsistencies between the framework and the requirements of the Bank policy: Program for Results financing.

This section is organized in two subsections: (i) environmental impact assessment and management system; and, (ii) social impact assessment and management system.

4.2. Environmental Impact Assessment and Management System

4.2.1 Applicable Policies, Laws and Guidelines

This section describes the relevant national and regional policies, strategies, regulatory frameworks associated with environmental impact assessment and management in Ethiopia. The relevance of these requirements to UIIDP is assessed with due consideration of the requirements and guidelines of the Bank policy: Program for Results financing.

The **Ethiopian Constitution** adopted in 1995 provides the framework for environmental protection and management in Ethiopia. The concept of sustainable development and environmental rights are presented in Articles 43, 44 and 92 of the Constitution.

- Article 43: The Right to Development identifies citizens’ right to: improved living standards and sustainable development and participate in national development and to be consulted with respect to policies and projects affecting their community.
- Article 44: Environmental Rights stipulates that all citizens have the right to a clean and healthy environment; and those who have been displaced or whose livelihoods have been adversely affected as a result of state programs have a right to commensurate monetary or alternative means of compensation, including relocation with adequate state assistance.
- Article 92: Environmental objectives are identified as: government shall endeavor to ensure that all Ethiopians live in a clean and healthy environment. The design and implementation of programs shall not damage nor destroy the environment. Citizens also have a right to full consultation and to expression of views in the planning and implementation of environmental policies and projects that directly affect them. Government and citizens shall have the duty to protect the environment.

The **National Conservation Strategy** (1995) takes a holistic view of natural and cultural resources and seeks to present a coherent framework of plans, policies and investments related to environmental sustainability. The Strategy consists of five volumes including: the Natural Resource Base, Policy and Strategy, Institutional Framework, the Action Plan and Compilation of Investment Program.

A number of proclamations and supporting regulations contain provisions for the protection and management of the environment and put into effect the principles of the Constitution and the Environmental Policy. Specifically, the Environmental Impact Assessment Proclamation No. 299/2000 contains provisions designed to ensure sustainable development while Proclamation 299/2002 makes Environmental Impact Assessment mandatory not only for development projects but also for policies, plans and programs.

The **Environmental Policy of Ethiopia** was approved by the Council of Ministers in 1997. It is comprised of 10 sectoral and 10 cross-sectoral components, one of which addresses ‘Human Settlements, Urban Environment and Environmental Health’. The Policy is based on the findings and recommendations of the National Conservation Strategy of Ethiopia. The Policy contains elements that emphasize the importance of mainstreaming socio-ecological dimensions in development programs and projects.

The goal of the **Environmental Policy** of Ethiopia is to improve and enhance the health and quality of life of all Ethiopians and to promote sustainable social and economic development through sound management of the environment and use of resources so as to meet the needs of the present generation without compromising the ability of future generations to meet their own needs.

The Environmental Policy provides a number of guiding principles that require adherence to the general principles of sustainable development. In particular, the need to ensure that Environmental Impact Assessment:

- Considers impacts on human and natural environments
- Provides for early consideration of environmental impacts in project and program design
- Recognizes public consultation processes as essential to effective management
- Includes mitigation and contingency plans
- Provides for auditing and monitoring
- Is a legally binding requirement

4.2.1 Relevant policies, proclamations, regulations, guidelines and plans

Proclamation 299/2002, Environmental Impact Assessment makes EIAs mandatory for implementation of major development projects, programs, and plans. The Proclamation is a tool for harmonizing and integrating environmental, economic, cultural, and social considerations into decision making processes in a manner that promotes sustainable development. The law clearly defines:

- Why there is a need to prepare EIAs

- What procedure is to be followed in order to implement EIA
- The depth of environmental impact studies
- Which projects require full EIA reports
- Which projects need partial or no EIA report
- To whom the report must be submitted

Proclamation 300/2002, Environmental Pollution Control requires developmental activities to consider environmental impacts before their establishment. The Proclamation requires ongoing activities to implement measures that reduce the degree of pollution to a set limit or quality standard. Thus, one of the dictates of the legislation is to ensure, through inspection, the compliance of ongoing activities with the standards and regulations of the country through an environmental audit.

Proclamation 295/2002, Establishment of Environmental Protection Organs establishes the organizational requirements and identifies the need to establish a system that enables coordinated but differentiated responsibilities of environmental protection agencies at federal and regional levels. The Proclamation indicates duties of different administrative levels responsible for applying federal law.

Proclamation 513/2007, Solid Waste Management aims to promote community participation to prevent adverse impacts and enhance benefits resulting from solid waste management. It provides for preparation of solid waste management action plans by urban local governments.

EIA Directive 1/ 2008, Directive to Determine Projects Subject to Environmental Impact Assessment was issued to determine the categories of projects subject to the Environmental Impact Assessment Proclamation 299/ 2002. To this end, the Environmental Impact Assessment Proclamation is to be applied to the types of projects listed under these directives. The types of projects subject to EIA in the urban sector include roads, solid waste facilities, water supply schemes, which are part of the UIIDP program. Though Directive 1/2008 was issued to shorten and replace the application of the schedule of activities listed in Annex III of the EIA procedural guideline issued in 2003, current practices in the MoEFCC as well as the regional EPFCC agencies indicate that the Annex III schedule of activities are still the most favored, accepted and applied lists in categorizing sub-projects.

Proclamation 159/2008, Prevention of Industrial Pollution Regulation: As a follow up to Proclamation 300/2002, a regulation to prevent industrial pollution was developed by the MoEFCC to ensure compatibility of industrial development with environmental conservation. This Proclamation includes comprehensive industrial pollution standards for a range of industrial and mining activities.

Water Resources Management Proclamation (197/2000): The purpose of the Proclamation is to ensure that the water resources of the country are protected and utilized for the highest social and economic benefits of the people of Ethiopia, to follow up and supervise that they are duly conserved, ensure that harmful effects of water are prevented, and that the management of water resources is carried out properly.

EIA Procedural Guideline (draft), November 2003: This guideline outlines the screening, review and approval process for development projects in Ethiopia and defines the criteria for undertaking an EIA. Annex-III of the procedural guideline also presents the list of scheduled activities that need full, partial and no EIA.

Guideline for Environmental Management Plan (draft), May 2004 outlines measures for preparation of an Environmental Management Plans (EMP) for proposed developments in Ethiopia and institutional arrangements for implementation of EMPs.

EIA Guideline, July 2000: The EIA Guideline Document provides essential information covering the following elements:

- Environmental Assessment and Management in Ethiopia
- Environmental Impact Assessment Process
- Standards and Guidelines
- Issues for sector environmental impact assessment in Ethiopia covering agriculture, industry, transport, mining, dams and reservoirs, tanneries, textiles, hydropower generation, irrigation projects and resettlement
- The guideline contains annexes that:
 - Identify activities requiring a full EIA, partial or no action
 - Contain sample forms for application
 - Provide standards and guidelines for water and air;

Waste Handling and Disposal Guideline, 1997: The Waste Handling and Disposal Guidelines have been in use since 1997. The Guidelines are meant to help industry and local authorities handle medical waste situation at the local level.

4.2.2 Urban sector Sector-Specific Policies, Laws and Guidelines

Over the last few decades, several technical Guidelines, Directives, Manuals, and Frameworks have been developed for the management of environmental and social risks and impacts relevant to the urban sector. Sector policies have been prepared by various agencies. The technical guidelines and tools stated above, are prepared, and issued by competent authority (such as a Ministry or a Department) by elaborating and explaining the provisions of acts and regulations as well as incorporating good practices. These are intended for use within the jurisdiction of the issuing competent authority, and are enforceable to the extent that these do not contradict with the provision(s) of the mother act and regulation. These guidelines and tools describe the requirements, processes, and procedures in more detail than in the act and

regulation. The guidance documents, such as the ESMSG and RSG, prepared under the existing ULGDP II encapsulate many of the core principles and key attributes of the bank policy: program for results financing. These have been accepted and endorsed by the government for their departmental investment operations, and form part of the Environmental and Social Management System (ESMS). They describe the process and procedures of environmental assessment to ensure integration of environmental consideration in the project survey, design, tender and contract documents. The Environmental and Social Management Systems Guideline of MoUDH not only provides details of environmental assessment procedures but also stresses on the compliance of environmental as well as social measures for the sector wide application.

Environmental guidelines and standards

Ethiopia has robust rules and regulations for pollution control, emissions and waste as outlined in the Proclamation for Environmental Pollution Control. However, the implementation and enforcement levels are highly uneven across regions, cities and municipalities. The Ministry of Environment Forest and Climate Change (MoEFCC) has produced a number of guideline documents to provide guidance to project proponents/developers intending to undertake activities that may have positive or negative impacts on social, physical or cultural environments. These guidelines, which are described below in table 3, can also be used by ULGs planning to undertake city infrastructure development projects.

Table 3: Summary of relevant Guidelines and Standards

Guideline / standard	Description
EIA Procedural Guideline, November 2003	<p>The EIA guideline of 2000 mentioned above was revised in 2003 and issued as draft EIA procedural guideline. The later outlines the screening; review and approval process for development projects in Ethiopia and defines the criteria for undertaking an EIA.</p> <p>Annex-III identifies the schedule of activities for which a full EIA, partial EIA or no action is required. The schedule of activities listed in Annex-III is widely applied by the Federal and Regional competent authorities to classify sub-projects into one of the three Categories.</p>
Directive No.2/2014 (2006 EC): Directive on issuing “professional competence certificate to consultants and firms providing service in Environmental Impact Assessment, Environmental Audit and Climate Change fields”	<p>The Directive has been issued by the MoEFCC and brought into force in the last three years. It has become an important milestone in the development of the EIA system in Ethiopia. The directive stipulates that EIA and Environment Audits should be conducted by professional consultants and firms that are registered and certified for their competence by the Ministry of Environment. EIAs and Environment Audits prepared by unregistered and certified firms will not be eligible for review and approval. The Regional EPFCCs have also started applying the stated directive of MoEFCC and others preparing their own version of the Directive (e.g. Amhara region)</p>

Draft Guideline for Environmental Management Plan (draft), May 2004	The guideline provides guidance on the necessary elements for preparation of an Environmental Management Plan (EMP) and Resettlement Action Plans (RAPs) for proposed development projects in Ethiopia and the institutional arrangements for implementation of EMPs and RAPs.
ESMSG and RSG of MoUDH	These guidelines which were developed to support P for R operation of the current ULGDP II has since been used by the Ministry of Urban Development and participating ULGs. The ESMSG and RSG defines the procedures for screening of sub-projects against environment and social risks; identification of the required level of due diligence; mitigation and monitoring measures to address key risks related to investments in urban infrastructure.
The Labor Proclamation 377/2005	The Labor proclamation requires an employer to take the necessary measures to adequately safeguard the health and safety of the workers. It also consists of provisions that address working conditions of women and young workers (14-18 years age). The Federal Labor law is the basic legislation directly applied by all the regional states without further making regional version of it.
Building Proclamation 624/2009 & regulation 243/2011	The Building proclamation stipulate the minimum national standard for the construction of buildings in order to ensure public health and safety and allows for inspection of construction site during working hours to check, among others, the presence of facilities to cater to physically impaired persons.
Ethiopian Roads Authority (ERA) Environmental Procedures Manual, 2001	ERA prepared this manual for the use and technical guidance for design personnel of the Ethiopian Roads Authority and consultants doing an Environmental Assessment Study during road design. The manual was developed to standardize Environmental Procedures for design of new roads and rehabilitation of existing roads.
Waste Handling and Disposal Guideline, 1997:	The Waste Handling and Disposal Guidelines have been in use since 1997. The Guidelines are meant to help industry and local authorities handle medical waste situation at the local level

4.2.3 Institutional Roles and Responsibilities for Environmental Impact Assessment and Management

This table summarizes the roles and responsibilities of institutions involved in environment, social, workers and public safety management in Ethiopia. Identification of institutional roles and responsibilities considers potential environmental implications of supported activities and the requirements of the Bank policy: Program for Results financing.

Table 4: Institutional Roles and Responsibilities for Environmental, Social, workers and public safety Management

Entity	Roles and Responsibilities for Environmental and Social Management
Federal MoEFCC (Ministry of Environment, Forest, and Climate Change) /Regional EPFCC	As the national Ministry for environmental management, MoEFCC is responsible for: Developing and updating policies, laws, regulations, standards and guidelines necessary to strengthen the overall environmental management system in the country including EIA and pollution control systems; Enforcing and ensuring compliance to the EIA proclamation on Federal licensed projects which currently is being implemented through delegated authority provided to sector ministries; Reviewing EIAs and monitoring the implementation of EIA recommendations of Federal licensed projects which is also in part being implemented through delegated authority provided to sector ministries; Regulating environmental compliance and developing legal instruments that ensure the protection of the environment, Ensuring that environmental concerns are mainstreamed into sector activities, Coordinating, advising, assessing, monitoring and reporting on environment-related aspects and activities At regional level the EPFCCs are responsible for; Enforcing and ensuring compliance to the EIA proclamation on projects licensed by relevant organs of the regional state; Reviewing EIAs and monitoring the implementation of EIA recommendations of projects licensed by relevant organs of the regional state
Ministry of Urban Development and Housing	Plan and Implement investments in urban infrastructure to improve the quality of urban services and improve the quality of life by integrating environmental and social concerns, in planning, designing, implementation and monitoring;
Ministry of Water, Irrigation and Electricity /Regional Water Bureaus	Prevent and control pollution of water resources
Ministry of Labour and Social Affairs/Regional Labour and	Implement Occupational Safety & Health, Public Safety and Social welfare protection activities, prevention of child labour in their respective regions, in

Social Affairs Bureaus	line with the mandates, roles and responsibilities of their Ministry.
Ministry of Woman and Children Affairs & Regional Bureau	Implement social management activities to empower women to benefit from and be equal participant of development and protect children rights and security.
Ministry of Construction, Regional bureau of Construction and counterpart city Offices	Regulate safety of public and workers in the construction industry by regulating quality of the construction environment.

The current system of government in Ethiopia is organized into a federal structure, comprised of the federal government, nine regional states and two city administrations. Government administration of EIA in Ethiopia is shared between the federal government and regional states. The Environmental Protection Organs Establishment Proclamation (295/2002) established the institutions responsible for the enforcement and regulation of EIA; these include the Federal Environmental Protection Authority (i.e. MoEFCC), Regional Environmental Agencies and the Sector Environmental Units. Currently, a new structure is in effect, the *delegated* sector Ministries which, through Federal MoEFCC delegation, have been assigned the dual role of ensuring timely and effective enforcement for preparation of sector specific EIAs authorized/licensed at Federal level as well as of reviewing EIA reports.

Ministry of Environment, Forest and Climate Change is the lead agency responsible for formulating policies, strategies, laws and standards to ensure social and economic development activities sustainably enhance human welfare and safety of the environment (Article 6, Proclamation 295/2002). The enforcement and administration of EIA is one of the key responsibilities entrusted to MoEFCC. In this respect, the MoEFCC is responsible for establishing and updating the system for undertaking EIA in public and private sector projects. The MoEFCC is responsible for developing directives that identifies categories of projects likely to generate adverse impacts and require a full EIA, and for issuing guidelines that direct preparation and evaluation of EIA reports (Proclamation 299/2002, Articles 5 and 8). The MoEFCC has developed most of these instruments (see table 2 above) in a draft form and are serving as a cornerstone in defining the EIA system in the Country.

In addition, the MoEFCC is responsible for evaluating EIA reports of projects that need to be licensed and executed by the federal government and projects that are likely to generate inter-regional impacts. The Federal MoEFCC is also responsible for monitoring and auditing the implementation and performance of such projects. The Federal MoEFCC holds primary responsibility for providing technical support on environmental protection and management to regional states and sector institutions.

Regional environment, forest and climate change bodies: Proclamation 295/2002 requires regional states to establish or designate their own regional environmental agencies. The regional environmental agencies are responsible for coordination, formulation, implementation, review and revision of regional conservation strategies as well as environmental monitoring, protection and regulation (Article 15). Relating to EIA specifically, Proclamation 299/2002 gives regional environmental agencies the

responsibility to evaluate EIA reports of projects that are licensed, executed or supervised by regional states and that are not likely to generate inter-regional impacts. Regional environmental agencies are also responsible for monitoring, auditing and regulating implementation of such projects. In this regard about six of the nine regional states including Addis Ababa City Administration have ratified their own customized version of the EIA proclamation. The institutional standing of regional environmental agencies varies among regions. Most recently in many regions, they are being restructured as separate institutions of Environment Protection Forest and Climate Change Authorities (EPFCC), while in others they are continuing to be within Regional Sector Bureaus (e.g., Bureau of Land Use Administrations).

Sector environment units: The other environmental organs stipulated in the Environmental Protection Organs Establishment Proclamation (295/2002) are ‘Sector Environmental Units’ which have been established in some of the line Ministries. These Sector Environment Units have the responsibility of coordinating and implementing activities in line with environmental protection laws and requirements (Article 14, Proclamation 295/2002). Article 13 of the EIA Proclamation 299/2002 requires that public instruments undertake EIA. To this end, Sector Environmental Units can play an important role in ensuring that EIA is carried out on projects initiated by their respective sector institution. However, capacity of these units is limited.

4.3. Social Impact Assessment and Management System

The Ethiopian law defines the term environmental management to covers social issues, in most cases reflected in practice. However, there are social issues that require special attention and analysis since social benefits cannot be guaranteed unless programs/projects are designed in an inclusive manner, and they are designed to ensure distribution of benefits to all sections of the society including vulnerable groups. Therefore, there is a requirement to ensure that the Program (and sub projects) are planned, constructed, and operated in such a way that they maximize benefits. Social benefits cannot be guaranteed, and there is a requirement to ensure that projects are planned, constructed, and operated in a manner which maximizes benefits.

The program activities are expected to deliver significant social benefits (discussed in previous chapters). While the scope and scale of works under the Program are not expected to cause significant negative impacts, issues related to land take and involuntary resettlement, potential negative impact on vulnerable and underserved groups is considered in this program. The Guidelines and procedures including EIA, ESMG, and RSG are in use in the current ULGDP II covered cities to screen sub projects for negative impacts that are sensitive, adverse, or unprecedented on the environment and/or affected people. In addition to screening for significant negative impacts, works involving physical relocation of more than 200 people will be ineligible for financing under the Program.

In order to assess the adequacy of the social management system, relevant policies, laws, and regulations as well as role and responsibilities of related institutions are summarized below.

4.3.1 Land Related Issues

The World Bank policy: program for result financing requires that land acquisition and loss of access to resources are managed in a manner that avoids or minimizes displacement and that affected people are compensated and assisted in improving or at least restoring their livelihoods and living standards. This

section assesses the legal and regulatory framework for land acquisition and compensation in Ethiopia as it applies to the urban sector and, more specifically, as it applies to the menu of investments supported by the previous programs and future UIIDP. The assessment of how these systems function in practice and a detailed gap analysis is presented in Section 6 summarizing inconsistencies between the system and the requirements of the Bank policy: Program for Results financing.

Under the P for R operation, the MoUDH, at federal level and Bureau of Urban Development and Trade Industry, at regional level and Land Development and management offices at ULG level handle land acquisition, resettlement, and compensation processes based on the Ethiopian legal and regulatory framework. For ULGDP II, MoUDH has been using Resettlement System Guideline (RSG) based on the government regulations, this will also be used for the UIIDP.

Policies, Laws, and Regulations on Land Acquisition, Resettlement and Compensation

All land in Ethiopia is considered public property. The 1975 Proclamations of Public Ownership of Rural Land 31/1975 and Urban Land 1975 abolished the 1960 Constitutional decree that recognized private ownership of land. Ownership of land is now vested in the State and Ethiopian citizens have only a usufruct right over the land.

The abolishment of private ownership of land was enshrined in the Constitution of Ethiopia (1/1987 Ethiopian Calendar), Article 13(2) and No 1/1995, Article 40(3)). According to these decrees, land is public property and cannot be subject to sale or other means of transfer or exchange. Article 40 (5) recognizes the right of farmers to land and right of pastoralists to free land for grazing and cultivation. Article 40 (6) recognizes the right of private investors to the use of land on the bases of payment arrangement established by law. The Constitution stipulates that the state has the power to expropriate land in the interest of the public by paying compensation in advance commensurate to the value of the expropriated property, Article 40 (8).

The 1995 Constitution, Article 40(1), 40(2), 40(4), 40(5) and 40 (7), includes legal frameworks that protect citizen's rights to private property and sets conditions for expropriation of such property for state or public interests. Regarding immovable property built on land, the Constitution states that every citizen shall retain full right to immovable property built on the land and to improvements s/he brings about on the land by her or his labor or capital. Hence, the State owns all land, but citizens have a usage right and full ownership of developments and improvements built on state land. This includes the right to alienate developments, to remove them or claim compensation for expropriation of property. Article 44 of the Constitution reiterates the right of displaced persons to financial or alternative means of compensation including relocation with adequate state assistance.

Based on the framework provided by the Constitution, three Proclamations were issued: 1) Expropriation of Land Holdings for Public Purposes and Payment of Compensation Proclamation 2) Rural Land Use and Land Administration and 3) Land Lease Proclamation.

Proclamation 455/2005: Expropriation of Land for Public Purposes and Payment of Compensation: is the general condition for which land and property can be expropriated for public purpose and defines the basic principles and considerations for compensating a person whose land holding is expropriated.

Proclamation 456/2005 Rural Land Administration and Land Use: regulates use and administration of rural land and recognizes farm, pastoral, semi-pastoral, and communal land holdings. The Proclamation requires that rural landholders expropriated for federal projects must be compensated based on federal compensation laws or, if displaced for regional projects, they must be compensated per regional regulations.

Proclamation No 721/2011 Urban Land Lease Proclamation: a law which prioritizes the interest of urban centers to ensure sustainable urban development and equitable benefits by defining and detailing procedures and principles to enhance land delivery and to capture value of land.

The Council of Ministers Regulations No. 135/2007: Payment of Compensation for Property Situated on Landholdings Expropriated for Public Purpose. The regulations provide the formula/methodology for assessing compensation or replacement of expropriated assets.

Priority to land- to- land compensation

The Proclamation 455/2005 provides for expropriation of and compensation for land in both rural and urban areas. Per the Proclamation, land-to-land compensation is considered where possible and provides for compensation of displaced persons for lost assets, as well as some assistance.

Compensation should be paid to any land holder that includes individual, government, or private organization. According to the Proclamation, landholder means an individual, government or private organization or any other organ that has legal personality and lawful possession over the land to be expropriated and owns property situated thereon. Thus, Proclamation 455/2005 determines that only legal landowners with crops, perennial crops or other property are eligible for compensation. Regulation 135/2007, article (22) reiterates that any person claiming eligibility for compensation shall produce proof/evidence of legitimate possession of the expropriated land holding and ownership of the property entitling compensation.

According to Article 7(1) and (2), a landholder whose holding has been expropriated shall be entitled to compensation for her or his property situated on the land and for permanent improvements s/he has made to the land (capital and labor expended on land). The amount of compensation for property shall be determined based on the replacement cost of the property.

Proclamation 456/2005 obliges to pay compensation to landholders if the holder is displaced or to provide replacement land with compensation for lost assets with evidence of ownership. The law also states that all rural landholders will be issued land holding certificate in the name of all holders (wife and husband and other holders when applicable).

Land Asset Classification, Valuation and Compensation

Land assets are classified as movable and immovable. For movable assets, compensation will be paid for inconvenience and other transition costs (Article 7 (5)). Immovable properties in urban areas include residential houses, business installations, institutional structures, stores, fences, and public service providing installations. In rural areas, this category of properties may include seasonal crops, perennial fruit trees, timber trees, and other cash crops.

A rural landholder whose landholding has been permanently expropriated shall be paid displacement compensation, in addition to compensation payable for property situated on the land and for permanent improvements made to such land, which shall be equivalent to ten times the average annual income s/he secured during the five years preceding expropriation of the land.

Where substitute land, that can be easily ploughed and generate comparable income, is available, compensation shall be equivalent to the average annual income secured during the five years preceding expropriation of the land. Rural landholders whose land is provisionally expropriated shall be paid compensation for lost income, based on the average annual income secured in the last five years until repossession of land but shall not exceed payments for permanently expropriated land of similar size.

Urban land holders whose land holding has been expropriated will be provided with a plot of urban land the size of which is determined by the urban administration to construct a house. Such persons are also entitled to displacement compensation equivalent to the annual rent of the demolished dwelling house or be allowed to reside free of charge for one year in a comparable dwelling house owned by the urban administration.

Based on Proclamation 455/2005 Article 7(2) for expropriation of land holdings for public purposes, compensation will be made at replacement cost. With this method of valuation, depreciation of structures and assets will not be taken into consideration. Compensation rates and valuation of properties will be based on a nationally set formula (Regulation 137/2007) based on data collected from local market assessments. Another important consideration for valuation is land zoning of property to be expropriated based on approved structure plan or neighborhood development plan to ensure the interest of citizens to acquire direct or indirect benefits and sustainable socio-economic development. Even though compensation is commensurate with loss of assets, replacement cost does not consider location value.

In urban areas, minimum compensation should not be less than the current cost of constructing a single room low cost house in accordance with the standard set by the concerned region. Compensation for permanent improvements to land shall be equal to the value of capital and labor expended on the land. The cost of removal, transportation and erection shall be paid as compensation for a property that can be relocated and continue its service as before.

In urban areas where the prevailing law to land is lease holding, the value of land for the remaining of the lease period is considered in the compensation to be paid, proclamation No. 455/2005 article 8(6) later reiterated on proclamation 721/2011 article 25 (4). Urban administrations have the responsibility to pay or cause the payment of compensation and provide resellers with rehabilitating support to the extent possible (Article 13 (1). The phrase ‘extent possible’ is subject to local government discretion that resulted in varied implementation.

Valuation of property will be done by certified institutions or individual consultants on basis of a valuation formula determined at the national level or, where such capacity does not exist, by a committee composed of five persons (rural) designated by the Woreda or city administration. Procedures for valuation are to be determined by specific Directives. Detailed directives on compensation are provided in Council of Ministers Regulation 135/2007 “Payment of compensation for property situated on landholding expropriated for public purposes”.

Public Utilities: According to Proclamation 455/2005, valuation of fair compensation required to replace **utility lines** owned by government organizations is determined by the utility provider. Valuation must be done within 30 days upon receipt of the expropriation order and the land must be vacated within 60 days after compensation is paid. Payment of compensation shall be covered by concerned implementing agency requiring the land.

Procedures for Expropriation: The law requires that the expropriation order should be given prior to relocation. Such order shall not be less than 90 days before relocation; however, if there is no crop or perennial plant, farm land could be expropriated within 30 days of receipt of the expropriation order. The law regulates that compensation should be paid before relocation. Improvements made after land holder/possessor is served with expropriation order is not entitled for compensation.

Land Related Grievance Redress Mechanism

Proclamations 455/2005 and 721/2011 consistently made provisions for local government to put in place land related grievance redressing mechanisms, however practice in relation to urban land varies from region to region. In local governments (urban or rural) where an administrative organ is established, complaint related to land acquisition can be logged to the office responsible to manage land. In others complaints related to land are addressed by a grievance committee established at local government level. Field observation shows that in SNNPR land related complaints are addressed by mayor's committee (comprising city administration cabinet).

Amhara National Regional state has issued ANS *Directive No. 7/2002* to provide for the expeditious decision making system about expropriation of urban land. It provides the composition of the jury members: a justice officer as chairperson, two residents of the town where the land is located, and two representatives of government offices. The decision of the Appeals Court regarding basic land expropriation issues is final; however, an appellant could take the cases related to the amount of compensation, delays in payment, or similar cases all the way up to the High Court. However, per the law, an expropriation order will not be delayed due to complaint regarding compensation payments.

4.3.2 Public and Workers Health and Safety

The Constitution, article 42(2) stipulates that 'workers have the right to a healthy and safe work environment', obliging an employer (be it government or private) to take all necessary measures to ensure that workplace is safe, healthy and free of any danger to the wellbeing of workers. **Building proclamation** no.624/2009 and regulation no. 243/2011 serves to protect the safety of the public and workers in the construction sector. Article 31 and 36 state the precautionary measures to be taken during construction and necessary facilities required by persons with disabilities in public buildings.

Labor Proclamation 377/2003

A related proclamation in Ethiopia that states detail procedure about workers is the Labor proclamation 377/2003. The proclamation requires employers to provide good working environment to workers in order to safeguard their health and provide compensations in cases of work place injuries and death.

The proclamation includes regulations about working conditions for women and young workers. Per article 89, sub-article 1 of the Proclamation, "Young worker" means a person who has attained the age of

14 but is not over the age of 18 years. As per article 89, sub-article 2 of the proclamation, it is prohibited to employ persons less than 14 years of age. In sub-article 3, it is stated, “It is prohibited to employ young workers which because its nature or due to the condition in which it is carried out, endangers the life or health of the young workers performing it.” Additionally, the law tries to regulate the situation of female employees from two angles. The first type of regulation is providing flat protection available to all female workers by virtue of being female. Per Article 87(1) of the Labor Proclamation, Women shall not be discriminated against as regards employment and payment, on the basis of their sex. The other type of regulation is providing special provisions for women under particular circumstances such as pregnancy and maternity (Arts. 87(3), (4), (5) &88 of Labor Proclamation).

In Part Seven of the Proclamation- “Occupational Safety, Health and Working Environment”, article 92, i.e. Obligations of an Employer, as employees are the most exposed sector of society to the project operations risks. Based on the proclamation an employer shall take the necessary measure to safeguard adequately the health and safety of the workers. Employer’s liability in this connection has two levels; the level of prevention and of remedial. At the level of prevention, the employer is duty bound to prevent risks. For this purpose, it is required to provide safety equipment and train how and when to make use of them (Art.92 LP). Nevertheless, it is worth noting that the employee has also a corresponding duty at the level of prevention. He/she is required to make use of the protective tools appropriately and at appropriate time and place (Art.93 LP). Furthermore, he/she is obligated to obey all health and safety instructions. Hence, prevention demands the care of both parties (i.e. bilateral care).

In cases of employment injury occurrences remedial regulations such as taking compensatory measures after the damage has already been sustained is required. The proclamation indicates that employer’s liability is not limited to the stage of prevention. Once the accident is sustained, the employer is expected to cover cost of medication including the cost for any necessary prosthetic or orthopedic appliances. Hence for work related injury, the employer is required to cover medical cost and further obligated to provide disability benefit to the employee and pay dependent’s benefit to the dependents of the deceased in cases of death. This proclamation needs to be followed as Project workers will be exposed to various dangerous and hazardous environments during project implementation.

The proclamation has also included sections on labor dispute and how it can be resolved by labor court. Under part nine on labor dispute, the labor proclamation has employed an illustrative listing of what constitutes individual labor dispute and what constitutes a collective one (refer Arts.138 (1) &142(1) respectively). As per the indication in the section, the labor dispute can be resolved at regional first instance court, labor division of the regional appeal to court or labor division of the federal high court depending on whether it is individual or collective and if unresolved at regional courts.

The 2003 Occupational Health and Safety Guideline: developed as a follow-up to the labor Proclamation, provides guidance on occupational health and safety requirements.

Ministry of Construction (the then part of Ministry of Urban Development, Housing and Construction) and Ministry of Labour and Social Affairs signed a memorandum of understanding (2012) to implement the proclamation 624/2009 in an integrated manner to prevent an onsite accident and ensure accessibility for person with disability.

4.3.3 Underserved & Vulnerable Groups

The program is planned to be implemented in urban settlements, in some of participating cities there are underserved groups including Pastoralists and agro-pastoralists, minorities and vulnerable groups; including, the very poor, women, and children/youth, the elderly persons with disability (PWD), people affected by HIV / AIDs that require special attention in the design of the UIIDP. The Program aims to provide regionally tailored approaches that ensure distributional equality, gender balanced, and culturally appropriate access to infrastructure and service delivery, by providing technical support specially to underserved regions and cities to ensure coverage and provision of urban services.

Pastoralists and agro-Pastoralists: this groups have historically been among the most underserved communities in Ethiopia, their access to basic services is limited due to various reasons. An estimated 8-10 million people, 10% of the country's total population living in the lowlands of Ethiopia are pastoralists. The rangelands in pastoral areas represent two-thirds of the total national land area. Pastoral and agro-pastoral populations belong to some 29 ethno-linguistic groups. Herding groups who were predominantly involved in pastoral pursuits, but have over the years lost their livestock wealth to recurrent droughts, veterinary diseases, and intergroup conflicts to the point of being ejected from the pastoral livelihood system are sub groups (ex - pastoralist) looking for survival alternatives in the surroundings of small woreda cities.

Vulnerable Women: Women play a significant role in agricultural productivity (carrying out an estimated 40-60% of all agricultural labor) but have unequal access to resources and capacity-building opportunities. Female-headed households are more vulnerable to shocks and face multiple challenges that hinder their productivity. Women in polygamous marriages are also vulnerable and disadvantaged as limited resources need to be shared among different households.

Vulnerable Children. Vulnerable groups of children include children who migrate alone to cities, children affected by HIV and AIDS, orphans, street workers, children affected by trafficking internally and across borders, and children exploited sexually. They are found mainly in urban areas and are more likely than other children to be engaged in employment.

People with Disability: Over 6 million people in Ethiopia—7.6 percent of the total population—are disabled. These group of people are often the least considered in the planning and provision of basic services.

The Elderly: Elderly peoples accumulated knowledge and experience is recognized and are treated with respect in Ethiopia. In times of need, the elderly receives strong support and assistance from their families and communities. However, when families or communities themselves face problems, it is difficult for older persons to get the support and assistance they need.

Chronically ill and people living with HIV/AIDS. Chronic illness and HIV/AIDS cause labor shortages in resource-poor households, preventing them from diversifying their income activities. These people endure extended periods of pain and suffering and face high costs for treatment and medication, which may erode savings and make them dependent on family and friends. The chronic illness leads to the loss of their ability to earn a livelihood and support themselves.

Policies, Laws, and Regulations on Underserved and Vulnerable groups. The Ethiopian Constitution recognizes the presence and rights of many ethnic groups, including historically marginalized and vulnerable groups in Article 39 (1-5) the Rights of Nations, Nationalities, and Peoples. The Constitution

recognizes the rights of Nations, Nationalities and Peoples to self-determination including right to session. Nations, Nationalities and Peoples are defined as “a group of people who have or share a large measure of common culture or similar customs, mutual intelligibility of language, belief in a common or related identities, a common psychological make-up, who inhabit an identifiable, predominantly contiguous territory.” The Constitution recognizes the rights of Nations, Nationalities and Peoples to speak, write and develop their own languages; express, develop and promote their cultures; preserve their history; and, self-government, which includes the right to establish institutions of government in the territory that it inhabits and equitable representation in state and Federal governments.

The Government of Ethiopia recognizes another group called “national minorities.” Article 54 of the Constitution explains that: “Members of the House (of Peoples Representatives), on the basis of population and special representation of minority Nationalities and Peoples, shall not exceed 550; of these, minority Nationalities and Peoples shall have at least 20 seats.” This represents some 75 out of the 80 groups who are members of the House of Federation, which is the second chamber of the Ethiopian legislature.

The Ethiopian Constitution also recognizes the rights of pastoralist groups (Articles 40 & 41) which includes the right to “free land for grazing and cultivation as well as the right not to be displaced from their own lands.” Included in the Constitutions, Article 41 (8), is the right to “receive fair prices for their products, that would lead to improvement in their conditions of life and to enable them to obtain an equitable share of the national wealth commensurate with their contribution. This objective shall guide the State in the formulation of economic, social and development policies.”

Finally, Article 89 (4) of the Constitution states that the “Government shall provide special assistance to Nations, Nationalities and Peoples least advantaged in economic and social development.” This includes people in Developing Regional States (Afar, Somali, Gambella, and Benishangul-Gumuz), as well as the historically marginalized areas (peripheries) of two developed states (Southern Nations, Nationalities and Peoples and Oromia).

Issues Related to Women. The Constitution, (Article 43), provides a foundation for the recognition and protection woman’s rights and guarantee equal right with men. The constitution stipulates providing special attention to woman to remedy the historical legacy of inequality and discrimination Ethiopian women endured. Woman have the right to full consultation, the formulation of national development policies, the designing and execution of projects particularly those affecting the interests of women. Womens right to acquire, administer, control, use and transfer property; and rights to equality in employment, promotion, pay and transfer of pension entitlements are clearly stated in the constitution. The state shall enforce the right of women including to elimination of the influences of harmful customs and practices that oppress or cause bodily or mental harm to women.

The National Policy on Ethiopian Women (1993) underlines the need to establish equitable and gender sensitive public policies that empower woman, especially in education and property rights, and engaging them in decision making. Improving healthy working conditions, ensuring access to basic services, protecting woman from harmful traditional practices are among the emphasized key issues.

Gender mainstreaming strategy and guideline (2010), to be adopted at policy, program and project level by government and development partners to ensure the outcomes of development are shared equally between men and women; both men and women enjoy equal opportunities, status and recognition.

The ratification of the Family Law and amendments made to the criminal code significantly support to fight abuses committed against woman and children. Proclamation No, 377/2003 gives special attention to woman and young workers. The proclamation provides protection for woman in general and pregnant woman in particular from hard work and long hours. The law clearly states that women should not be discriminated against with regards to employment and payment on bases of her sex.

Issues related to Children

The child population of Ethiopia is estimated to be more than 50 % of the total population. Significant number are exposed to exploitation, abuse and are victims of violence . In 2011 child labor of children aged 5-14 reached 27% and 18% of children 5-11 years of age. Furthermore an estimated 40% of children aged 12-14 are engaged in household chores for 28 or more hours in a week.

Article 36 of the Constitution states that a child should not be subjected to exploitative practices, perform work which may be harmful to his/her education, health or well-being and be free of corporal punishment or cruel and inhuman treatment. Ethiopia has also ratified the Convention on the Rights of the Child (CRC) and African Charter on the Rights and Welfare of the Child (proclamation 283/2002).

Proclamation no. 213/2000 revised family code and labor proclamation no. 377/2003 are the most pertinent laws that are placed to prevent child labor in the country. The laws prohibits child employment aged 14 and less and the engagement of young workers (between 14-18) in types of employments that are considered hazardous. The law limits the working hour of young worker to 7hrs and clearly states that they should not work nights (10 pm-6am), holidays, overtime and weekly rest days. Following the proclamation, the Ministry of Labor and Social Affairs defined type of job young workers should not be engaged in because it is harmful and unsafe.

Issues related to the Elderly and Persons with Disability:

Article 41 of The Constitution, (Economic, Social and Cultural Rights) states that every Ethiopian has the right to access publicly funded social services. Sub Article 5 of the same article stipulates, the state, within available means, should allocate resource to provide rehabilitation and assistance to physically and mentally disabled, the aged and to children who are left without parents or guardians.

Various policies and plan of action have been formulated to protect people with disability and the elderly. The most relevant are mentioned below;

- The National Plan of Action on older persons (1998- 2007) give attention to the rights and needs of older persons to make them part of the country's development plans and poverty reduction strategy.
- National Plan of Action of Persons with Disabilities (2012-2021) addresses the needs of persons with disabilities for comprehensive rehabilitation services, equal opportunities for education, skills training and work, as well as full participation in the life of their families, communities and the nation.

- Proclamation No. 568/2008, Rights to Employment for Persons with Disabilities, makes null and void any law, practice, custom, attitude and other discriminatory situations that limit equal opportunities for persons with disabilities. It also requires employers to provide appropriate environment for work, training and take affirmative measures particularly when employing women with disabilities.
- Building Proclamation, No. 624/2009 and Regulation 243/2011, puts as a requirement accessibility for the elderly and physically impaired persons in the design and construction of public building.
- *The National Social Protection Strategy of Ethiopia (2016)* is expected to transform the way Ethiopian society cares for its most vulnerable, is a strategy designed to address social issues in an integrated way focusing on promoting productive safety net; employment opportunities and improved livelihood, social insurance coverage; increase equitable access to basic social services and provide legal protection and support for citizens exposed to abuse, exploitation and violence. The strategy has designed instruments to reach long and short term objectives including conditional and unconditional social transfer, expansion of public works; providing technical support and financial services; mandatory social insurance and community based health insurance; establishment of social work system, services for PWDs, the elderly and mobility constrained persons; enhancing abuse and exploitation prevention communication, provide protective legal and policy environment, support for survivors of abuse and exploitation and drop in centers and hot lines.

4.3.4 Institutional Arrangements for Managing Social Aspects

The Ministry of Agriculture and Natural Resources (MoANR) is responsible for implementation of the Rural Land Administration and Land Use Proclamation (456/2005). The Ministry is also responsible for developing new policies and amendments to existing ones as well as establishing information exchange on rural land use and administration issues. The Ministry of Urban Development and Housing is responsible for overseeing urban land administration and use. Woreda and City administrations are key players in implementation of the land acquisition regulation and related guidelines. The woreda administration in rural areas and the city administrations in urban areas have the power to expropriate rural or urban holdings for public purposes respectively. They are responsible for setting up a resettlement committee, valuation committee and effecting compensation payments. Land development and management office, accountable to the city manager, is responsible to administer land within an urban jurisdiction. Once land expropriation is decided, the land development and management office takes inventory and value property. The office structure of assessed towns shows that valuation is made by an expert (usually engineer) subject to agreement by PAP since inventory of property is made in the presence of PAPs. The woreda agriculture office is involved in the valuation of inventoried property particularly at the peri-urban.

According to Proclamation no. 455/2005, the implementing agency is any government agency or public enterprise that undertakes or causes to be undertaken development works with its own force or through contractors. The Ministry of Urban Development and Housing will be the government agency responsible for paying compensation related to land acquisition as long as the Ministry directly finances construction of the urban infrastructure. By the same token, regional government and urban administrations will be

responsible for urban infrastructure financed from regional or city budgets respectively. The law requires that the implementing agency prepare detailed information on the land required for the work at least a year before commencement of the work and pay compensation in accordance with the Proclamation.

For Federal government financed urban infrastructure, the Ministry of Urban Development will ensure proper consultation is conducted and grievance mechanisms established in accordance with the law. The Ministry will also ensure that assets are valued properly and compensation calculated according to legal requirements and paid in full and on time. The Ministry must also ensure that construction of urban infrastructures takes place only after due process for land acquisition is completed. The city administration has the responsibilities to pay or cause payment of compensation and provide rehabilitation support to the extent possible in urban context. Grievances in relation to land are logged to the ‘complaints and grievance office’ accountable to the mayor. The mayor office addresses complaint issues by drawing members from his cabinet, land management, and development office being part of the committee.

The Directorate of Equitable Development within the Ministry of Federal and Pastoral Development Affairs (MoFPDA) is responsible for coordinating multi-sectoral support to promote equitable development, with emphasis on delivering special support to the developing regions. The Directorate is also replicated at the regional and woreda levels in the four developing regions.

The Ministry of Labor and Social Affairs (MoLSA) is responsible for coordination of social welfare activities including the implementation of the 2014 Social Protection Policy. The Ministry of Women and Children Affairs (MoWCA) is responsible for following up on the implementation of international conventions and national laws pertinent to women and children; conducting research and preparing policies and guidelines; collaborating with organizations working on women’s, youth, and children’s issues; and performing capacity-building activities to ensure the equal participation of and benefit by women and youth in the political, economic, and social spheres and the protection of children’s rights and security. MoWCA has regional bureaus in all the regions of Ethiopia.

Coming to MoUDH, there is Women and Youth Directorate that is mandated to ensure to ensure gender responsiveness in urban policies, strategies, programs and projects. The responsibilities the directorate include following up gender mainstreaming initiatives and activities in urban development sector. The Directorate is composed of one director, two senior experts and one junior expert, while at regional level, most regions have one designated focal person for monitoring and managing ULGs. There is a strong willingness in the institution to work on gender issues, but assignment of qualified staff, capacity building of existing ones and resources seem to lack to work on gender-related issues as per their plan.

4.4 Grievance Mechanisms

Policies laws and regulations

The Constitution provides a broad framework for systematizing the grievance redress mechanism (GRM), with its emphasis on respect for human rights and fundamental freedoms, especially the right of access to justice, rule of law, and democratic governance. The Civil Service Reform Program (CSRP) (1996) influenced reforms to the federal and regional state administrative systems, providing the stimulus for the GRMs that are being implemented in various jurisdictions, particularly in the regional states.

Proclamation No.211/2000 provided for the Establishment of the Ethiopian Institute of Ombudsman (EIO), a federal-level institution accountable to Parliament.

Several regional states (most notably Amhara and Tigray) have begun creating grievance procedures based on global best practice standards, provide citizens with a forum to complain about governmental maladministration and seek redress for any harm. Amhara has grounded its grievance redress mechanism in legislation approved by the regional cabinet council. Tigray used Amhara's GRM procedures as a benchmark for its draft regulation and procedures manual. Other regional states—SNNPR, Benishangul-Gumuz, and Oromia—used the GRM from the two regional states as a model for strengthening their existing GRMs. Relevant to this review, the Amhara National Regional State (ANS) Directive No. 7/2002 provides for an expeditious decision-making system with regard to expropriation of urban land. Somali region has established a commission to address grievance. Afar and Gambella regions are still in the establishing processes.

Institutional arrangement to Redress Grievances

Ethiopian Institution of Ombudsman (EIO): with six regional branches, the institute is a federal entity accountable to the Parliament. It ensures that citizens' constitutional rights are not violated by the executive organs; conducts supervision to ensure the executive carries out its functions according to the law; and receives and investigates complaints about, and seeks remedies for, maladministration.

Regional Public Grievance Hearing Offices (PGHOs): are regional entities, accountable to their regional presidents that receive appeals, complaints, and grievances related to public services and good governance, investigate, and give recommendations and decisions to redress them. Most regions have established their PGHOs and have branches at zonal, woreda, and kebele levels that are accountable to their respective chief administrator. There are wide variations in the availability and application of GRMs in the regional states.

The Civil Service Charter of sector offices: was designed by the Ministry of Civil Service in 2012 to serve as government institutions' mechanism to address citizens' complaints. Other internal complaint handling mechanisms of sector offices/agencies—project management committees, focal persons—exist at the woreda level.

Information and Complaint Handling Desks: exist in woreda or city administration offices, in some cases as pooled offices, to serve as information and complaint handling centers in accordance with the guideline on woreda good governance.

Urban and Rural Social Courts as Complaint Resolving/Reconciling Bodies: are responsible for hearing and redressing grievances. Disputes between employer and workers are also treated at such courts. However, the courts are normally inaccessible and usually inappropriate for complaints about service delivery, maladministration, and improper hiring practices for selecting candidates for government employment.

CHAPTER 5: INSTITUTIONAL CAPACITY ASSESSMENT OF PARTICIPATING INSTITUTIONS

5.1 Institutional Roles and Responsibilities Key Player for UIIDP Implementation

The proposed PforR operation is designed as a programmatic results-based approach in the Ethiopia Urban sector. The Program is based on the Government fiduciary systems and practices, including contract and financial management, governance and anti-corruption systems, social and environmental regulations and systems, and technical capacities as demonstrated over the past years in implementing World Bank supported projects/programs in the Urban and related sector.

Governmental institutions at federal, regional, local and city level are responsible to take key roles on supporting, directing, and monitoring of the proposed UIID program to ensure sound implementation of the required environmental, and social management practices during the implementation of the UIIDP. MoUDH as an umbrella institution for the proposed UIIDP is responsible to oversee and ensure sustainable management during the implementation for subprojects, associated with different sectors, of the program. MoUDH is required to comply with the wider environmental and sustainability objectives of the constitution and other sectoral policies. In addition, it is quite evident that the various stakeholders also will play direct or indirect roles in the implementation of UIIDP, particularly with the required national environmental and social management policies. The degree of influence of the various actors to bring change and ensure the sustainable implementation of the proposed Urban sector programs do vary both in terms of temporal and spatial dimensions.

The institutional and implementation arrangements which have worked well under ULGDP II will be continued with few adjustments made to address some of the challenges faced and gaps observed as well as to cater for the increase in the number of cities which are expected to rise from 44 to 117. The institutional arrangements for program implementation will be based on clear division of tasks and responsibilities between involved parties, as per the GoE structure and consistent with existing legal provisions, regulations and guidelines of which some will be up-dated to include the new features of the Program. As stated above, at the central level, the Ministry of Urban Development and Housing (MoUDH) will be responsible for the overall program management and operations, including responsibilities to implement environment and social management, as defined in various regulations, laws, manuals and procedures relevant to the Urban sector.

5.1.1 Federal Organizational Responsibilities

The implementation of UIIDP will use existing government structures with MoUDH having overall implementation responsibility in accordance with its federal mandate. It follows the GoE structure with strengthening of the regional as well as federal tiers for supporting the ULG levels.

5.1.1.1 Ministry of Urban Development and Housing

At the federal level, the Ministry of Urban Development and Housing (MoUDH) is responsible in general, and more specifically, it's Urban Revenue Enhancement, Fund Mobilization and Finance Bureau (UREFMFB) is responsible for the UIIDP program activities. The UREFMFB will be responsible for daily coordination of the Program. MoUDH will have overall responsibility for the oversight,

coordination, and monitoring and evaluation of project activities. The MoUDH will assign specific responsibility for day to day management of the Ministry's responsibilities to the Urban Revenue Enhancement, Fund Mobilization, and Finance Bureau. UREFMFB will serve as the coordinating body across federal, regional and local agencies. Additional staffs will be recruited for the management of environmental and social issues raised during implementation of the UIIDP and to complement or strengthen the existing capacity of institution. UREFMFB will hire an Environmentalist and Social Development Specialist, whose responsibility will include supervising the overall implementation of project environment and social management and mitigation measures, including providing support to such as the Environmental Council, BWUDs/RUPIs and ULGs and work with the Ministry of Environment, Forest and Climate Change. It will ensure the overall quality and timeliness of project implementation, including compliance with all aspects of the Operational Manual. It will also be responsible for determining reallocations between regions based on assessments of performance. Below is the summary of UREFMFB responsibilities:

- Day-to-day coordination of the Program.
- Capacity building, including direct support to regional and urban local governments, and issuance of guidelines and standard regulations for matters such as municipal revenue generation, assets management, service delivery standards, and the like.
- Program management, including the procurement and management of the APAs and the value for money and, environmental and social risk management.
- Overall monitoring and evaluation.
- Program reporting, including the annual midyear report and Program report.
- Accounting for the UIID funds to Ministry of Finance and Economic Cooperation (MoFEC).
- Ensuring that the ULGs operate per the operational manual,
- Consolidating annual plans and budgets based on the pipeline of investment plans and budgets received from regions and cities,
- Supervising and monitoring the activities of ULGS (including compliance with the operational manual and Environmental & Resettlement Systems Guidelines), and reporting on a quarterly basis to oversight authorities and IDA,
- Determining re-allocations between regions,
- Managing all international procurement for ULGDP, and
- Proposing changes to the operational manual in consultation with regions and ULGs.

The current Steering Committee from ULGDP II will be applied for the new UIIDP, comprising representatives from MoUDH, MoFEC, Ministry of Environment, Forest and Climate Change (MoEFCC), Ministry of Federal Affairs, FEAC OFAG and the Ministry of Labor and Social Affairs (a new addition under UIIDP) to ensure strong coordination on issues such as planning, allocations, flow of

funds, compilation of data, safeguards enforcement and approval of the results from the APAs. The Steering Committee meets to approve the results of the APA and final yearly allocations and also as and when necessary to resolve project issues that require its attention.

Technical Sub-Committee (TSC) comprising key technical staffs from MoUDH, MoFEC, MoEFCC, OFAG, FEAC, and FPPPAA, ERCA and MoLSA is operating under the Steering Committee. It reviews the results of the APAs and ensures their quality. It also responds to complaints that cannot be resolved at entity level. The technical committee is expected to meet half yearly and review Program implementation against objectives, bring policy issues to the Steering Committee, and ensure that the Program is implemented in line with the Program Operations Manual (POM). The TSC will also have a strong role in the verification of results.

Several other federal entities have guiding and supporting roles in UIIDP. These include the Office of the Federal Auditor General (OFAG), especially for the annual program audits; the Federal Public Procurement and Property Administration Agency (FPPPAA) on procurement procedures; Ethiopian Revenue and Customs Authority on revenue generation, Ministry of Environment Forest and Climate Change (MoEFCC) and Ministry of Labor and Social Affairs (MoLSA) on environmental and social management and the Federal Ethics and Anti-Corruption Commission (FEAC) on fraud and corruption monitoring and reporting.

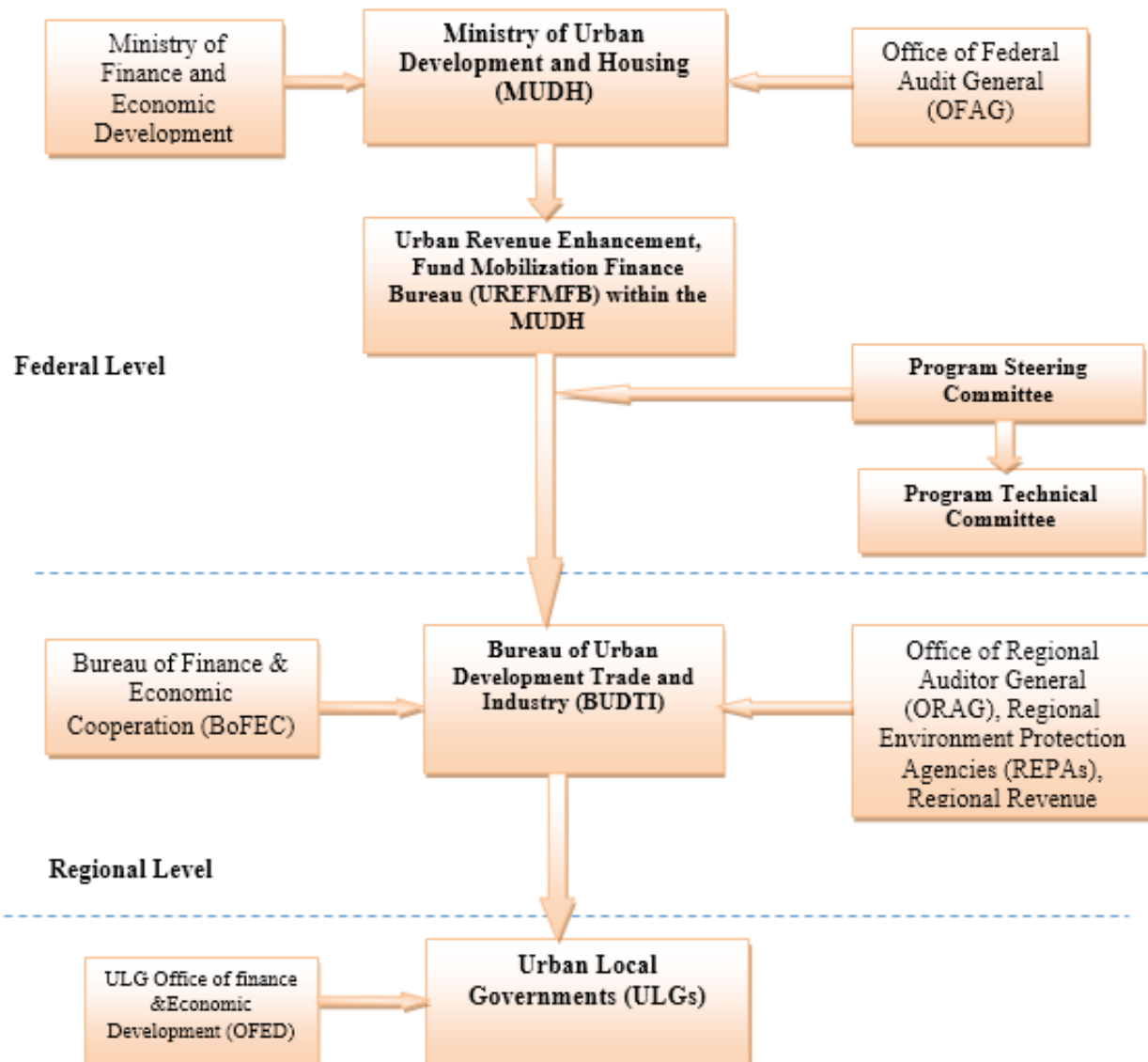


Figure 3: UIIDP Project Management Organizational Arrangements

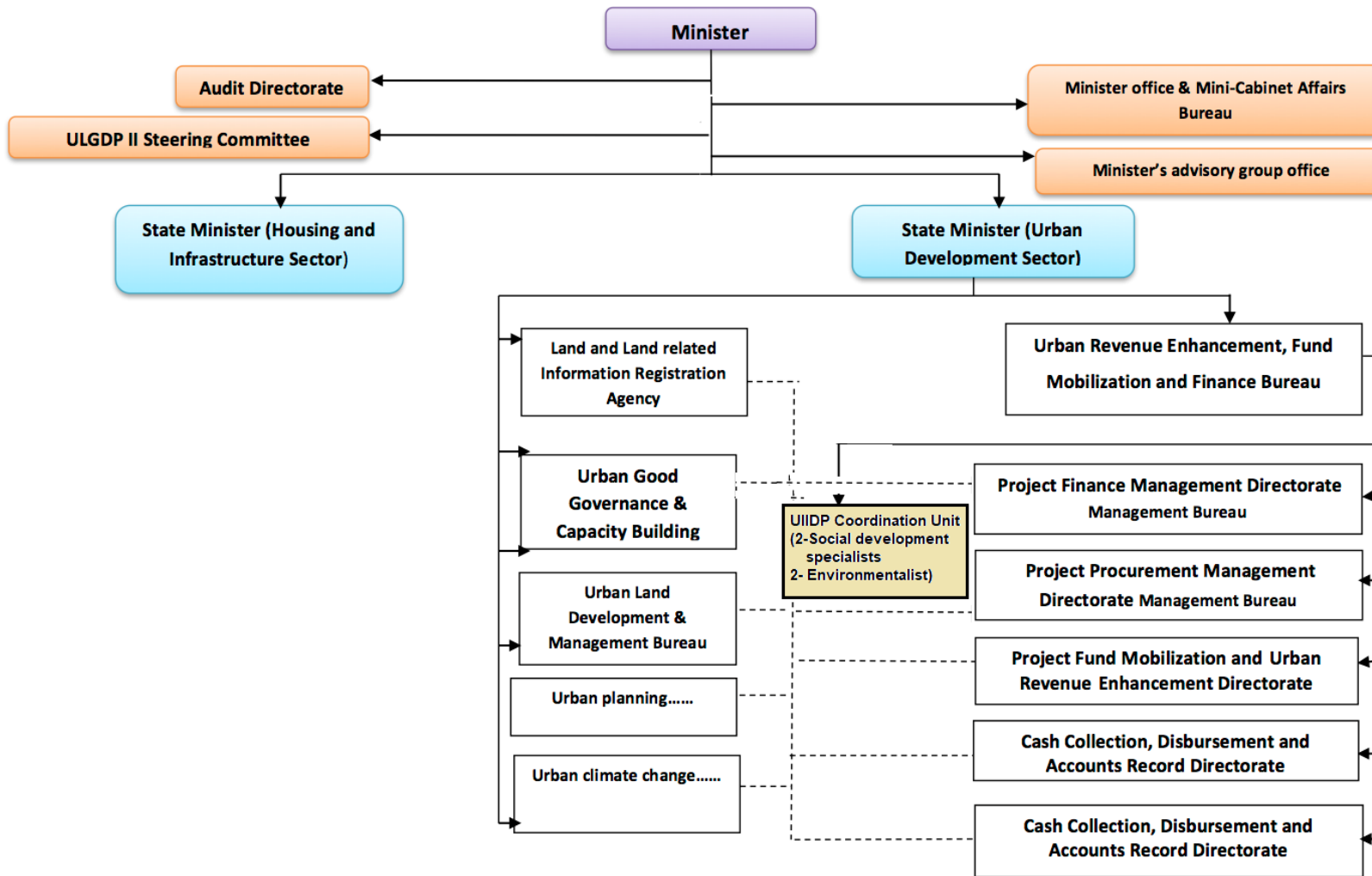


Figure 4: Diagram on the Institutional Arrangement for UIIDP

5.1.1.2 Federal & Regional Environment, Forestry and Climate Change Authorities

At the federal level, the Ministry of Environment, Forest and Climate Change (MoEFCC) is the main agency responsible for environmental management. An amendment to the definition of powers and duties of the executive organs of the FDRE (proclamation no. 803/2013) gives the MoEFCC powers to fulfill its role in ensuring the realization of the environmental objectives provided under the constitution. The MoEFCC is involved in the development of environmental policy and legislation; setting environmental quality standards for air, water and soils; monitoring pollution; establishing systems and procedures for EIA; and in establishing a national environmental information system. The MoEFCC is required to provide regional authorities with guidance, technical support, and capacity building; support the development of various guidelines, including procedures appropriate to local projects; undertake awareness creation in other federal agencies; and provide technical support to those agencies. Its key objectives are outlined in Box 1 below.

Role of MoEFCC under UIIDP: The MoEFCC will be responsible for ensuring that all ULG investment projects under the ULGDP program comply with national EIA regulations and the mitigation requirements outlined in the action plan. Following screening by the responsible ULG, where relevant, the Regional Environmental Protection Forest & Climate Change Authorities (REPFCCAs) as well as Zonal EPA authorized by REPFCCA, reviews and approve project EIAs before issuing an environmental permit/ license where applicable. The federal MoEFCC and its regional counterparts are mandated to undertake environmental audits where required to ensure that ULGs are complying with their Environmental Management Plans (EMPs) and their commitments to environmental management, mitigation and monitoring.

Box 1: Role of Federal (MoEFCC) and Regional (REFA/EPFCCs) in Ethiopia

The objective of the MoEFCC is to formulate policies, strategies, laws and standards, which foster social and economic development in a manner that enhance the welfare of humans and the safety of the environment, and to spearhead in ensuring the effectiveness of the process of their implementation.

The Ministry has the powers and duties to:

- ⇒ Coordinate measures to ensure that the environmental objectives provided under the Constitution and the basic principles set out in the environmental Policy of Ethiopia are realized.
- ⇒ Prepare, review and update, or as necessary, cause the preparation of environmental policies strategies and laws.
- ⇒ Establish a system for environmental impact assessment of public and private projects, as well as social and economic development policies, strategies, laws, and programs.
- ⇒ Where projects are subject to federal licensing, execution or supervision or where they are likely to entail inter-regional impacts, review environmental impact study reports of such projects and notify its decision to the concerned licensing agency and, as may be appropriate, audit and regulate their implementation in accordance with the conditions set out during authorization.
- ⇒ In accordance with the provisions of the relevant laws, enter any land, premise or any other place that falls under the federal jurisdiction, inspect anything and take samples as deemed necessary with a view to discharging its duty and ascertaining compliance with environmental protection requirements.

- ⇒ Promote or assist in the formulation of environmental protection action plans and projects and solicit support for such action plans and projects.
- ⇒ Prepare directives to implement environmental protection laws and, upon approval, ensure their implementation.
- ⇒ Provide advice and support to regions regarding the management and protection of the environment.
- ⇒ Delegate some of its powers and duties, as it may be deemed appropriate, to other agencies.

5.1.2 Regional Bureaus of Urban Development (BUD)

At the regional level, the Bureau of Urban Development will be responsible for (i) coordinating project implementation, and providing technical assistance to cities in the preparation of capital investment plans, (ii) ensuring the overall quality and timeliness of project implementation for the ULGs within their respective jurisdiction, (iii) supporting and motivating cities to meet their access and performance criteria (themselves incentivized by inter-regional reallocations determined by the performance of their participating cities), (iv) facilitating the ULGs access to capacity building support mechanisms, (v) determining reallocations between cities based on assessments of city performance, (vi) reviewing and consolidating annual plans and budgets of ULGs within the region and (vi) ensuring that the ULGs follow the requirements of the operational manual.

5.1.3 Urban Local Governments

UIIDP activities will be implemented through a consultative process with the appropriate stakeholders at the local government level. At an executive level, ULG Mayors will assign a UIIDP Coordinator, who will report directly to the Mayor, to have overall responsibility for UIIDP implementation, and will be of office head authority or higher. Within each ULG, Infrastructure Offices (IOs) will be responsible for implementation of the UIIDP activities. Urban Local Governments will be the highest body that will oversee, coordinate, and implement UIIDP activities. Their responsibilities include:

- a) Include in ULG CIPs, Annual Plans and budgets 10 % or 20% ULG contribution to UIIDP Performance Grants received and provide contribution;
- b) Manage the implementation of the UIIDP and planning in advance for the sustainable operation and maintenance after program completion;
- c) Undertake training on Operations Manual, Environment and Social Systems Guideline, Resettlement Systems Guideline. Identify capacity building needs and inform BUD/MoUDH of these needs.
- d) Implement and follow procedures defined for integrating environment and social concerns in investment planning;
- e) Assist communities in undertaking planning and implementation exercises, and mobilize needed local resources and monitor their use;

- f) Organize joint reviews and evaluate the UIIDP activities and results;
- g) Consult and report regularly to the ULG City council regarding the progress of implementation;
- h) Implementing actions to satisfy reforms/performance requirements;
- i) Ensuring adequate staffing;

Under the second ULGD project, the MoUDH has developed a guideline (ESMSG & RSG) and implemented several processes for screening of environment and social risks, which will be continued for activities under the new UIIDP. Some of these procedures include:

- a. An environmental screening to identify the potential severity of environmental impacts including land acquisition, resettlement and cultural resources;
- b. Where required by the results of environmental and social screening, development of: partial Environmental and social Impact Assessments; Environmental and social Management Plans, and RAP/ abbreviated Resettlement Action Plan (ARAP); and implementation of environmental mitigation and enhancement measures.

The main responsibility for initiating and carrying out these activities is under UIIDP Coordinator with the support from the environmentalist and social development specialists under the UIIDP Coordination unit. The regional urban sector agencies provide a review role, and provide political and administrative support for the implementation of the ESIA, ESMPs, and ARAPs/RAPs. The approval of environmental and social management policy instruments will be by the Regional EPFCCA to ensure that there is compliance with national legislation, and that information is gathered in one place for overall monitoring and progress reporting.

5.2 Assessment of current capacities and practices for environmental and social risk management in ULGDP II cities

Environment Management of ULGDP II Cities

The 44 ULGs that are currently participating in the ULGDP II have immensely contributed towards the strengthening of the overall Environmental Management System practices in the Country. Before ULGDP I it was uncommon to observe that infrastructure development projects are screened for environmental and social risks and sent for review and approval to the competent authorities by ULGs and other public offices. Urban local governments participating in the current ULGDP II have improved their capacity to deliver not only infrastructure and services but also in minimizing the environmental and social risks associated with the sub-projects. The ULGDP II program introduced instruments and procedures such as the ESMSG and RSG as well as environment and social audits of ULGs that enhance the performance of government, particularly local governments. As a result, many of the ULGDP II Cities have made significant improvements in integrating the environmental and social management system requirements into their development planning and creating the basic capacity to implement it, as witnessed by the screening carried for all CIP sub-projects and the opening of job placement for permanent environmental and social management specialists within the infrastructure offices. These achievements represent the growing institutionalization and strengthening of the Environmental and Social management systems within the ULGs.

The 44 ULGs currently participating in ULGDP II have worked to develop and strengthen their capacity for environmental management either by employing a full timer environmental and social management specialist or by designating a focal person from among its staff. In most of the participating ULGs the basic environmental and social management instruments, i.e. ESMSG and RSG, are well adopted and are widely applied for addressing the environmental and social risk assessment and management requirements of CIP sub-projects. The integration of environmental and social management systems into the overall institutional system of the ULGs is however found to be at different levels within the ULGDP II cities. Whereas those ULGs that have opened permanent job placement for environmental and social management specialist in their organizational structure have recruited the specialists that are making a progress in internalizing and institutionalizing the environmental management systems, those ULGs working by designating a temporary focal person for environment and social management from among their staff are falling short of integrating it into their institutional systems. In addition, as the ULGs become more involved in infrastructure investments, the number of subprojects to be screened, monitored, and inspected grow proportionally and that is requiring devoted full timer environment and social management specialists. Thus, the integration and institutionalization of ESMS in the ULGs may need to be further strengthened by opening permanent job placements to ensure continued capacity development.

The ULGDP-II cities are invariably carrying environmental and social screenings for their CIP sub-projects. There appears to be a growing trend in the development and strengthening of capacities within the ULGs in implementing the environmental procedures, especially at the level of carrying environmental and social screening and in getting them through the review and approval process by the competent authorities. The observations of the regional and zonal EPFCCs engaged in the review of environmental and social screening reports also recognizes the improvements made by the cities in their effort to meet the environmental requirements. Most of the ULGDP II cities also proceed further with the implementation of the next steps of the ESMSG and RSG procedures appropriately by preparing Environmental Management Plans for Category B sub-projects. However, in a few instances, certain ULGs tend to neglect the next steps after getting the environmental and social screening reports approved. Such few ULGs tend to undermine, in what seems to be a reflection of conflict of interest created by having the City Environment Protection Offices under the Mayor, the need to prepare EMPs for Category B sub-projects. On the other side, a clear and unambiguous categorization of sub-projects based on the existing environmental and social screening forms of the ESMSG and RSG is also reported to be far from easy by members of the competent authorities.

There are also encouraging improvements made by the ULGDP II cities in their efforts directed towards implementing the proposed mitigation measures outlined in ESMPs. Most of the ULGDP II cities are observed to include environmental clauses in the civil work contracts to ensure implementation of the mitigation measures by the contractors. The ULGs are conducting many encouraging works to make sure that the society and the environment stay safer during and after the construction of the projects. However, there are also some ULGs that tend to consider the preparation and approval of screening reports and ESMPs as the ultimate performance outcome by itself. Such tendencies appear to cause decrease of efforts in following up the implementation of proposed mitigation measures on the ground. The occurrences are sometimes coupled with the general lack of collaboration and integration of relevant actors within the ULGs sector offices including the ULGDP units (focal persons) in ensuring the

implementation of ESMP and conducting implementation monitoring. The annual environmental and social performance (ESP) audits will be carried out by the Regional EPFCCs for sub projects implemented within the participating ULGs that have practical tools in identifying such gaps and other specific non-compliance issues observed in the ULGs environmental and social management handling. Thus, devising a mechanism that will enable to follow up on the implementation of proposed rectification recommendations of the ESP audits will be important to further enhance the ESMS practices of the participating ULGs. However, the conduct of ESP audits by itself needs to be further strengthened by developing a harmonized and standardized ToR to define the ESP audit objectives and criteria, so that comparable audit results could be obtained from all ULGs. The harmonized and standardized audit ToR will guide the environmental and social auditors across participating regions to be procured by the ULGs.

Social Management of ULGDP II Cities

In most cases the social and environment audits covering the social management section focuses to job creation, land acquisition and resettlement. Both APA and Audit reports show that a laudable improvement is recorded on performance of ULGs in ensuring environmental and social management. However, there are areas for which needs further improvement (particularly in environmental and Social management and M&E). The 4th APA and Environmental and social Audit for the year 2015/2016 is summarized below.

Job Creation as one of the main objective of the program, all cities have achieved it (some over performed) by establishing MSEs. All cities attempted gender balance in job creation (always skewed towards male), however sustainability and livelihood transformation is not well captured by the reports.

Public Participation as one of the DLI minimum requirement, the number of times ULGs involve the community in decision making process particularly prioritization of infrastructure implementation, is assigned a certain value. Per 4th APA report all ULGs prepare and prioritize CIP in a participatory process, though presence of women in consultations is recorded, reports do not show whether consultations are inclusive of all section of society. Furthermore, audit reports found out that even though public consultations are held at sub project level, there is limited practice of public disclosure of approved RAPs/EMPs when there is need for one.

Land acquisition and Resettlement except for few, sub projects covered under this program, opt to minimize the need to acquire land, thus trigger land acquisition process. However, in projects where land acquisition is required, audit and APA reports show that cities have applied RSG to prepare RAP with slight difference in quality of prepared document. The reports also show ARAP/RAPs are implemented before the commencement of the project with few exceptions. The 4th APA of ULGs performance ascertained the availability of town council /cabinet approved RSGs at town level.

Grievance Redress Mechanism: APA confirmed that all cities covered have a functioning compliance hearing system accountable to the Mayor. Most audit reports did not cover the issue of grievance redress (except SNNP). Audit report states that hardly any complaints in relation to ULGDP subproject are logged due to exhaustive consultation prior to implementation.

Most of the Environmental and Social audit reports do not address the extent of social impact on beneficiaries including local economic development and its impact on residents, whether benefits are gender balance and accessed by the underserved and the overall impact of the sub projects and program

on building the ULGs resilience to manmade and natural calamities. The audits mainly focused on the availability or otherwise of the required documentation (e.g., screening reports, ESIA/PESIA, RAP/ARAP, ESMP, approval letters/certificates) or of the focal persons rather than on the quality of the documents (e.g., language, fair and objective assessment of the potential ES impacts, comments forwarded for improvement and whether or not the suggested revisions were included in the final version of the documents, regular monitoring of projects, etc.) and qualification and experience of focal persons.

With the exception of Tigray and SNNPR regional states, it is the Environmental Authorities that conduct environmental and social performance audit to track the extent to which the ULGs have complied with provisions of the ESMP. Tigray and SNNP regional states, however, hired independent consultants to conduct the annual ES Performance Audits and this goes with the principle of independent and impartial assessment of the project activities. This should be emulated by other regional states provided that the Consultants are hired following stringent procurement procedures.

The Audit report and assessment of performance should cover broader and more exhaustive social issues in such a way that evaluates of ULGs performance to meet set objectives. Furthermore, for an audit report to be effective, stronger evaluation and monitoring system needs to be in place that ensures corrective measures are considered during preparation and implementation of future projects.

5.3 Summary on assessments of current capacities and practices for environmental and social risk management at Region and City levels

The ESSA team in consultation with the MoUDH identified 11 ULGs (table 5) in four Regional governments, as representative sample (out of 73 new candidate cities to be added to UIIDP) to assess the quality and efficacy of environment and social management system, particularly focusing on institutional capacity, structure, practices, procedures, mechanisms and effectiveness of implementation. Broadly the assessment indicates that there is a robust environmental and social management system, as it exists and designed. However, there is unevenness in implementation of environment and social risks mitigation measures, which can be traced to either lack of capacity or lack of technical knowledge for effective implementation in the new candidate cities.

Table 5: List of visited Regions and Cities

	Region	Cities/Cities visited
1.	Oromia Regional State	Holeta, Modjo, Arsi Negele, Dodola
2.	Amhara Regional State	Injibara, Woreta, Kobo, Bahirdar
3.	SNNPR	Halaba, Durame, Boditi, Hawassa
4.	Somali Regional State	Gode, Jigjiga

The overall capacity assessment on environmental and social management activities conducted by the Bank team focused on the ULGDP II existing practice as well newly participating cities on environmental

and social management activities, performance achieved on environmental and social management practices, identified gaps, and lesson learned, which can be used as an input for the proposed UIIDP.

Under ULGDPII Environment and Social mobile teams are assigned at national and regional levels. The current federal mobile team has two positions for environment and two for social development specialists. For UIIDP gender specialist will have to be added to the federal mobile team to follow up and support on gender mainstreaming activities. ULGDP II has one mobile team for each region that comprises of an environmentalist and social development specialist. As part of the IPF, the regional mobile teams will also be strengthened, the previous number of one mobile team per region for ULGDPII, need to be increased considering the additional number of cities for UIIDP. More specifically Oromia will have 3 RMTs, Amhara 2 RMTs and SNNPRS 2 RMTs basing the coverage of cities. Under each regional mobile team, there will be one environmentalist, one social development specialist and one gender specialist to closely support the assigned cities under the respective regions. At city level, ULGs have focal persons assigned to manage environment and social issues, at times only one person. The ESSA recommends that each city assign One environmentalist, one Social development expert and one gender expert at the target cities to manage environment and social risks including gender in an organized manner.

The assessment findings on gaps and possible measures are summarized in table 6 below and Annex 1.

Table 6: Summary of gaps identified during assessment

Gaps	Measures
<ul style="list-style-type: none"> • Environmental screening checklists applied by ULGDP II appear to be highly dependent on expert opinion for Categorization. There is a need to put benchmarks for categorization based on which objective decision on categorization could be made. • Occurrences of shortage of man-power in the organizational structure of the ULGs, at zonal and city level EPFCCs to handle the increasing number of screening reports submitted for review and approval. • Lack of transport and other logistic facilities to conduct monitoring and inspection of sub-projects implemented in the ULGs. Environmental agencies seek to be allowed to utilize allocated financial support to purchase motorbikes and station wagons. • Shortage of skilled man-power especially in environment and social management area • Lack of capacity building support to start the implementation of the existing environmental requirements. • Shortage of information/knowledge sharing on the availability of environmental laws, guidelines, standards including the World Bank ESG and RSG 	<ul style="list-style-type: none"> • Awareness raising on environmental protection to different actors including ULGs, Zone and Woreda level administrations etc. • Training on environmental management to overcome high staff turnover effects • Logistical support such as Desk top and laptop computers, digital cameras, video recorders, etc. • Training on environmental and social management systems and associated environmental assessment requirements. • Have clear criteria (on qualifications and experience) for assigning focal persons on environment and social management. • Periodic short term trainings to orient new staffs recruited by the ULGs • Technical support on implementing environmental assessment guidelines, EIA techniques, procedures and requirements including world bank ESG and RSG

Gaps	Measures
<p>documents</p> <ul style="list-style-type: none"> • Shortage of capacity building on EIA&RAP process • Shortage of budget to raise awareness to leadership & staff of ULGs and to conduct monitoring and inspection of waste management by City level Environment Offices. • Gap in awareness on environment and social risk management among ULG, zone and woreda level administration • Budget constraints to employ environment professionals as per organizational structure • Gap in allocation of budget and implementation of livelihood restoration activities • Difficulty of crossing drainage lines for the elderly, people with disability, children and pregnant women. 	<p>guidelines</p> <ul style="list-style-type: none"> • Capacity building training on urban environment and social risk management and performance enhancement at leadership and expert levels. • Organize experience sharing tours on good practices with other well performing ULGDP II participating cities • Support to provide IT facilities, equipment like GPS, and transport vehicles • Awareness raising on EIA &RAP related regulations, guidelines and its application on public and private sector funded projects to all levels including leadership and experts of city Administration • Provision of transportation support to conduct monitoring and inspection • Sensitization to city administration officials to give emphasis and kick start ESMS

5. 3 Assessment of Workers and Public Safety Enforcement at Regional levels

The responsibilities for the enforcement of workers and public safety are mainly delegated to the Ministry of Labour and Social Affairs in Ethiopia. The Labour law (Proclamation no.377/2003), and the National Policy and Strategy on Occupational Safety and Health (OSH) published in July 2014 are the main instruments applied to run the OHS enforcement and inspection systems in the Country. The proclamation covers health and safety at work, harmonious industrial relation and minimum workplace standard and addresses workplace vulnerability. Article 92-93 of the proclamation defines obligation of employers and employees in work place including assignment of safety officers and health committee. All the Regional States in Ethiopia have adopted the Labour Proclamation No.377/2003 as it is and are applying it by establishing Labour and Social Affairs Bureau as counterpart to the Federal Ministry.

In addition, the Ethiopian Building Proclamation No. 624/2009 appears to play an increasingly important role in protecting public safety and the health and safety of workers in the construction sector. Article 31 and 36 state the precautionary measures to be taken during construction and necessary facilities required by persons with disabilities in public buildings. This proclamation is also adopted as it is by all the regional states and is being implemented by an independent Bureau of Construction or a major process within the Bureau of Urban Development and Housing. However, the regulation does not cover approval process of infrastructure including road and drainage lines. Therefore, built drainage lines are a challenge to cross particularly to elderly, pregnant women and PWD, as observed in all the assessed towns.

5.4 Existing mechanisms for Public and Workers Safety Protection

At regional state levels, the two responsible institutions for protecting public and workers' safety are the Labour and Social Affairs as well as the Construction Bureaus. Similar types of implementation mechanisms are applied by all the Labour and social affairs offices of the regional states to enforce Public and Workers safety in general. The regional labour and social affairs bureaus have two important core processes that are directly engaged in public and workers' safety. These are the "Industrial peace relations", and "Social protection" core processes. Whereas the responsibilities for regular inspection and control of Occupational safety and health goes to the Industrial Peace relation core process, some elements of public safety aspects with regard to the vulnerable and people with disabilities are also discharged by the social protection core process.

The organizational structure of both the regional labour and social affairs bureau and the construction bureaus have also devolved down to zonal, woreda and ULG levels. Whereas the organizational structures of the Labour and social affairs offices at the ULG level are generally narrow and characterized by small man-power to carry OSH inspections (usually one inspector), the construction offices at the ULGs appear to own a better organizational capacity to conduct Workers and public safety interventions. The primary responsibility for enforcing and supervising the health and safety of workers goes to the labour and social affairs offices of the ULGs. The ULGs visited in all the four regions appears to have a branch labour and social affairs (LSA) office or unit standing alone or merged with other sectors under the city mayor (City Administration). Most of them also have one inspector responsible for occupational safety.

Existing practices in almost all visited ULGs showed that the Health and Safety inspections carried by the LSA offices primary focuses on establishments such as industries, hospitality services, and other organizations. The focus on inspection of health and safety aspects of construction workers appears to be minimum and near non-existent especially with small and medium enterprises (SMEs) that are widely engaged in infrastructure development. Such practices are caused by many reasons including lack of awareness, shortage of man-power, shortage of budget, and facilities necessary for carrying out health and safety inspection in the construction sector. Though the responsibility of ensuring public safety during construction and operation of infrastructure projects is also assumed by the LSA offices in the ULGs, much is not done on that area. This is mainly due to lack of access and capacity to influence the design and construction of development projects by the LSA offices.

However, there are new developments emerging in the area following the establishment and coming into operation of the "Construction Offices" in the ULGs. The construction offices of ULGs appear to be responsible for enforcing the national building code in all development projects. The national building code gives special emphasis on construction workers safety and public safety aspects. The construction offices of ULGs appear to have the leverage to influence the design of public and private infrastructure projects to ensure public safety. They also appear to be involved in ensuring safety of construction workers. Practical experiences observed in the ULGs show that there are growing trends of positive interventions made by the Construction offices to enforce public and workers' safety in the construction sector.

Therefore, there is a need to support and coordinate the works of the LSA offices with the construction office to bring about maximum impact towards ensuring public and workers safety in the ULGs.

CHAPTER 6: SYSTEMS ANALYSIS AGAINST CORE PRINCIPLES

6.1 Introduction

This section assesses the arrangements for managing environmental and social risks and benefits associated with the UIIDP in a manner consistent with the *Program for Results Financing*. These principles are intended to guide comprehensive assessment of existing borrower Program systems as well as their capacity to plan and implement effective measures for environmental and social risk management.

Based on a review of the documentation, field observations, detailed analysis of the environmental and social effects of the Program, and consultations and discussions with the relevant stakeholders, this section of the ESSA analyzes: i) the **relevance** of the system for the program elements, or where it functions effectively and efficiently and is consistent with the Bank policy: Program for Results financing; ii) **Inconsistencies and gaps** between the principles used in the Bank policy: Program for Results financing and capacity constraints, for the system as it is written in the applicable laws and regulations, and operational performance in managing environment and social risks and impacts; and iii) **Actions** to strengthen the existing system. Overall, the analysis is organized by the six Core Principles outlined in the Bank Policy: *Program for Results Financing* and synthesizes the main findings using the SWOT (Strengths-Weaknesses-Opportunities-Threats) applied to the PforR context in the following way:

- **Strengths** of the system, or where it functions effectively and efficiently and is consistent with *Program for Results Financing* core principles.
- Inconsistencies and gaps (“**weaknesses**”) between the principles adopted in *Program for Results Financing* and capacity constraints.
- Actions (“**opportunities**”) to strengthen the existing system.
- Risks (“**threats**”) to the proposed actions designed to strengthen the system.

The data collection and analysis of the existing institutional capacity focused on the main implementer (MoUDH) of the proposed program. The WB team has also assessed the inter-agency coordination practice and existing capacity of relevant organizations on environmental and social management including MoEFCC, MoLSA, at national level. At regional and local levels, Environmental authorities, Labor and social affairs bureaus; and women and children affairs offices, who participate in the implementation of environmental, social management of the proposed program were assessed.

6.2 Findings of Management of Environmental Impacts in Urban Program

Assessment of the key features of the ESMS as depicted in the legislations and implemented on the ground reveals that there is a robust system that strives to ensure sustainable development by incorporating an informed decision-making process through the enforcement of environmental and social assessment requirement to be carried on development projects. It has set out clear procedures that guide the environmental and social assessment to minimize, avoid, or affect the anticipated impacts and/or develop mitigation measures for environmental and social impacts. Thus, Ethiopia’s environmental system meets P for R core principle and attributes. The ESMS is widely applied by almost the entire regional states and city administrations of the country, though its degree of implementation and enforcement varies from one to another. The assessment also showed that, although the ESMS were being

applied for years now in many of the Federal and Regional cities with a focus on the private sector development projects, its implementation coverage is expanding into the ULGs which are emerging as city infrastructure development agents. A Review of Audit and Annual Performance Assessment reports of the 44 ULGDP covered cities reveal that participating cities/cities have a well-functioning environmental and social management system in place to ascertain sub projects meet environmental and social management requirements. The implementation coverage of the Ethiopian ESMS, however, should expand further to include all ULGs whether they are enrolled into ULGDP/UIIDP or not. During the present ESSA assessment, it was widely observed that the new ULGs on the pipeline to join the UIIDP program are yet to create, develop, and internalize the ESMS as part of their institutional system.

The ESSA notes that operational effectiveness of implementation of environmental and social management plans in various cities implementing urban projects is uneven. In general, the environment and social performance is better in the cities under the first and second ULGD project compared to cities that were not included in the project. ULGDP covered cities have the necessary federal and regional laws and regulations including guidelines and manuals prepared by MoUDH (EIA, ESMSG, and RSG) at their disposal. In addition, almost all ULGs have hired environmental and social management expert since it is one of the minimum access requirement to the program. Sub projects pass through rigorous review process by respective environment protection agencies at regional and zonal levels, though regional variance is inevitable. However, audit reports of some cities in the program show that ESMPs are not properly implemented and shared with the relevant actors (contractors) resulting in non-compliance with requirements like no drainage line along cobble stone streets, downstream flooding or unsafe crossing, etc.

6.2.1 Environmental Screening and EIA.

All urban sub projects are subject to environmental screening to decide if a proposed project requires a full EIA, preliminary EIA (or EMP), or no environmental assessment is needed. The operational guidelines require screening to be carried at an early stage. In that regard the public consultation process being carried by ULGs during CIP sub-project identification and prioritization are serving as a venue to screen sub-projects that cause resettlement. More rigorous environmental screening is also carried with the help of screening formats at later stages for sub-projects planned to be implemented in each fiscal year.

Both the World Bank environmental policies and the National EIA procedural guidelines Categorize sub-projects into three; i.e. Category A, B, C and Schedule I, II, III respectively. However, there is a slight difference between the way Categorization is done by applying the National EIA procedural guideline and the World Bank operational policies. The National EIA procedural guidelines provide a comprehensive list of the type of development projects that are categorized under schedules I, II and III. Though it is also the basis for the National EIA procedural guideline, the Bank ensures classification of the proposed sub-project into one of the three categories depending on the type, location, sensitivity, and scale of the project and the nature and magnitude of its potential environmental impacts. A proposed project is classified as category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works. A proposed project is classified as category B if it's potential adverse environmental impacts on human population or environmentally important areas-including wetlands, forests, grasslands

and other natural habitats –are less adverse than those of Category A projects. These impacts are site specific; few if any of them are irreversible; and in most cases mitigation measures can be designed more readily than for Category A Projects. However, because of the level of significance of impacts, most Category A & B sub-projects tend to fall within the list of Schedule I and II projects of the National EIA guideline.

The enforcement of this requirement for environmental assessment is spearheaded by the Regional EPFCC authorities and bureaus and its branch offices at Zone and Woreda levels. The level of enforcement of the EIA requirement has been uneven, which is improving with growing awareness in cities particularly that involve large scale construction with larger environment and social footprints. The practice of checking environmental compliance by using an environmental audit approach is growing.

6.2.2 Analysis and avoidance of Impact on natural habitat and cultural sites.

Sub projects subject to a preliminary or full EIA would have discussion on alternatives. The scope of alternative analysis usually considers site, design and the ‘no project’ alternative, though it is commonly limited in the extent of its depth. In almost all urban projects, site/premise of physical cultural significance is avoided due to social and cultural sensitivity. During standard public works operations, if archaeological physical cultural resources are encountered during excavations, construction is halted and relevant authorities are notified. A review of first and second ULGD project cities indicates that there had been no instances of PCR chance-finds encountered. In addition, Program activities are not permitted to involve land-use changes.

6.2.3 Assessment of impacts and identification of mitigation measures.

The preliminary EIA of large urban sub projects, such as roads or sanitary landfills, in general, identify generic potential impacts from the project activities. Identification of impacts is focused mainly on the direct and indirect impacts; cumulative impacts are rarely covered. Induced and trans-boundary impacts are hardly covered. The mitigations measures recommended by the preliminary EIA are commonly generic. However, the preliminary EIAs are improving in identifying measures to avoid or minimize the impacts. For the projects under the first and second ULGD project, EA are prepared during feasibility stage and Site-specific Environmental Management Plans are prepared.

6.2.4 Implementation of mitigation measures.

Implementation of the mitigation measures is the responsibility of the project proponent and the contractor. The environmental mitigation cost is generally calculated on a lump sum basis – specific mitigation costs for various activities/ items are rarely included in the contract bid document. The lack of specific mitigation plan and lack of specific cost item in the bid document is an area that needs strengthening. Field observation of some of the selected ongoing urban projects, carried out as part of this assessment, reveals uneven environmental management and mitigation during construction period. Examples of poor management practices include improper management of borrow and stone quarry, haphazard disposal of construction wastes, limited use of protective safety gears; as well as inadequate public and workers’ safety.

6.2.5 Environmental Monitoring, Disclosure.

Environmental monitoring is the responsibility of the implementing agencies, which is an area for further improvement. Under the first and second ULGD project, more cities have started monitoring and reporting against the EMP, as an annual environment audit of the ESMSG and RSG implementation, necessitated evidence at sub project level. The lessons from first and second ULGD program cities indicate that information disclosure and consultation were done more regularly compared to non ULGD Project cities. Overall, the analysis found that, while impacts do tend to be managed, a systematic process is inconsistent at the local level. While there is a national legal and regulatory framework for environmental management, most ULGs except those in ULGD program have not been required to have a definitive role in the EIA process, mostly relegated to being consulted as a stakeholder in the process but not having a technical role in planning, assessment and oversight.

6.3 Management of Social Impacts in urban program

6.3.1 Impacts of Land Take and Compensation, including on those without titles

The risk of land acquisition and resettlement and loss of formal or informal livelihood related to civil work of sub projects is not expected to be significant but is a likelihood. Densely populated urban areas are likely to face more challenge than less dens ones. Project with large-scale displacement, i.e. 200 people and more, are ineligible for finance. Experience from ULGDP II shows that the need for land acquisition and relocation has been minimal since civil works related to sub programs including cobblestone roads and drainage line stayed within the existing right of way. Most impacts have been limited to removal of structures like fence (both formal and informal), trees, and displacement of informal vendors for a short period (during construction). As the program is fully implemented in urban areas, loss of access to natural resources is a low risk.

Findings of the assessment show that Ethiopia has proclamations and regulations on land acquisition procedures that, if carefully followed, would result in outcomes generally in line with Core Principle 4, with certain exception of livelihood restoration and eligibility issues on ‘illegal’ settlers which require additional attention and action. ESMSG and RSG, city council endorsed guidelines adopted by ULGDP covered cities, stipulates the requirements to be followed during the project planning and implementation as well as preparation of RAP. These guidelines help bridge gaps between the national laws and the Bank policy requirements, such as livelihood assistance to households without legal titles and tenants. Key laws/policies and their performance are described and summarized below:

Land laws in Ethiopia do not give direct land ownership rights to citizens. With the issuance of Proclamations 31/1975 and 47/1975, ownership of land is vested in the State and Ethiopian citizens have usufruct rights over land. Article 40 (3) of the Constitution recognizes land as a common property of the Nations, Nationalities and Peoples of Ethiopia, and prohibits sale or any other form of exchange of land. Article 40 (5) stipulates ‘Ethiopian pastoralist have a right to free land for grazing and cultivation as well as a right not to be displaced from their own lands’. Articles 40(4) and 40(5) of the Constitution provide for free land without payment for farmers and pastoralists. Furthermore, Proclamation 89/1997 confirms the constitutional principle that holding rights on land can be assigned to peasants and nomads, and that these are to be secured from eviction and displacement. In connection with land acquisition and property rights, Constitution Article 40(8) empowers government to expropriate private property for public

purposes subject to payment in advance of compensation commensurate to the value of the property.

As presented in previous sections, the power to expropriate landholdings belongs to a woreda (rural local government) or urban administration for a development project (Proclamation 455/2005, Article 3).

The implementing agency is required to provide written notification, with details of timing and compensation, which cannot be less than 90 days from expropriation (Proclamation 455/2004, Article 4). Land valuations are done at the woreda and urban administration levels by agricultural office and Land development and management office expert respectively (in rural town's valuation are carried out in collaboration of experts from both offices. In the absence of qualified professionals, a committee is employed (proclamation 455/2005, sub article 9). Property valuation by an independent and impartial body is still not in practice.

A legal landholder (person who can produce evidence), is entitled to compensation for property based on replacement value. Permanent improvements to the land, equal to the value of capital and labor expended (Proclamation 455/2005, Article 7) are specified as a valid basis for determining replacement value. It is also required that the cost of removal, transportation and construction be paid as compensation for a relocated property owner. Compensation will also be based on current cost, cost of demolishing, lifting, and reinstalling. The valuation formula is provided by Proclamation 137/2007. In addition to compensation, according to Proclamation 455/2005, Article 7, displacement compensation shall be paid equivalent to ten times the average annual income s/he secured during the five years preceding expropriation of the land (Proclamation 455/2005, Article 8(3)). Current practice show that relevant town administration is required to give alternative piece of land the size of 500 sq. for the household head and plot of urban land the size of which is determined by the urban administration, within their jurisdiction, to household head and adult children (18 +) living with parent at the time of expropriation when the household head chose for urban residency.

Urban local government undertake lengthy process to ascertain legality of properties, who cannot produce legal evidence. Urban Land Lease proclamation no 721/2011, and related regional regulations and guidelines (for example cut of date of a property captured on aerial photograph) have supported the process of legalization of landholding with slight variation on regional practices. RSG allows for those with informal or undocumented rights, to be able to maintain their livelihood and be assisted when expropriation is affected.

Ethiopian law has clear procedures for landholders and generally extends eligibility for compensation to recognized or customary land users or occupiers lacking full title, but does not recognize tenants, squatters or encroachers as being entitled to assistance or any allowances for transportation, disturbances, etc. The requirement for compensation for land at market price is implicit in the local procedure for evaluation of losses. Restoration of livelihoods for those affected is not mandated as an objective in the local laws but the spirit is reflected in several relevant policies and is clearly stated in the ESMF and RGS. The ESSA indicates that cities covered by ULGDP II tend to have established guidelines and systems for valuation and compensation. Cities also conduct initial screening to determine the extent of land acquisition and its impact on citizens. Most projects do not require land acquisition but for projects where land acquisition is required, RAP is prepared, consulted upon, and disclosed and audit reports and APA (4th) ascertain that compensations are paid before commencement of project.

6.3.2 Underserved People and Vulnerable groups

The program was reviewed to determine if underserved people and vulnerable groups are present in the project areas. Given the fact that the previous program (ULGDP II) focused on urban areas, the program did not encounter nor is expected to encounter, groups that could be characterized as underserved Peoples as per the Core principle 5, under OP/BP 9.0. With the expansion of the program to 117 (additional 73 cities), inclusion of the needs and concerns of vulnerable groups in the design of the program is pertinent.

Identification of vulnerable groups and households, creation of employment opportunities in maintenance and management of small infrastructure, ensuring representation and active participation of vulnerable groups in continuous consultations and decision-making will be focused to address the risks related to excluding vulnerable groups. Furthermore, the design of subprojects will be gender and disabled friendly so that buildings, drainage crossing, and other infrastructure facilities will be equally beneficial and accessible for all including the vulnerable groups. For the successfully addressing the issue of Gender equality and social inclusion, the program will strengthen the capacity of urban local government to manage Gender equality /social inclusion related risks by having clear guideline and procedure in place (updating Environment and Social management system guideline) for clear procedures in identification of vulnerable household/people, assigning focal persons on gender and social development, provision of trainings, and implementation of other inclusion activities based on the guidance in the ESMSG.

The Constitution allows for the rights of groups identified as “Nations, Nationalities and Peoples,” to self-determination up to cessation Article 39 (1-5). The constitution also identifies rights of minorities and marginalized groups including pastoralist, women, children etc. and lay down the need to assist such groups to embark on the ladder of development. Cognizant of the rights of minorities and indigenous peoples stipulated in the constitution, there are vulnerable groups and underserved people including pastoralists/agro pastoralists, children, women, elderly, people with disability, that need special attention to ensure benefits are inclusive. Additional 73 cities in the proposed UIID Program include cities in predominantly pastoralist or agro pastoralist localities necessitating the need to put in place a working system that ensures benefits reach them. Pushing for enhanced gender equality and improved local economic development in ULG operation are two of the key result areas of UIIDP. Ensuring women and other vulnerable groups (children, elderly, persons with disability) benefit from the Program and access to improvements is responsibility of local governments. ULGDP practice shows that women benefit from jobs created during the implementation of sub projects. However, more effort is required to ensure that improved infrastructure is accessed by all residents.

Labor Law 377/2003 provides for gender equality on work place and strictly prohibits child labor (below 14) and puts limitations on period and type of work for young employees (14-18). This law is broadly applied in all ULGs of the country, ascertaining its implementation is then mandatory. In addition, local governments need to mainstream interest of vulnerable groups, i.e. women, children, PWD and the elderly and reflect in their CIPs.

Reflecting the stipulations of the Constitution, rights to self-determination of minorities, local government are organized in special zone/woreda, which will facilitate support to the underserved. Organization of ULGs (already covered by ULGDP and newly nominated cities), show that all the responsible organs including office for Women and Child Affairs, Labor and Social Affairs are under the

auspicious of the mayor, which is an opportunity for integrated planning and implementation to ensure balanced /shared benefits of the Program.

6.3.3 Grievance Redress

The experiences ULGs covered by the ULGDP show that, most ULGs have put in place administrative body for grievance hearing that redress complaints to mal administration be it related to land take and compensation payment or service provision in general. The legal system with courts is still open to all citizens regardless of the type of grievance or sector.

Land related complaints are limited because the investment is small in scale and contained mostly to available Right of Way (RoW). On top of that, laws and regulations of the country including proclamation no. 455/2005 allow for dispute resolution that could arise between the principal parties involved in the resettlement and compensation processes through arbitration.

Regions have issued their own regulation to handle land related compliances slightly differently, but all opted for committee composed of representatives drawn from relevant stakeholders/sectors. Field visit found out that newly nominated cities have grievance handling systems but have limited capacity and experiences which needs to be bridged before the launching of the program, through experience sharing and support from regional government particularly in localities where there are minorities.

Strong participation of stakeholders and larger community during planning off CIP of cities and specific projects is cited as one of the reasons for low level of complaints by host community. Appreciating the efforts of local governments (particularly those covered by ULGDP II), systematic public consultation particularly in newly nominated cities must be encouraged and supported. Localities where minorities and traditionally underserved community are present, consultation processes need to include information on their rights and responsibilities in addition to awareness creation.

6.3.4 Social conflict

The proposed program will not exacerbate social conflict nor will it operate in a fragile state context, a post conflict area, or areas subject to territorial disputes. The program is also designed to yield significant social benefits to all citizens and to improve distributional equity.

The issue of civil unrest may pose implementation risk. There was civil unrest in the country during the past year, which led to the government's declaration of the six months State of Emergency on October 9, 2016 and later extended about another four months and ended in August, 2017. This created lack of access to some areas in the country. The situation then stabilized, while local grievances regarding broad governance issues, land use and land conversions remain. Such disturbances are not directly related to the program and outside of the scope of its influence. Mitigation measures include consultation, communication and enhanced transparency in UIIDP supported activities.

6.4 Key Areas for System Strengthening: Institutional capacity strengthening

The future UIIDP will be implemented in previously ULGs with experience (44 cities) and newly nominated ones (73) of varying size and stage of development and capacity. ULGDP II cities have well-functioning system (with slight variation) for environmental and social management system (which may need a tweak here and there to fine tune it). The capacity of newly nominated cities, is at its infancy with some cities not having the system at all. In those where there is a presence of staff responsible for

environment and social management, overall capacity for preparation of ESIA, ESMP and RAP and implementation of EMP tends to be low in newly nominated cities.

This gap is further exacerbated by high staff turnover which results in a loss of institutional memory where staff has undergone training in ESIA, ESMP, RAP/ARAP, ESMSG, and RSG.

While Environment and Social management specialists at city/regional level are tasked with ESIA/ESMP/RAP implementation, the analysis confirmed that most specialists are not adequately trained nor adequately qualified to handle tasks such as the ESIA, ESMP, and RAP process. Capacity building of staff for environmental and social management should be continuous in such a way that they adapt to changing and complex environmental and social issues and employ state of the art technology and tools. The new cities to join future UIIDP should meet minimum requirements for environment and social management before making investment on infrastructure. MoUDH and its regional counterparts have the responsibility to capacitate the new ULGs specially the capacity of local governments in remote and underserved localities.

Note should be made that ULGDP II cities who have hired professionals and meet the minimum requirement must expand their focus to include social experts. They currently tend to be overshadowed exhibited by limited coverage of social challenges. However, with more focus on urban development and growing impact of programs like UIIDP, social issues in urban areas are becoming challenging and more complex, demanding broader coverage and exhaustive analysis.

Governments at all levels, especially local governments, should be inclusive of interests of women, children, the elderly and Person with Disability (PWD) by making labor and social affairs and woman and children affairs offices as an integral part of ULGs infrastructure investment planning process. In localities where the presence of minorities and underserved groups is identified, special focus needs to be given to make those groups part of the process.

6.5 Description of Assessment of UIIDP Environmental and Social Management System Consistency with Program for Results Financing Core Principles

The below section summarizes the assessment of the capacity of Program institutions to effectively implement the Program environmental and social management system as defined in various rules, procedures, and implementing guidelines consistent with the core principles of *Program for Results Financing*. As stated above the below summary discusses the applicability of the six core principles in terms of their Strengths, Weaknesses, Opportunities and Risks with respect to the policy and legal framework, the institutional context, and existing environment and social management procedures.

6.5.1 Core Principle 1: General Principle of Environmental and Social Management

Environmental and social management procedures and processes are designed to (a) promote environmental and social sustainability in Program design; (b) avoid, minimize or mitigate against adverse impacts; and (c) promote informed decision-making relating to a program's environmental and social effects.

Program procedures will:

- Operate within an adequate legal and regulatory framework to guide environmental and social impact

assessments at the program level.

- Incorporate recognized elements of environmental and social assessment good practice, including (a) early screening of potential effects; (b) consideration of strategic, technical, and site alternatives (including the “no action” alternative); (c) explicit assessment of potential induced, cumulative, and trans-boundary impacts; (d) identification of measures to mitigate adverse environmental or social impacts that cannot be otherwise avoided or minimized; (e) clear articulation of institutional responsibilities and resources to support implementation of plans; and (f) responsiveness and accountability through stakeholder consultation, timely dissemination of program information, and responsive grievance redress measures.

Applicability: Fully applicable

- **Core Principle 1** is considered in terms of environmental and social management (ESM) for the Urban sector during implementation the proposed UIID program, as a key instruments to establish and strengthen the existing environment and social management systems under the implementing agency (MoUDH) and counter parts. The principle becomes more relevant because the Program includes civil works related to construction and extension of new infrastructural services.
- Like the first and second ULGD project, the UIIDP program is likely to continue catalyzing investments in urban infrastructure in small and medium size cities. These investments are likely to have physical footprint with a varying degree of environmental and social impacts, requiring mitigation.
- Certain type of urban investment, such as roads, water supply and solid waste management, slaughter house, market for small business, etc. could potentially generate adverse environmental and social impacts due to raw materials management; solid and liquid waste discharge, land acquisition;; occupation health and safety for workers, as well as air and water pollution due to construction activities.
- Required to undertake environmental and social assessment and implementing measures stated in the Environmental and Social Management Plan to mitigate adverse environment and social impacts.

System Strengthen/Summary of Findings

- EIA system provides a comprehensive framework for environmental and social impact assessment broadly consistent with the core principles outlined in Program for Results Financing.
- The Government off Ethiopia (GoE) has solid environmental legal and policy framework in place to protect, conserve, and mitigate adverse impacts.
- Federal and regional EPFCCAs are quite active to ensure compliance with EIA regulations.
- Existence of comprehensive standards and guidelines for construction management.
- National legislation on environmental screening and regulatory oversight exist.
- The current ULGD II project has helped to develop capacity at ULG level for EIA and EMP

preparation and implementation

- Although vary from region to region, the current environmental and social audit applied for the ongoing ULGDP II is a good practice.
- Overall, improved urban planning and development of urban infrastructure has reduced environmental and social risks. Most ULGs covered by the ULGDP have put in place administrative body for grievance hearing that redress complaints to mal administration. EIA capacity training for ULGs is likely to be continued under the UIIDP
- There is also a well-defined policy framework to enhance transparency of the development programs and projects.
- The existing policies at national and state level ensure that the legal frameworks for social inclusion are in place.
- Most ULGs covered by the ULGDP have put in place administrative body for grievance hearing that redress complaints to mal administration.

Gaps

- The existing system provides limited guidance on screening for potential environmental and social impacts and risks – this is deemed a minor risk as it is possible to mitigate through the Program Action Plan
- Environmental screening checklists applied by ULGDP II appear to be highly dependent on expert opinion for Categorization. There is a need to put benchmarks for categorization based on which objective decision on categorization could be made.
- The EA regulation is less explicit about trans-boundary and induced impacts – given the likely this is deemed a moderate risk given the small size and scope of the UIIDP.
- The quality of implementation of EMP is poor due to lack of capacity within the implementing agencies – this represents a moderate to significant risk as without appropriate implementation capacity it is highly unlikely that the ULGs particularly the smaller cities will properly manage environment mitigation measures. This risk will be addressed through training and capacity building support that is planned under the UIIDP.
- Lack of generic ToR that define and harmonize the environmental and social performance audit (ESPA) objectives and criteria to obtain comparable ESMP audit reports.
- Lack of a clear system that strengthens the follow up on implementation of the ESPA recommendations to ensure the implementation of ESMPs by the existing ULGDP II cities and later in the new ULGs joining UIIDP.
- The implementation of the existing legal/regulatory provisions faces challenges due to lack of enough and qualified human capacity within the implementing agencies and at ULG levels to support Environmental and Social Management Systems (ESMS)
- Lack of awareness on EIA laws, guidelines and its application on public sector funded projects to all

levels including leadership and experts of ULGs.

- Poor compliance with local environmental regulations and good practices in waste management such as segregation and pre-treatment – this represents a significant risk and should be addressed through the Program Action Plan.
- Insufficient capacity building activities on implementing agency, ULG organizational structures, and focal environmental officers to ensure compliance to required environmental standards during subproject implementation
- Inadequate management of sanitary land fill sites that leads to poor disposal of municipal waste – this represents a substantial risk to the local population, but it can be easily mitigated through application of the existing medical and solid waste management guidelines under the current regulation
- Shortage of environment and social development specialists in ULGs, especially in the 71 new ULGs requiring special attention
- Shortage of transport facilities in the regional and zonal EPFCCAs to conduct monitoring and inspection of sub-projects implemented in the ULGs.
- Weak coordination among the various implementers and inadequate attention to environmental and social concerns, particularly within the ULG level.
- Low budget allocation by the program implementing institutions for Environmental management

Opportunities/Actions

- The implementing agency has past experience in implementing bank funded projects, particularly ULGDP II.
- Development of program level environmental and social management guideline, which required only updating of for the proposed UIIDP program.
- Development of appropriate, checklists, technical options, and manuals to ensure compliance with environment and social legislation within the Program.
- Strengthening of Country and ULG systems to manage environmental and social risks.
- Improve implementation of compliance with national legislation and existing guidelines;
- Use of guidance outlined in the updated ESMG.
- Implement specific actions stated in the UIIDP ESSA Program Action Plan
- Conduct appropriate screening for subproject and as required ESIA with all assessment of cumulative impacts associated with the program, particularly for those environmental and social sensitive subprojects, like landfill, slaughterhouse

Risks to the Program:

- No or Limited institutional capacity particularly in new UIIDP cities and inability to enforce the current environmental and social regulations
- Potential environmental and social impacts of UIIDP will not be properly identified, mitigated, and monitored.
- Activities under this program will be designed and operated without adequate attention to existing environmental settings, related ecological and social risks and impacts.
- No high level technology and mechanism to manage Landfill and other wastes disposal sites that generate hazardous leachate that will proliferate without provision for safe and environmentally sound practices on waste management.
- Stakeholder concerns will not be consistently taken into account in environmental, social and safety issues.
- Inability to capitalize the opportunities to address the gaps in a timely fashion will lead to localized and regional environmental problems among the community members and environmental pollution in areas.
- Staffing and skills mix at the regional, zonal and woreda levels is inadequate to handle environmental, social and safety management.
- Addressing the environmental management needs and challenges depends on capacity building of the key sector organizations both in terms of human resources and training, and strong monitoring.
- **Risks are deemed: Substantial**

6.5.2 Core Principle 2: Natural Habitats and Physical Cultural Resources

Environmental and social management procedures and processes are designed to avoid, minimize, and mitigate against adverse effects on natural habitats and physical cultural resources resulting from program.

As relevant, the program to be supported:

- Includes appropriate measures for early identification and screening of potentially important biodiversity and cultural resource areas.
- Supports and promotes the conservation, maintenance, and rehabilitation of natural habitats; avoids the significant conversion or degradation of critical natural habitats, and if avoiding the significant conversion of natural habitats is not technically feasible, includes measures to mitigate or offset impacts or program activities.
- Takes into account potential adverse effects on physical cultural property and, as warranted, provides adequate measures to avoid, minimize, or mitigate such effects.

Applicability: Limited

- The provisions in Core Principle 2 are considered as part of the environmental and social management assessment process analyzed under Core Principle 1. The Program will not support investments that would either affect or convert critical natural habitats and will avoid conversion of natural habitat.
- Activities funded through the UIIDP will not likely generate adverse impact on natural habitats and physical and cultural resources since civil works will only be situated at city levels, are limited in number; confined to a small geographical location with no or less encroachment of Natural habitat and cultural resources;
- Expected to have a smaller physical footprint, as most cities thus will be able to use a preventive approach in siting the proposed infrastructures avoiding adverse impacts on natural habitats and any chance finds and any chance finds.
- Construction of infrastructures such as location of solid waste disposal facilities and cobblestone road construction could pose some risk to natural habitats and physical cultural resources if not sited appropriately and if chance finds procedures are not embedded in general construction contracts and supervised appropriately.

System Strengthen/Summary of Findings

- National proclamation and EIA procedural guidelines are consistent with the principle of environmental protection
- Screening criteria for projects in national parks and areas containing endangered flora and fauna are established.
- Core Principle 2 is considered in terms of safeguarding the natural habitats and any physical cultural resources that might be existed within the program implementation area. Existing legislation help minimize or mitigate possible adverse impacts on the natural habitats, archaeological sites and cultural resources.
- The existing legislation for EIA process considers physical cultural resources, including screening for archaeological, historical and cultural sites to ensure environmental and social sustainability. National proclamation and EIA procedure guidelines are consistent with the principle of environmental protection, which is highlighted the need of assessment of environment with consideration of cultural values in a manner that promotes sustainable development.
- Screening criteria for projects in national parks and areas containing endangered flora and fauna are established
- In addition to the provisions of the national environmental policy and guidelines, sectoral policies like, Forest Policy 2007, Wildlife Policy 2007, water policy 2002, and Energy policy 1994, are among others relevant regulatory policies that applicable for safeguarding the natural habitats and PCRs

- The GoE is enacted the National Biodiversity Strategy and Action Plan of 2005 to be able to consider natural habitats, which will contribute to strengthened by the establishment of a national coordinating body that will oversee all aspects, from environmental safeguards to information dissemination.
- The Council of Ministers of FDRE endorsed the cultural policy of Ethiopia in October 1997 and issued the Research and Conservation of cultural Heritage proclamation NO.209/2000.
- The proclamation No.209/2000/annex 1 has regulated Research and conservation of Ethiopian cultural heritage. It has also established the Authority for Research and Conservation of Cultural Heritage within the Ministry of Information and Culture (now Ministry of Culture and Tourism).
- There are no significant inconsistencies between *Program for Results Financing* and Ethiopian's policies, laws, and regulations related to natural habitats and physical cultural resources
- The assessment incorporates in program design and implementation appropriate measures to minimize or mitigate possible adverse impacts on the natural habitats, archaeological sites and cultural resources, with involvement from institutions such as MoEFCC

Gaps

- Lack of improved capacity to manage natural habitats, which requires strengthening with additional financial and human resource at city level; regional level and federal level.
- Limited experience in the documentation of public consultations and participation, before finalizing the design
- Although there are well defined environmental regulations, documents, policies and procedures are in place, the level of implementation to ensure no impacts to occur on the natural habitats and Physical Cultural Resources (PCRs) is very limited. existing guidelines does not clearly define proposed program related environmental concerns,
- Existing monitoring mechanisms are weak, and guidelines for environmental sound decision-making still need to be strengthened.
- Limited capacity to assess the potential impacts on the natural habitats and physical cultural resources.
- Limited knowledge and experience in considering PCRs during the preparation of EIA, review EIAs and implementation of the recommended measures as stated in the EMP to safeguards both terrestrial and aquatic habitats
- Existing resource constraints, lack of enforcement level and mechanisms, inadequate public consultations and participation, lack of environmental monitoring equipment and tools, lack of training and incentives.
- Limited resources to implement the chance find procedures
- Limited experience in the documentation of national system to strengths the management of physical

cultural resources.

- Limited documented guidelines or standards for chance finds procedures in the urban sector
- During excavation works, known or unknown physical cultural resources like antiquities, relics of cultural and religious valued resources might not be properly identified and be affected.
- The weaknesses identified for Core Principle # 1 are applicable to Core Principle # 2.

Opportunities/Actions

- Address the potential impacts through prevention of those archeological and cultural valuable resources,
- Improve and strengthen the already initiated experience in screening procedures at ULG level to establish if the proposed investment activities under the UIIDP is located within a recognized cultural heritage or a world heritage site
- Allocate sufficient budget for the identification and management of natural habitats and PCRs
- Improve the level of awareness on safeguarding threatened habitats and PCRs
- Strengthen the screening procedures to include a check list to assess whether a subproject has the potential for disturbing and affecting a known cultural or religious site
- Regional and federal governments adopt simplified screening procedures for known physical cultural resources and develops and applies internationally recognized chance finds procedures in the early screening practices for site selection of proposed infrastructure at city level to be financed through the UIIDP program
- The opportunities and actions identified for strengthening the system for Core Principle # 1 are applicable to Core Principle # 2.

Risks:

- Inability to apply practical and operationally feasible early screening practices for known physical cultural resources and chance finds during implementation of the ULGs subproject activities
- Physical cultural heritage and sensitive biodiversity will be less considered and identified or listed and could be lost unintentionally
- Limited awareness among implementing agencies on existing environmental regulations or poor capacities of implementing agencies at the local level to manage natural habitats and PCRs.
- Program activities may lead to possible adverse impacts on degradation of natural habitats and physical and cultural resources.
- The risks identified for Core Principle # 1 are applicable to Core Principle # 2.
- **Risk level: Moderate**

6.5.3 Core Principle 3: Public and Worker Safety

Environmental and social management procedures and processes are designed to protect public and worker safety against the potential risks associated with (a) construction and/or operations of facilities or other operational practices developed or promoted under the program; (b) exposure to toxic chemicals, hazardous wastes, and otherwise dangerous materials; and (c) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.

- Promotes community, individual, and worker safety through the safe design, construction, operation, and maintenance of physical infrastructure, or in carrying out activities that may be dependent on such infrastructure with safety measures, inspections, or remedial works incorporated as needed.
- Promotes use of recognized good practice in the production, management, storage, transport, and disposal of hazardous materials generated through program construction or operations; and promotes use of integrated pest management practices to manage or reduce pests or disease vectors; and provides training for workers involved in the production, procurement, storage, transport, use, and disposal of hazardous chemicals in accordance with international guidelines and conventions.
- Includes measures to avoid, minimize, or mitigate community, individual, and worker risks when program activities are located within areas prone to natural hazards such as floods, hurricanes, earthquakes, or other severe weather or climate events.

Applicability: Fully applicable

- The provisions in Core Principle # 3 are considered as part of the ESSA process analyzed under Core Principle # 1.
- Rehabilitation, construction and operation of various city level infrastructures are prone to expose the general public, as well as construction workers to risks such as dust, air pollution, noise, water pollution, solid waste and toxic or hazardous materials at sites during civil works, which directly or indirectly resulted in occupational safety impacts. Therefore, Core Principle 3 *is fully applicable* to the Program.

System Strengthen/Summary of Findings:

- There are national robust proclamations and guidelines addressing public and worker safety in Ethiopia. These cover a range of important aspects including environmental pollution control; labor laws; occupational health safety policies; and standards for workplace environmental emissions and discharges
- The Ministry of Labor and Social Affairs and Regional bureaus of Labor and Social Affairs are responsible to ensure the Public and Occupational health and safety.
- The EIA proclamation and its regulations contain several provisions for public and worker safety, which are consistent with and aligned with core principles 1.
- The government's contract conditions for contractors include provisions for public and worker safety (for example, provision of barricades at construction site, use of personal protection gear by workers, disposal of construction debris and waste water, preventing creation of conditions conducive to disease vectors.

- The country systems have guidelines/regulations through MoLSA on aspects concerning management of construction sites, including public and worker safety risks from construction/operation of facilities. This include the enforcement of best practices to monitor the implementation of occupational health and safety regulations with regard to construction works.
- The guideline require that contractors must maintain accident registers, provide workers with protective gear, and standards for construction sites and post warning signs visible to the public and workers awareness about requirements, use and knowledge for personal protective equipment.
- The UIIDP Program's readiness assessments allow the MoUDH to monitor compliance with all recommended public and worker safety measures already embedded in the Program's design

Gaps

The followings are the possible mitigation measures/action to address gaps and strengthening the existing capacity in the management of impacts related to occupational safety during program.

- The national EIA system does not comprehensively encompass aspects of public and worker safety
- There are laws to ensure building construction sites are safe to workers & users, however there are no laws to regulate /standardize infrastructure including road network & drainage
- Construction sites demonstrates an inadequate implementation of labor laws including public health and safety
- Implementation and enforcement of existing health and safety requirements at construction sites is considered inadequate, primarily due to insufficient capacity of labor & social affairs and environment department at city and regional level.
- Limited or no devotion to and enforcement of safety rules such as use of personal protective equipment by work contractors and sub-contractors.
- Weak or no supervision on safety management
- Limited capacity with technical person, safety materials provision, budget to conduct regular supervision on the compliance of national and international safety standards.
- Lack of awareness on public health and safety issues, particularly in relation to exposure to electrical and chemical hazards and workplace safety aspects in hazard prone areas
- Other gaps identified in Core Principle 1 are also applicable to Core Principle 3

Opportunities/Actions

- Improve awareness and implementation capacity of Occupational Health and Safety regulatory agencies to improve standards of public & labor safety design during construction, operation, and maintenance of physical infrastructure at ULG level.
- Update the Environment and Social Management System guideline and include clear guidance and procedure on public and occupational health and safety risk management

- Incorporate health and safety consideration into site selection as well as during construction practices of proposed sub project construction activities
- Develop capacity of ULGs to plan for ‘resilient cities’ to minimize vulnerability and avert disaster;
- Incorporate the identified gaps on public and worker safety measures in all civil works contracts during construction works at city level
- Improve shortage of budget and manpower to carry out health and safety inspection in ULGs.
- Improve the capacity of Labor and social affairs office at ULG level by providing training and inspection equipment.
- Inclusion of appropriate requirements in civil works contracts and preparation of the required instruments like Waste Management Plan (WMP).
- Regular implementation of Program environmental and social instrument at the city, regional and National level.
- Coordinate the public and workers safety inspection activities of the Labor and construction offices at the ULG level
- Strengthening of Country and County systems to manage OHS risks
- Strengthening capacities to enforce OHS implementation
- Develop sound procedures for (i) construction site management, (ii) post construction site rehabilitation, and (iii) disposal of wastes and waste management.

Risks:

- Improper management of solid and liquid waste can pose serious health risks if institutional capacity is lacking.
- Inability to ensure public and worker safety that may result in physical injuries, other unavoidable accidents and fatalities leading to loss of productive days and loss of life to the workers and public at and around the construction sites.
- Inability to implement a systematic OHS provisions that enhance the awareness level of key sector organizations.
- No or limited PPE available for workers at construction site
- No or limited awareness on safety precautions and management among staffs and officials
- In addition, Risks identified for strengthening the system for Core Principle 1 are applicable to Core Principle 3.
- **Risk Level – Moderate**

6.5.4 Core Principle 4: Land Acquisition

Land acquisition and loss of access to natural resources are managed in a way that avoids or minimizes displacement, and affected people are assisted in improving, or at least restoring, their livelihoods, and living standards.

As relevant, the program to be supported:

- Avoids or minimizes land acquisition and related adverse impacts;
- Identifies and addresses economic and social impacts caused by land acquisition or loss of access to natural resources, including those affecting people who may lack full legal rights to assets or resources they use or occupy;
- Provides compensation sufficient to purchase replacement assets of equivalent value and to meet any necessary transitional expenses, paid prior to taking of land or restricting access;
- Provides supplemental livelihood improvement or restoration measures if taking of land causes loss of income-generating opportunity (e.g., loss of crop production or employment); and Restores or replaces public infrastructure and community services that may be adversely affected.

Applicability: Fully applicable

- UIIDP encompasses the construction activities under different subprojects, including cobble stone roads; and waste management facilities. The scale of these activities is expected to be confined to existing right of way and available land with the city governments. However limited, the risk of land acquisition and displacement of people cannot be ruled out in some cases. The loss of access to natural resources will be limited, since the program will mainly focus urban areas. The city and regional governments are known to applying appropriate early screening and siting practices to avoid the need for land acquisition, displacement and loss of access to resources.
- However, it is important to note that the risk of land acquisition and displacement is likely to be slightly higher, in urban areas in some cities where population density is high. It will be lower in pastoral and agro-pastoral areas, where land is relatively abundant and population density is low.

System Strength/Summary of Findings:

- Land is owned by the State and citizens are given usufruct rights over the land. The federal government and most regional states and cities have established laws and guidelines that clearly stipulate the process of land acquisition, resettlement and compensation processes;
- A legal landholder whose holding has been expropriated is entitled to compensation at replacement cost for assets on and any permanent improvements to the land. The amount of compensation for property is determined on the basis of replacement cost
- Urban land holders whose land holding has been expropriated are provided with a replacement land. The household head is entitled to displacement compensation
- There is a dispute resolution and grievance mechanisms through compensation review committees,

arbitration tribunal as well through the court system

- In ULGDPII cities RSG guideline is applied to prepare RAP when the need arises;
- In ULGDPII covered cities, land is expropriated after compensation is made.
- Consultations with PAPs are conducted systematically in ULGDPII covered cities, lowering the number and frequency of Land related complaints.
- There are adequate laws for complaint handling and dedicated office to address complaints. Land related complaints are addressed by committee led by the mayor. The committee composition is stipulated by law or could be drawn from sector offices.
- Consultation procedures are documented in cities under ULGDP II.

Gaps:

- There is still need to standardize procedures that could be followed for land acquisition across all the regions and cities that are supported by the proposed UIIDP, which taken in to account the experiences of ULGDP II program.
- Most cities have established guidelines and systems for valuation and compensation. However, there is lack of standardized procedures for land acquisition across regions, including for laws on avoiding or minimizing land acquisition. Few regions have started reviewing their compensation laws.
- Land management offices under the mayor/city manager's office value property for compensation. In small town agriculture office is involved in valuation. But independent valuation is not the norm and replacement costs do not consider location of the site.
- Limited capacity of city government to undertake and document the process of land acquisition, particularly to improve consultation; independent valuation of assets; and grievance redress;
- The legal framework only recognizes legal titles and quasi-legal titles (such as customary rights over land and communal land), and does not cater to citizens with no legal rights. Citizens without legal rights to land receive "special assistance", but not formal compensation for loss of land. Pastoralist and agro pastoralists' settlements where modern and customary laws are practiced simultaneously are likely to be problematic and challenging during implementation of UIIDP sub projects
- No or Limited appropriate and transparent mechanisms for consultation and documentation in the regions that operate under a communal land system that helps to mitigate the risk of faulty land acquisition and resettlement practices
- Compensation is focused on replacement of land and assets, not restoration of livelihoods. The legal framework does not explicitly state that livelihoods should be restored to previous levels or better.
- Limited level of awareness by the leadership, experts and larger community;
- Lack of technical capacity of the program staff members on the implantation of RAP and other social management instruments.
- Weak coordination among the various implementers (MoUDH and other relevant ministries) and

inadequate attention to livelihood restoration concerns, particularly within the ULG level

Opportunities/Actions

- The capacity of city government need to be improved to undertake and document the process of land acquisition, particularly to improve consultation; independent valuation of assets; and grievance redress; relevant training based on standard guideline need to be provided to the implementers
- Awareness of the leadership, experts and larger community should be raised specially with the newly nominated towns;
- The available guidelines (ESMG, RSG) need to be updated, understood and endorsed.
- Relevant training based on standard guideline need to be provided to the implementers
- Establishment of appropriate and transparent mechanisms for consultation and documentation in the regions that operate under a communal land system will mitigate the risk of faulty land acquisition and resettlement practices.
- In the few instances where land acquisition, resettlement or loss of access to resources is necessary, the MoUDH should ensure that PAPs receive compensation and are properly resettled before the land is expropriated and ensure that people without legal rights to land are compensated for lost assets and provided with resettlement assistance as is stated in the RSG. There is still need to standardize procedures that could be followed for land acquisition across all the regions and cities that are supported by the proposed UIIDP, which taken in to account the experiences of ULGDP II program.
- The existing procedure needs to be strengthened to include restoration of livelihoods of project affected people. This could be done by coordinating with other schemes of the government at the city level, which focuses on income restoration.
- Some investments, such as cobble stone roads require better planning to ensure that all affected people, particularly those who may lose their income and livelihood are adequately consulted and compensated prior to displacement.
- Strengthening capacities to enforce implementation of RAP and other Instruments

Risks:

- Inability to rehabilitate and adequately compensate affected people while acquiring land for the construction works at city level will adversely affect livelihoods and living standards of displaced people.
- However, given the limited scope of investment activities at city level and the proper management of anticipated impacts of land acquisition, prior to project commencement , **risk is deemed substantial.**

6.5.5 Core Principle 5: Indigenous Peoples and Vulnerable Groups

Due consideration is given to cultural appropriateness of, and equitable access to, program benefits giving special attention to rights and interests of Indigenous Peoples and to the needs or concerns of vulnerable groups.

As relevant, the program to be supported:

- Requires free, prior, and informed consultations if indigenous peoples are potentially affected (positively or negatively) to determine whether there is broad community support for the program.
- Ensures that indigenous peoples can participate in devising opportunities to benefit from exploitation of customary resources or indigenous knowledge, the latter (indigenous knowledge) to include the consent of the indigenous peoples.
- Gives attention to groups vulnerable to hardship or disadvantage, including as relevant the poor, the disabled, women and children, the elderly, or vulnerable ethnic groups. If necessary, special measures are taken to promote equitable access to program benefits

Applicability: Fully applicable

UIIDP aims to provide regionally tailored approaches that ensure distributional, gender balanced and culturally appropriate access to infrastructure service delivery, as well as technical support to these regions and cities to ensure coverage and provision of urban services. Given that the program is being implemented in urban areas, it is unlikely there are Indigenous Peoples the project areas. However, there are likely to be marginalized and vulnerable groups including pastoralists/agro pastoralists, women, children, the elderly and PWD.

System strength/Summary of Findings:

- The Ethiopian Constitution recognizes the presence of many ethnic groups, including historically disadvantaged and vulnerable groups, for self-determination up to cessation. These groups include various nations, nationalities and peoples, pastoralists, and national minorities.
- Devolution of decision making powers to regional and city government for managing and coordinating the urban services in their area;
- ULGDP II sub projects benefits women but more effort is needed to ensure sustainable and balanced benefit not only for woman but also other vulnerable groups. Equal treatment of women in work place is stated in labor proclamation no 377/2003;
- These groups, particularly women & PWD are exposed to persisting, pervasive and deep-rooted socio-cultural beliefs and attitudes resulting in inequalities reflected in imbalance in project benefits and ineffective utilization of urban services by poor and vulnerable groups (elderly, PWD, children and women);
- Multi government layered effort to mainstream interest of underserved people and vulnerable groups;
- Women groups 1:5; 1:30 active at grass roots engaged in development activities and fighting Harmful

Traditional Practices.

Gaps

- Benefits of a development program need to be inclusive of the underserved and vulnerable including women, the elderly children and PWD in urban areas.
- Responsible organs (for instance Labor and Social Affairs, Women and Children Affairs) are not adequately participating during the preparation of the development plans of cities or CIPs.
- Lack of awareness among leadership and professionals on the needs of vulnerable groups
- Limited capacity of the program implementers to benefit vulnerable groups from urban sector project in an inclusive manner
- Lack of clear guidance and procedures to manage inclusion of vulnerable groups

Opportunities/Actions

- Update the Environment and Social Management System guideline to include clear guidance and procedures to ensure equitable and fair treatment of vulnerable groups
- Improve capacity at city and regional level to improve identification of vulnerable groups;
- Build awareness of leadership and professionals on the needs of vulnerable and marginalized groups;
- Mainstream the interest of vulnerable groups in the preparation of long-term and short term development plans including CIP and Structure Plans of town.
- Improve training and capacity building of vulnerable groups through extensive consultation so that the benefit of urban sector project could be inclusive of them;
- Conduct continuous consultations including vulnerable groups and documentation of the same
- Effective use of women's groups, panel discussions and community conversations targeting special groups such as women, traditional leaders and other vulnerable groups to address demand side barriers for urban services;
- Make the organs responsible for the development and protection of Women, children, elderly and People with Disability as well as identified underserved group as an integral part of the urban development planning process
- Assign Social Development and Gender focal persons and train them to follow up planning, implementation, and monitoring of Gender equality and social inclusion issues.

Risks:

- Inability to improve inclusion of marginalized and vulnerable groups in delivery of urban services will adversely affect vulnerable populations especially women and children.
- However, given the design that considers inclusive development of Capital Investment Plan (CIP) considering concerns of vulnerable groups, as a minimum access condition for ULGs, as well as

limited likelihood of presence of tribal groups in the city area, the **Risk Level deemed to be Moderate.**

6.5.6 Core Principle 6: Social Conflict

Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

Considers conflict risks, including distributional equity and cultural sensitivities.

Applicability: Not Applicable

- The proposed program will not exacerbate social conflict nor will it operate in a fragile state context, a post-conflict area or in areas subject territorial disputes.
- The program is designed to yield significant social benefits to all citizens and to improve distributional equity of urban services.
- The issue of civil unrest in the country and related social tensions in some areas can significantly affect the capacity of the program to deliver services, particularly in regions with the highest social tensions. Such disturbances are not directly related to the program and outside of the scope of its influence. Mitigation measures include consultation, communication and enhanced transparency in UIIDP supported activities

System strengthen/ Findings:

- Strengths listed with respect distributional equity under Core Principle 5 will apply.

Gaps:

- Gaps listed with respect to distributional equity under Core Principle 5 will apply.

Opportunities/Actions

Actions listed with respect to distributional equity under Core Principle 5 will apply.

Risks:

Though it is beyond the scope and influence of the program, the issue of civil unrest in the country and related social tensions in some areas has implementation risk, this related risk is deemed to be moderate to substantial. The program will facilitate consultation, communication and enhanced transparency in UIIDP supported activities.

CHAPTER 7: MEASURES TO STRENGTHEN SYSTEM PERFORMANCE

7.1. Introduction

The Implementation of ULGDP I &II over the last eight years have tremendously helped ULGs build their capacity to provide infrastructure and services. Building on ULGDP, the GoE and World Bank are preparing to launch UIIDP to strengthen the urban government's institutional capacity to provide infrastructure and service provision, in particular and promote good governance in general.

The Urban Institutional and Infrastructure Development Program (UIIDP) ESSA analysis presented above identified Strengths, Gaps, Opportunities/Actions, and Risks in Ethiopia's environmental and social management system with respect to effectively addressing the environmental, social and Safety risks associated with the proposed UIID Program. Based on the above assessment and findings, this section outlines key recommended actions for improving the social and environmental and safety management systems required for mitigating/minimizing those risks and gaps/challenges, where appropriate during the planning and implementation stages. It also underline points that indicate the possible ways to transform these gaps/risks and opportunities/actions into a viable strategy to strengthen environmental and social management capacity and performance at the national, regional and local level particularly that counts for the implementation of UIIDP and related Ethiopian Urban sector Projects. These actions for improvement of the environmental and social management system (ESMS) will be enhanced further with the implementing agencies during further public consultations and disclosure.

Although the environmental and social impacts of activities under the UIIDP are ranked from low to significant, the Program provides an opportunity not only to strengthen the weaknesses in the procedures mentioned above to identify and mitigate these effects, but also to strengthen the implementing agency MoUDH and the respective participating ULGs and County systems in strengthening of environmental and social management systems, ensuring implementation and monitoring of good environmental and social management; and building capacity for environmental and social management.

The ESSA recommendations and actions depicted here pursue to ensure that the opportunities identified in this assessment are built on and reinforced to ensure that they can be relied on to deliver the results sought in the UIIDP objectives, particularly in environmental and social assessment and management. The current gaps in the system will be addressed through a set of essential but viable actions to be adopted by Government to strengthen the environmental and social management capacity and performance at the national, regional, and local levels.

The ESSA Program Action Plan presents points associated with the Core Principles. The main areas for actions are: strengthening of the environmental and social assessment system; institutional capacity enhancement measures, reporting procedures, coordination, and awareness creation and resource allocations. The ESSA Action Plan will be embedded into the Program Action Plan. It is presented here to facilitate planning of action implementation and provision of Bank implementation support. The implementation of some of these measures will be enhanced by their integration into the overall Program Action Plan and legally incorporated into the financing agreement of the Program.

World Bank implementation support through the PforR financing vehicle is available to assist the client in the following manner: (i) Helping the client to resolve implementation issues associated with specific actions in the Plan and to carry out institutional capacity building; and, (ii) monitoring the performance of Program systems, including the implementation of the Program Action Plan.

The analysis identified the following main areas of action to ensure that the Program interventions are aligned with the Core Principles 1, 2, 3, 4, 5 and 6 of *Program for Results Financing*. The ESSA therefore highlight the key recommendations, in the below section, to be taken for sound environmental and social due diligence in the Program.

7.2. Recommendations

To manage potential impacts/risks, and to strengthen the country system for environmental, social and safety management, particularly at all levels, the ESSA suggests the following measures/actions. These actions are applicable for all implementing institution (MoUDH) by large, particularly those newly selected LGs at regional and local levels. Other organizations who have stake on the implementation of the UIIDP and linked with environmental and social management will also be considered to bring their level of capacity at acceptable level. The recommendations to address the identified risks and impacts and improve the performance of the program are listed below.

- ***Establishing and strengthening the Environmental and Social Management System at city level:*** Under UIIDP, all urban local governments must demonstrate that they have established a functional system for Environmental and Social Management as a minimum requirement to access grant. However, a distinction needs to be made between the performances of previously ULGDP covered cities (44) and newly nominated ones (73). For the newly nominated cities, before commencement of the program MoUDH should update the guidelines both Environment and Social Management System Guidelines (ESMSG) and Resettlement System Guidelines (RSG) prepared during ULGDP II. Accordingly, during the first year of the program implementation period, all participating ULGs will be required to endorse and adopt ESMSG and RSG and demonstrate that all projects are screened for impacts and prepare the required instruments to recommend and implement the appropriate mitigation measures, and that all projects have approvals from the relevant woreda, zonal or regional environmental protection authorities prior to initiating sub project activities/works. The same applies for the already ULGDP covered cities, but they should demonstrate the presence of a higher quality and seamless system in place with better knowledge and understanding of the guidelines and tools. ***All ULGs need to have a system that will*** outline specific roles and responsibilities for environmental and social risk screening, due diligence and regulatory requirements, consultation and coordination with other local and regional agencies, technical instruments for environmental and social management implementation and monitoring, staffing, training and capacity building plan.
- ***Technical Guidance and Capacity Building:*** ULGs can benefit significantly from sector specific technical guidelines that integrate environmental and social management requirements for subprojects under each sector such as road and drainage construction, waste management, building slaughter houses, landfill management, water supply etc. MoUDH shall update the Environment and Social Management System Guideline (ESMSG) and Resettlement System Guidelines (RSG) developed during ULGDPII based on the country's laws and regulations mainly on Health and

Safety and share to all ULGs to be endorsed and used as an instrument for environmental and social management. ULGDP II participating ULGs have learnt from ESMSG and RSG implementation, through the preparation of relevant documents including RAP, ESMPs. In cities joining the proposed UIIDP, especially New cities, there is a need to raise their technical capacity and level of awareness on environment and social management including city administrators and experts, adopt guidelines and other environmental and social management instruments and assign social development specialist and environmentalist and train these professionals to put in place a well-functioning environmental and social management system. It is also essential to provide a refresher course for the specialists under 44 cities from ULGDPII and an induction and exhaustive training for new cities staffs. All UIIDP cities institutional strengthening endeavors should focus on environmental and social management and include diversity in expertise (for example more social workers and gender specialists) and focus on gender balance (hiring more female workers) for enhanced performance. Continuous training should be effective over the program implementation period to ensure the level of understanding of the program environmental and social management along with the project activities and to broaden knowledge and understanding of new thinking and practice of environmental and social management practices, which align with the UIIDP scope. This will not only enhance performance but also help minimize staff turnover that all ULGs faced particularly at local levels in emerging regions. Moreover, a capacity building and training program will be key to ensure that staff within ULGs understand their roles, have the capacity to fulfill them, and clearly understand how they will be evaluated through the Annual Performance Assessment.

- **Addressing Resource Constraints:** This area includes measures to overcome constraints with respect to human and budgetary resources, through the Program incentive structure, as well as capacity building and training. There is lack of/limited transport facilities and other logistics that are required to ensure close follow up and monitoring of environment and social management as stated in the guidelines or management plans for the UIIDP. This needs resource allocation to address the gaps.
- **Annual Performance review and audit on Environment and social management:** Annual performance review and audit on environment and social management (ESM) during implementation of program activities has a vital role to ensure the implementation of ESM as required and minimize and/or avoid the potential impacts anticipated during the design and implementation phases of the program. From ULGDP II experience, the audit needs strengthening by developing a harmonized and standardized Terms of References (ToR) to define the Environmental and social management audit objectives, scope and criteria, so that comparable audit results could be obtained from all ULGs in environmental and social management performance of all participating Cities.
- **Increase stakeholders' awareness on social and environmental impacts management of UIIDP sub-projects:** Throughout the program implementation period, MoUDH need to conduct trainings and briefings on social, and environmental impacts and the respective mitigation measures for city administrators, staffs and other relevant experts as well as the communities impacted by the Program's sub-project activities.

- **Strengthening consultation and stakeholders' collaboration:** Similar to the already existing environmental and social management practice under the ULGDP II, all ULGs in UIIDP need to establish and strengthen the consultation and stakeholder collaboration with community members and other relevant beneficiaries and institutions. Previous practices have shown that well informed residents tend to support local governments efforts by cooperating in fund raising, organizing themselves and regulating performance of contractors. UIIDP intends not only strengthen results achieved in ULGDP II but also wide coverage, which requires more stakeholders and actors' including offices for Labour and social affairs and Women and child affairs involvement in the program planning and implementation process, as well as supervision of subprojects, as required. Labour and Social Affairs and Women Affairs offices will assign focal persons to work with the cities for the proper implementation of the prevailing laws and directives and these institutions will be represented in implementing committees including steering committees.

The UIIDP will adopt similar tools to ULGDP II with concrete results, to scaling up its coverage as well as address persisting environmental and social challenges and gaps by integrating into the overall Program a "Minimum Access Condition," and set of "Disbursement Linked Indicators (DLIs)". These include:

- **Prior-agreement and advance planning for Environmental and Social risk screening.** Each Program local government will sign a Participatory Performance Agreement (PPA) with MoUDH to show commitment by all parties to work under a common set of rules. This includes a process for ULG to produce an approved Capital Investment Plan (CIP), Annual Plan, and Budget. This will allow timely environment and social risk-screening and monitoring before endorsing environmentally and socially sensitive investments.
- **Institutional capacity and system.** To ensure that there is minimum capacity to handle the entire project implementation process at ULGs, key positions, including environment and social development specialists to be in place at MoUDH, regional and ULGs levels, with a clear distinction among new and previously covered cities. Under UIIDP, ULGs will be expected to demonstrate that they have established a functional system for environmental and social management (ESMS) and assignment of environmental and social dedicated person (s) as a minimum condition to access Program funds. This will ensure that there is a mechanism and capacity to screen environmental and social risks of the CIP prior to implementation. The city level ESMS (to be adopted for new 73 cities) will include procedures for due diligence; institutional procedures for grievance management, managing resettlement/land-take processes and environmental and social mitigation and monitoring plan.
- **Pre-requisite for environmentally and socially sensitive investments.** Investments in sanitary landfills¹⁵ and building of Slaughter houses¹⁶ could cause significant environmental and social risks

¹⁵ **Landfills:** To ensure that all landfills activities to be environment friendly and socially acceptable with no or minimum impacts to the nearby environment, landfills construction and operation activities should not exceed 10 hectares and with provisions as stated in MoUDH standard. These include, among others: all landfills should have 1. bottom lining system with

if not planned, screened, or managed properly. Experience from current ULGDP II sub projects shows that application of ESMSG and RSG have created opportunities to minimize environmental and social risks as well as prepare sound mitigation measures, when it is inevitable. Moreover, to ensure the management of point source pollution to the nearby biophysical and social environment from market area, landfill and slaughter house construction and operations, and sustainable use of landfills, market area and slaughter houses during program implementation period, MoUDH will develop a waste management plan (WMP), that encompasses the general waste management practices applicable to UIIDP, including landfills management, market area and slaughter house. These activities will be supported by respective relevant institution at Regional/ National levels before dealing with sensitive investments. However, all ULGs should be aware and commit to avoid the implementation of sensitive subprojects listed under the exclusion lists of sensitive project for this program UIIDP (Annex 5).

- **Training:** Appropriate induction and on job training will be provided to the environmental and social management specialists and other technical staffs, as required. The main topics of training will be subproject screening, identification and management of environment and social impacts, preparation and implementation of environmental and social management instruments, approach to implement the program environmental and social management instruments (for instance RAP,WMP, LIMP, ESMP), Type and use PPE, Land fill management, waste disposal and management, etc. These training activities will be supported by MoEFCC and Regional environmental agencies before dealing with sensitive investments.
- **Grievance redress system:** To receive, review and address complaints related to environmental degradation of the surrounding and adverse social and health impacts on people including; loss of livelihood, income or assets, a function office and Grievance Redress Mechanism(GRM) committee needs to be in place with members who are independent from the government and represent interest of potentially affected people.

compact clay soil and covered by geo-membrane (synthetic linings) to separate the trash and subsequent leachate from groundwater; 2. Leachate collection system to collect rain or other water percolated through landfill which possibly contains contaminating substances (leachate); 3. Oxidation or other treatment ponds for further treatment of leachate; 4. Methane collection system/gas management to collect methane gas that is formed during the breakdown of trash; 5. Runoff water drainage system to prevent rain water flash from the nearby area; and 6. Composting yard and other facilities within the landfill site and upstream collection and transportation area. Cities should comply with the national standard and classification set by MoUDH. Also, cities must conduct landfill feasibility study, ESIA and RAP for review and clearance by REPAs. All landfills are subject to regional environmental and social performance review and annual audits.

¹⁶ **Slaughterhouse/abattoir:** Slaughterhouse construction should follow the MoUDH standards and classification for environmentally safe implementation of the investment. Slaughterhouse under the program should not exceed 2ha (level B, C, and D) of the MoUDH classification. The following provisions should be included in the design for construction and operation phase. These are: 1. liquid waste treatment plant, which is sited at minimum distance of 50 meter from slaughter house; 2. separate closed drainage line for collection of liquid wastes from slaughterhouse to the septic tank; 3. septic tank bed level shall be below nearby ground water level; 4. slaughter house at metropolitan cities shall have rendering plant with smell nuisance control; 5. Runoff water drainage system to prevent rain water flash from the nearby area; and 6. Other facilities like guardhouse and water points. Cities should comply with the national standard and classification set by MoUDH. Cities must conduct Slaughterhouse feasibility study, ESIA and RAP for review and clearance by REPAs. All slaughterhouses are subject to regional environmental and social performance review and annual audits.

- **Evidence of implementation.** As one of the indicators of DLI on Institutional Capacity, the ULGs will be required to generate evidence (for independent verification) that all capital sub projects in previous FY were screened against the set of environment and social criteria in the planning stage, including preparation and approval of environmental management plans and resettlement action plans by relevant authority. Evidence of public consultation as a process of the environmental and social management should also be generated.
- **Incentive to ULGs for being environmental responsible and socially inclusive.** Against DLI 6, Regional Government will be able to access grant by supporting and reviewing the preparation of environmental and social management instruments, which ultimately represented by demonstrating a functioning Environment and Social Management system for all ULGs under their jurisdiction.

Program Action Plan

The program action plan depicted in table E-1 below is proposed based on the assessment of the Ethiopian country system to improve the proposed program environmental and social management and to strengthen the capacity of the Ethiopian country system. These action plans, which ESSA recommends should be included in the Program Action Plan (PAP).

The budget for the implementation of the action plans at the different levels is sourced from the IPF and the PforR Program. All the Federal level establishments and improvements, development/updating of technical guidelines, sustained training and capacity building, requirement for E & S staffing at various levels will be covered by the IPF, whereas the Regional level environmental and social management activities get resources from implementation of DLI 5 to DLI 10. The Program requires that every city assigns 5% of its budget for Capacity development.

Table 7: Summary of the Recommended Program Action Plan (PAP) for Environment and Social Risk Management

Action Description	DLI	IPF	Covenant	Due Date	Responsible Party	Completion Measurement
<p><i>Establishing the Environmental and Social Management System</i> at new 73 UIIDP cities and strengthen at MoUDH, BoU and previous ULGDP II 44 cities;</p> <ul style="list-style-type: none"> Update and endorse ULGDP II environment and social risk management guidelines mainly on Health and Safety (ESMSG, RSG), Staffing (Environmental, Social development specialist, gender specialist) in place Screening for Environment and Social Risks of all proposed investments and preparation of environmental and social management instruments (ESMP, RAP, WMP, SMP) 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Program effectiveness</p> <p>Before commencing of construction activities</p>	MoUDH and BUDs	<p>Established and strengthened ESMS</p> <p>Updated ESGM and RSG</p> <p>Staffs in place</p> <p>Screening reports environmental and social management instruments are prepared, as required</p>
<p><i>Ensure that the federal and regional mobile teams</i> are adequately staffed with environment, gender and social management specialists having appropriate skills</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Program effectiveness	MoUDH and BUDs	The mentioned staffing in place, Program Reports
<p><i>Technical Guidance and Capacity Building:</i> Develop capacity building and training plans, Procure and ensure implementation of standard urban local government environment and social management training program from University and/or other designated centres of excellence on urban Environment and Social Management System (ESMS) and</p> <p><i>Addressing Resource Constraints through availing</i> the required facilities for environmental and social management activities at all level</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Program implementation	MoUDH, BUDs and ULGs	<p>Prepared Capacity building and Training plans</p> <p>Training reports</p> <p>Procurement reports on resources and facilities</p>

<p>Increase stakeholders' awareness on social, safety and environmental impacts of UIIDP sub-projects by developing SMP, guideline for setting service delivery standards, and citizen charters including vulnerable groups;</p> <p>Organize awareness raising session for city administrators and other experts and community members as applicable on environment and social risk management</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Throughout program implementation</p>	<p>MoUDH, BoUD and local level UGs, MoEFCC and REFA</p>	<ul style="list-style-type: none"> • Developed service delivery standards, and citizen charters • Briefing note on conducted awareness and sensitization program • Environment and Social Management Implementation Reports • Training reports
<p>Broaden stakeholders' involvement by including and working closely with the offices in charge of environmental protection, Labour and Social Affairs and Women and Children Affairs Offices to improve planning and implementation of environment and social management instruments, health, safety and gender equality issues and access to service by vulnerable group (specially the elderly and people with disabilities).</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>During Annual Planning, program implementation and Monitoring</p>	<p>MoUDH BUD, ULGs, MoEFCC, REFA, MoLSA, MoWCA BoLSA, , BoWCA City LSA and WAs offices</p>	<p>Briefing note on coordination mechanism of the various relevant parties</p> <p>Annual Plans, and progress reports</p> <p>Joint monitoring reports</p>

<p>Develop a harmonized and standardized Environment and Social Audit ToRs; and Ensure quarterly performance review and annual environmental and social audit.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Quarterly</p> <p>At the end of every year</p>	<p>REFA</p> <p>MoUDH</p>	<p>Developed TOR</p> <p>Quarterly performance review report</p> <p>Annual audit report</p>
<p>Ensure management of community and worker's health and safety risk and develop Safety management plan (SMP) as required;</p> <ul style="list-style-type: none"> • include Health and Safety considerations/articles in the program design, • make available safety protection materials, tools and Personal Protective Equipment (PPE) over the program implementation period 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Program effectiveness</p> <p>Program implementation</p> <p>Prior to validating civil works contracts</p>	<p>MoUDH, BoUD and ULGs</p>	<p>Developed SMP</p> <p>Included EHS code of practice on contract document</p> <p>Progress report and incident notification checklist</p> <p>Report on distribution and compliance on use of PPE</p>
<p>Conduct adequate consultations where land (communal or private) is acquired and/or vulnerable person is involved and ensure proper documentation of the same</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Throughout the program</p>	<p>MoUDH, BUD, ULGs</p>	<p>Minutes of Consultations</p> <p>Implementation Reports</p>

CHAPTER 8: ENVIRONMENTAL AND SOCIAL RISK RATINGS

The Environmental, social, and safety risk management for UIIDP operations applies throughout the program implementation period. MoUDH is responsible for Environmental and Social Risk Management (ESRM) during UIIDP implementation period to ensure the environmental, social and safety management practice under the program to be at acceptable level as required by the relevant national and international policies and legal frameworks. This will be revitalized through regular dialogue on ESRM among program key implementer (MoUDH), other national and regional relevant sectoral ministries and bureaus, project managers, contractors and sub-contractors. Appropriate implementation of best practice ESRM supports the program to improve the quality of environmental, social, and occupational health and safety management practices and its compliance with international and national standards, via technical assistance, advice, support, and provision of resources.

This risk management mechanism and risk ratings meets the objectives of harmonizing the National and World Bank environmental and social procedures and policies that are applicable to the UIIDP and confirm sound implementation of the program with no or limited risk that will be addressed and mitigated through best management practices.

Based on the findings of the ESSA analysis, this section discusses the risks identified, and the proposed measures to mitigate those identified risks that will be included in the Program’s integrated risk assessment. Given the significant geographic dispersion of the participating ULGs, different scale of proposed investments, and the potential environmental and social impacts associated with each subproject in the program, the ESSA has determined that the overall risk of the program is rated as *substantial/High*.

The following tables 8, 9 and 10 showed that the summary of the overall risks discussed in section 6 with proposed risk management measures and the corresponding risk rating in accordance with the program activities.

Table 8: Environmental and Social Risk Rating for UIIDP

Risk Description	Risk Management	Risk Rating
<p><i>Identification of Impacts:</i> Potential environmental and social impacts of infrastructure projects are not identified, mitigated, and monitored under this program and No attention will be given to existing environmental settings and related ecological and social risks and impacts.</p>	<p>Program Operations Manual, Guidelines (ESMG and RSG) updated and endorsed by all ULGs to define system and provide guidance to ULGs that is consistent with GoE systems and bridges gaps with Program for Results Financing principles. All the required E&S management instruments will be prepared and implemented. MoUDH and ULGs will be fully staffed by relevant E&S specialists at trained on the guideline and instruments.</p> <p>Monitoring and supervision of due diligence measures related to environmental and social issues will be a part of the capacity building component of the program.</p>	<p>Substantial/High</p>

Risk Description	Risk Management	Risk Rating
<p><i>Community and workers Health and Safety:</i> Community and Occupational health and safety measures are poorly implemented and monitored, which possibility resulted in serious injuries and death</p> <p>Lack of PPE and safety protection materials and tools available during construction and operation of sub projects,</p> <p>No or limited awareness for workers and community members about safety precaution and management</p>	<p>Environment and Social Management System guideline should be updated to include clear guidance and procedure on community and workers' health and safety risk management</p> <p>Participating ULGs should incorporate in the sub-project contracts strict clauses on Health and Safety for implementation by the contractor. The program will also be required to prepare and work closely using the Safety Management Plan (SMP) applicable to the project, adopted and implemented, OHS articles and procedures will be included under the program ESMG.</p> <p>Ministry of Labor and Social Affairs (MoLSA) to improve implementation of occupational health and safety issues of the sub-projects.</p> <p>Incorporate public and worker safety requirements and guidelines in the civil works contacts</p> <p>Awareness creation and training in workplace health and safety procedures</p> <p>Avail all the required safety materials and PPE</p> <p>Provision of adequate budget, logistic facilities and technical persons for regular supervision,</p> <p>Scale up the enforcement of health and safety provisions during construction and operation phase of the program and</p> <p>Follow standard procedures during implementation of program activities</p>	Medium
<p>Lack of staffing and technical capacity: Staffing and skills mix at the national, regional, zonal, and local levels is inadequate to handle environmental social and safety management. This leading to weak planning, implementation and monitoring of ESMP of the</p>	<p>UIIDP will assess capacity needs in depth for environmental and social management at national, regional and local levels and ensure that adequate staff are available at all levels. All ULGs will appoint the relevant staffs with the required expertise to manage all ESMS under the program, including reporting, undertake screening to facilitate determination of whether the investment is in the schedule II and hence requires partial EIA study or</p>	Medium

Risk Description	Risk Management	Risk Rating
investments.	EMP. The program will have mobile and focal unit at regional and national levels will fully capacitated environmentalist and social development specialist, including gender focal person.	
<p>Annual Environmental and Social management performance Audit: Annual Performance Audit lacks standard and quality, it does not include technical expertise to assess environmental and social management performance</p>	Standard ToRs will be prepared and adopted for annual performance audit to ensure that the assessment team consider all environmental and social management issues associated with the program and the Audit team include the required environmental and social development specialists at acceptable expertise level.	Low
<p>Loss of Income and Livelihoods: Risks of loss of income and livelihood for the program affected people due to inadequate land acquisition, resettlement and compensation</p>	<p>Sub-projects affecting more than 200 individuals will be excluded from the program.</p> <p>Improve capacity of implementers in management of land acquisition and resettlement by ensuring assignment of social development specialists and provision of the required trainings</p> <p>Update the resettlement system guideline for emphasis on mechanism to accommodate squatters and illegal settlers</p> <p>Provide systematic training on social management procedures based on the updated ESMG and RSG</p> <p>Regular monitoring, taking corrective action and timely reporting on RAP implementation status</p> <p>Undertake annual performance review on implementation social management activities</p> <p>Conduct quality audit annually on social performance</p>	Medium
<p>vulnerable groups: Inclusion of vulnerable groups</p>	<p>Update the Environment and Social Management System guideline to include clear guidance and procedures to ensure equitable and fair treatment of vulnerable groups</p> <p>Build capacity of implementers in identifying vulnerable groups and consider them in the</p>	Medium

Risk Description	Risk Management	Risk Rating
	<p>program design planning and implementation.</p> <p>Conduct continuous consultations including vulnerable groups and ensure proper documentation of the same including specific actions taken for equitable treatment</p>	
<p>Social tension: The current social tensions in the country may affect the capacity of the program to deliver services in particular for the regions with the highest social tensions.</p>	<p>The current social tension is beyond the scope of the program. Mitigation measures include consultation, communication and enhanced transparency of UIIDP supported activities.</p>	<p>Medium to substantial</p>
<p>Landfills and Slaughter house management: Lack of mechanism for safe and environmentally sound construction and management of landfills and slaughter houses and other sensitive investment under the program</p>	<p>The program will adopt the national standards on slaughter houses and landfills. Waste management plan will be prepared applicable to the program to ensure environmental friendly activities under the management of landfills and slaughter houses.</p>	<p>Substantial/ High</p>
<p>Lack of awareness on GRM</p>	<p>The program will organize awareness raising sessions for PAPs on the grievance redress mechanisms.</p>	<p>Low</p>
<p>Overall Risks</p>	<p>Substantial/High</p>	

Table 9: Risk classification

Likelihood of Harm	Severity of Harm		
	Slightly Harm	Moderate Harm	Extreme Harm
Very Unlikely	Very Low Risk	Very Low Risk	High Risk
Unlikely	Very Low Risk	Medium Risk	Very High Risk
Likely	Low Risk	High Risk	Very High Risk
Very Likely	Low Risk	Very High Risk	Very High Risk

Table 10: Risk Categorization

Category of risk	Evaluation of tolerability	Guidance on necessary action and timescale
Very low	Acceptable	These risks are considered acceptable. No further action is necessary other than to ensure that the controls are maintained.
Low	Risks that should be reduced so that they are tolerable or acceptable.	No additional controls are required unless they can be implemented at very low cost (in terms of time, money and effort). Actions to further reduce these risks are assigned low priority. Arrangements should be made to ensure that the controls are maintained.
Medium	Risks that should be reduced so that they are tolerable or acceptable.	Consideration should be given as to whether the risks can be lowered, where applicable, to an acceptable level, but the costs of additional risk reduction measures should be taken into account. The risk reduction measures should be implemented within a defined time period. Arrangements should be made to ensure that the controls are maintained, particularly if the risk levels are associated with harmful consequences.
High	Risks that should be reduced so that they are tolerable or acceptable.	Substantial efforts should be made to reduce the risk. Risk reduction measures should be implemented urgently within a defined time period and it might be necessary to consider suspending or restricting the activity, or to apply interim risk control measures, until this has been completed. Considerable resources might have to be allocated to additional control measures. Arrangements should be made to ensure that the controls are maintained, particularly if the risk levels are associated with extremely harmful consequences and very harmful consequences.
Very high	Unacceptable	These risks are unacceptable. Substantial improvements in risk controls are necessary, so that the risk is reduced to a tolerable or acceptable level. The work activity should be halted until risk controls are implemented that reduces the risk so that it is no longer very high. If it is not possible to reduce risk the work should remain prohibited.

CHAPTER 9: CONSULTATION AND DISCLOSURE

9.1 Introduction

The preparation of the ESSA has been carried out in a participatory manner involving feedback and inputs from several key stakeholders: MoUDH, regions, cities, other sectoral experts, community members and NGOs. Extensive consultations, in-depth interviews, focus group discussions, informal meetings and field visits to ULGs were carried out with representatives from relevant sector offices that will directly or indirectly engage in the implementations of environmental and social management of the program on the federal, regional and ULG levels. This section highlights the summary of consultation process, elaborating on the participatory approach, stakeholders met and major issues raised.

9.2 Consultations

A stakeholder consultation workshop on the draft Environmental and Social Systems Assessment (ESSA) was organized by the World Bank and Ministry of Urban Development and Housing. The consultation workshops were held at two cities namely Bahir Dar and Hawassa. All relevant stakeholders including CSOs, NGOs and community members have been invited for this consultation. More than 130 participants from the Ministry, Urban Local Governments including city Mayors and Managers, environment and social experts, regional Environmental Authorities, regional Labour and Social Affairs, regional Children and Women Affairs and others participated in the consultation. The draft ESSA was disclosed publicly both on MoUDH and World Bank External websites, prior to the consultations to give opportunity for participants to read the draft document before to the consultation.

Based on the findings of ESSA as well as from the practical experience of ULGDP II, the benefits of the program and management of the environment and social risks related to UIIDP subprojects were thoroughly discussed in the consultation sessions. Several issues related to social, environment and community health and safety and gender equality issues were also discussed and addressed during the consultations. The issues such as the requirement of meeting the Minimum Conditions, coordination among key stakeholders, capacity building activities and technical support were also thoroughly discussed and agreed with the participating cities and regions. The consultation workshop was a good forum where the new target cities for upcoming program learned from the past and existing experiences of ULGDP II participating cities. Participants share ideas and expressed concerns related to the existing limited capacity, specifically staffing, technical knowledge, and financial resources for the preparation and implementation of instruments to manage environmental, social and safety risks and to monitor the implementation of environmental and social management instruments over the program period. The ESSA has reflected concerns raised by incorporating suggestions both within the text of the ESSA itself as well as in the more substantive recommendations and proposed actions. Detailed feedback from the consultation workshop is attached as annex 6 along with the list of participants.

9.3 Disclosures

The draft ESSA has been disclosed prior to the public consultations which held at Hawassa and Bahir Dar cities on November, 11 and November 14, 2017 respectively. All key stakeholders, representatives from government institutions and other relevant stakeholders such as NGOs and community members have been invited for this consultation. The final ESSA after incorporating comments obtained from stakeholder's consultation workshops will be disclosed in the WB external website. The Ministry will also be encouraged to disclose the final ESSA in their website.

ANNEXES

Annex 1: Assessment of current capacities and practices for environmental and social risk management at Region and City levels

The ESSA team in consultation with the Ministry of Urban Development identified 11 ULGs in four Regional governments, as representative sample (out of 73 new candidate cities to be added to UIIDP) and three cities from the existing ULGDP to assess the quality and efficacy of environment and social management system, particularly focusing on institutional capacity, structure, practices, procedures, mechanisms and effectiveness of implementation. Broadly the assessment indicates that there is a robust environmental and social management system, as it exists and designed. However, there is unevenness in implementation of environment and social risks mitigation measures, which can be traced to either lack of capacity or lack of technical knowledge for effective implementation in the new candidate cities. The following section presents broadly a summary of field visit and assessment.

Regions and Cities Visited

	Region	Cities/Towns visited
1.	Oromia Regional State	Holeta, Modjo, Arsi Negele, Dodola
2.	Amhara Regional State	Injibara, Woreta, Kobo, Bahirdar
3.	SNNPR	Halaba, Durame, Boditi, Hawassa
4.	Somali Regional State	Gode, Jigjiga

1. Oromia National Regional State

Oromia Regional state is one of the nine states found in Ethiopia. During ULGDP II programs eight ULGs from the region have been participating. Another 19 candidate ULGs are on the pipeline to join the upcoming UIIDP program.

For the current ESSA assessment four sample ULGs (i.e. Holeta, Mojo, Arsi -Negele and Dodola) representing the new candidate cities were selected and visited during the field assessment. The overall picture of the existing environmental and social management systems at regional and ULG level is presented in the following sections based on the data collected from the field assessment.

1.1. Existing Environmental and Social Management Systems and legislations in Oromia Region.

The legal and regulatory framework which guide environmental and social impact assessments in Oromia region are provided by the framework proclamations on EIA and other related legislations. The Oromia regional state has adopted the Federal Proclamation on Environmental Impact Assessment and on Pollution Control by harmonizing it to the regional contexts. The Oromia region version of the proclamations is called ‘Oromia National Regional State Environmental Impact Assessment Proclamation No. 176/2012’ and ‘Oromia National Regional State Environmental Pollution Control Proclamation No.177/2012’. These legislations have been in place for the last seven years and are continuing to be

implemented as it is without further amendments or updates. In the effort to further elaborate and provide detailed guidance on its implementation, the Oromia Environment Protection, Forest Development, and Climate Change Authority (OEPFDCCA) has finalized preparing and submitted the detailed regulations on EIA and Pollution Control to the Cabinet of the regional state for approval.

The Environmental Impact Assessment Proclamation No. 176/2012 of the region clearly stipulates the requirement for environmental assessment by stating that “*no person shall commence implementation of a project that requires environmental impact assessment without the authorization from the Bureau.*” This reflects that the region has an environmental and social management system that requires for undertaking environmental assessments for public and private sector development projects. This requirement complement with Core principle 1(a) of the OP/BP 9.0 on environmental and social risk management which seek for the existence of regulatory frameworks that help ensure environmental and social sustainability in development projects.

As it is the case with the Federal and other regional states of the country, the enforcement of the EIA law for the private sector is carried in coordination with other sectoral offices that issue licenses such as the investment permit, trade license, or construction permits to the project proponents. The law states that the sector offices shall request to the project proponent to present evidence on the views or decisions made by the OEPFDCCA regarding the proposed project prior to issuing their permits and licenses. Thus, project proponents are required to present letter of authorization from the OEPFDCCA by fulfilling the EIA requirements and getting it approved by the OEPFDCCA.

There appears to be an increasing trend on the degree of enforcement of the EIA requirement on development projects carried in the regional state by the private sector in the past years. From the discussions held with OEPFDCCA, the implementation of the EIA requirement was largely covering project proponents in the private sector. The observance of EIA requirement in the public-sector projects remains to be far from enough and it is especially confined with the ULGDP II and few other similar projects. The ULGDP II cities, however, are increasingly adhering to fulfill the EIA requirements.

In agreement with the key planning elements of Core principle 1, in which it seeks for incorporation of environmental and social assessment good practices, the ESMS procedures in the region consists of screening exercises. In practice, the environmental procedures followed to implement and administer the Oromia EIA proclamation in the region starts from a screening exercise which is usually done with the help of the OEPFDCCA staff. The experts of the OEPFDCCA provide a kind of pre-consultancy support to the project proponent by screening the specific proposed project. When project proponents approach the OEPFDCCA offices, the environment officers advise them on the category into which the proposed project belongs and further indicate them on the type of EIA (full or partial or none) required to be submitted. Screening of the projects is carried out by comparing it against a categorization list as provided in the Federal EIA procedural guidelines (2003). The guideline lists the type of projects categorized in Schedule I, II & III (Category A, B and C). During the EIA study process, project proponents are also required to consider site and project alternatives based on land use plan, technology, environmental sensitivity, as well as the no project option. These considerations on project alternatives are formally required to be present in the EIA document to be submitted for review and approval.

Article 10 (1) of the regional EIA Proclamation No. 176/2012 states that, “the environmental impact study report shall contain sufficient and accurate information that would enable the Bureau to give its decision.” It further outlines in Article 10(2) the kind of minimum information an EIA report should

contain and lists down about eight major areas for which information should be provided in the EIA report. This includes information on the nature and characteristics of the proposed project, inputs & outputs, characteristics and duration of all direct or indirect, positive or negative impacts and measures proposed to eliminate, minimize, or mitigate the impacts. Moreover, the breakdown of costs and budgets required for implementing the EMP and environmental monitoring requirements of the EIA are also required to be indicated in the EIA reports. The existence of minimum requirements for information in the EIA report in the regional proclamation appears to be consistent with Core principle 1(b) and (c) of the OP/BP 9.0 on environmental and social risk management which seek to ensure the presence of informed decision-making relating to a program's environmental and social effects.

Current practices indicate that EIA/EMP assessments and reports are required to be prepared by registered environment consultants that are commissioned by the project proponents. Owing to limitations of capacity in many of the national consultancies, OEPFDCCA noted that the delivery of quality EIA reports that provide sufficient information which enable to make informed decisions by the OEPFDCCA and its zonal branches is limited. This trend appears to also affect the efforts of ULGs trying to fulfill the requirement by delivering quality EIA/ESMPs with sufficient information.

The regional proclamation also stipulates that OEPFDCCA “shall ensure the inclusion of the opinion of the public, particularly of the affected community in environmental impact assessment study and their participation while review of the EIA is made.” The practical procedures in Oromia region continue to emphasize that EIA reports that do not contain public participation are generally not accepted and approved. All EIAs to be submitted for review and approval must clearly show that public consultation has been held during the assessment process and the minute of discussion is officially signed and attached together with photograph evidences in the EIA document.

The OEPFDCCA and its zonal branches are required by the EIA law to review an EIA report within ten days and issue its comments, or if satisfied with the report, the authorization (approval) letter within the stated time limit. In practice, however, OEPFDCCA and its zonal branches appear to fall short of meeting this time limit. In many instances, the review and approval process for sub-project screening reports and EMPs take an excessively protracted time than expected. Project proponents dissatisfied with the decision of the OEPFDCCA can submit their grievance to head of the Authority. The Managing Director of the Authority is expected to provide his response to the complaint within fifteen days, which in practical terms also take longer than that.

The Oromia EIA proclamation has also contained provisions that go in line with Core principle (2) and the associated key planning elements of the OP/BP 9.0 on environmental and social risk management. During the review and approval process of EIA reports, OEPFDCCA and its zonal branches can determine to refuse the approval and implementation of a proposed project if its adverse impacts significantly affect the natural resources, life, and health of the community. This implicates the emphasis given to adverse impacts on natural habitats and sensitive natural resources in general which culminate in refusal if not avoided, minimized, or mitigated. In practical terms, project sites which are located in or around conservation areas including Forests, National Parks, Wildlife Reserves, and Sanctuaries are highly scrutinized during EIA report review.

The OEPFDCCA and its branches in the ULGs often conduct environmental monitoring on industrial effluents by taking samples to the Burayu environmental laboratories to do the analysis. OEPFDCCA has

finished building its own environmental laboratory in Burayu town and is using it to conduct environmental monitoring and inspection.

ESMS Implementation arrangements and Institutional capacities in Oromia Region

The prime responsibility and authority to administer the implementation of Environmental and Social Management Systems in Oromia National Regional State is given to “Oromia Environment Protection, Forest Development and Climate Change Authority” (OEPFDCCA). The present Authority (OEPFDCCA) is a successor of the former ‘Land and Environment Protection Bureau’ which was restructured in recent time to form OEPFDCCA. As in the other regional states, the former Bureau has been separated from the land administration department which used to overshadow the activities of the environment protection department due to the focuses and immense duties associated with rural land administration. The OEPFDCCA is now formed by merging the environment protection department with forest development.

The new OEPFDCCA consists of two main departments that are headed by Deputy Director Generals. These are the Environment and Climate Change department and the Forest department. The main department responsible for administering the ESMS is the Environment and Climate Change department headed by the Deputy Director General. Within the Environment and Climate Change department, there are four directorates consisting of ESIA and permitting, Environment monitoring and control, State of Environment report preparation, and Climate Change Coordination directorates. The Environment and Social Impact Assessment and permitting directorate is the one that carries the day to day activities of enforcing the EIA requirements. Each of the directorates are expected to be staffed with up to seven professionals, while the existing staffs at the time of assessment are six in ESIA and permitting directorate and seven in the environmental monitoring and inspection directorate including the directors themselves.

The restructuring of the branch offices and mandate delegation to the zone, woreda, and ULG level environment protection offices were also carried with further expansion in coverage and strengthening of the offices. According to the explanation given by the deputy managing director of OEPFDCCA, the structure of the Authority has been made to devolve to the 20 administrative zones and 287 woredas of the regional state. Moreover, in Oromia regional state, eighteen selected ULGs with potential growing economic activities are made to have their own Environment Protection Forest and Climate Change (EPFCC) Offices with a Zonal office status. The OEPFDCCA is also working to expand its structure to establish its EPFCC branch offices in another 28 ULGs (i.e. called reform cities) of the Region with a city administration office status. It is important to note that whereas the Zonal EPFCC offices are accountable to the regional OEPFDCCA, the EPFCC branch offices in the ULGs are accountable to the City Administration itself (i.e. the mayor). Whereas it is believed that most of EPFCC offices of the Authority including in the 18 ULGS are already established and functional (e.g. in Holeta and Modjo towns), many of the 28 ULG level offices including the woreda offices are either open or in process to be opened (e.g. open in Dodola and to be opened in Arsi Negele towns).

The mandate for carrying the review and approval of Screening, EMP, and EIA reports are also distributed among the different levels of the OEPFDCCA institutional arrangement in the region. The responsibility to carry the review and approval of Schedule I (or Category A) project EIAs remain to be the focus of the regional OEPFDCCA. The responsibility to review and approve schedule II (Category B) projects is currently delegated to the Zonal EPFCC offices and to the 18 ULG EPFCCs with Zonal office status. The remaining schedule III (category C) projects are going to be handled by the Woreda level

EPFCC and 28 ULGs EPFCC branch offices. The woreda and ULG level offices are more active on conducting environmental monitoring on the development projects to follow up the implementation of the environmental management plans (EMPs). The EIAs reviewed and approved at the regional and zonal levels are communicated to the woreda branch office to facilitate for environmental monitoring and follow up of EMP implementation. The devolvement of mandates with such clarity to the different tiers appears to be constructive progress in promoting sound EIA administration process.

ULGs that enjoy the presence of EPFCC branch office, which is a regulatory branch, under their city administrations also at the same time acts as enforcers and regulators of the EIA proclamations. The ULG EPFCCs, whether having zonal or ULG level status, are usually accountable to the city mayor. This institutional arrangement appears to bring a potential conflict of interest in handling the environmental screening and EMP works of public infrastructure projects implemented by the 18 ULGs that have EPFCC offices with Zonal status. Under such circumstances, where ULGs play role both as infrastructure project developers and ESMS enforcer/regulators/, the issue of conflict of interest need to be addressed by avoiding the review and approval of their screening & EMP reports by the city level office and sending it to their zonal branch offices.

The institutional capacities of the zonal and ULG level EPFCC offices are found in various states. Structurally the zonal level EPFCCs including those in the 18 ULGs with zone office status are expected to be staffed with 21 professionals of different disciplines. However, since the implementation of the new organizational structures was commenced very recently (less than one year) many of the EPFCCs are yet understaffed (e.g. 4 & 3 staffs in Holeta & Modjo EPFCC offices respectively). Similarly, according to the approved organizational structures, the EPFCC offices at the 28 ULGs level are supposed to be staffed with up to 8 professionals. However, again, the EPFCCs at ULG level are either understaffed or have no staff at all for recruitments haven't taken place yet (e.g.: 2 staff in Dodola and no staff in Arsi Negele EPFCC office).

➤ **Key Gaps and areas of assistance**

The OFPEDCCA identifies the following issues as key gaps and area of assistance it need to strengthen its institutional capacity. These are:

- Environmental screening checklists applied by ULGDP II appear to be highly dependent on expert opinion for Categorization. There is a need to put benchmarks for categorization based on which objective decision on categorization could be made.
- Occurrences of shortage of man-power in the zonal and city level EPFCCs to handle the increasing number of screening reports submitted for review and approval.
- Lack of transport facilities to conduct monitoring and inspection of sub-projects implemented in the ULGs. OFPEDCCA seeks to be allowed to utilize allocated financial support to purchase motorbikes and station wagons.

In order to strengthen the capacity of the OFPEDCCA the following areas of assistance are sought:

- Awareness raising on environmental protection to different actors including ULGs, Zone and Woreda level administrations etc.
- Training on environmental management to overcome high staff turnover effects
- Logistical support such as Desk top and laptop computers, digital cameras, video recorders, etc.

ii. Review of ESMS in ULGs of Oromia Region

In addition to the cities participating in ULGDP II that were previously visited, four ULGs found under different zonal administrations of the Oromia region were assessed. The ULGs assessed were from the nineteen candidate towns expected to join the UIIDP program. The following table briefly summarizes the profiles of the ULGs visited.

No.	ULG name	Population	Area	Existing No. of Municipal Staff
1	Holeta	60,000	5500 Km ²	90
2	Modjo	75,000	5284 Km ²	81
3	Arsi Negele	137,100	941 hectares	100
4	Dodola	38,000	602 hectares	60

- a) Infrastructure development and experiences in the management of environmental and social risks of projects.

City infrastructure development in the ULGs is being undertaken to some extent by combining the meager resources they have with the support they get from the community, the regional government and other similar sources. Many of the ULGs visited in Oromia region appears to have prepared rolling Capital Investment Plans (CIPs) and started to guide their infrastructure development according to the plan. The common infrastructure projects observed to have been constructed by the ULGs consists of open ditch drainages, gravel and cobble stone roads.

Beyond the attempt to build the stated type of road infrastructures, which by itself is short of satisfying the wider demands of their inhabitants, the ULGs appear to struggle with their waste management services, abattoir and other city service provisions. For example, all of the ULGs assessed in the region use open dump sites for solid waste disposal which is often located in the designated area by the master plan for future sanitary landfill sites (e.g.: Dodola, Holeta, and Modjo). Others are still continuing to use abattoirs located in the middle of the towns (e.g.: Modjo, Holeta, and Arsi Negele) without adequate liquid, solid and by product wastes management. These clearly demonstrate the mismatch between city revenues and investment demands to provide better services to their residents.

No.	ULG name	Length of Cobble road built (Km)	Length of gravel road built (Km)	Length of drainage built (Km)
1	Holeta	29.3	204.2	25.7
2	Modjo	17	153	18.87
3	Arsi Negele	8	30	16
4	Dodola	11	28	11.2

An assessment of past experiences of the ULGs in applying the ESMS procedures to fulfill the EIA requirements for the infrastructure projects they build shows that no environmental and social screening, EMP or EIA preparation was carried and not submitted to the environment authorities for review and approval prior to the implementation of the limited infrastructure projects they built. In other words, none of the new candidate ULGs assessed in the Oromia region appears to have started practicing and applying the regional environmental assessment procedures such as environmental and social screening on the infrastructure projects they were implementing. Even though they are playing the role of a project developer by constructing the stated public infrastructures, the new candidate ULGs appear to be not aware of their obligation to comply with the regional environmental assessment requirements.

During the discussions with the ULGs, they often try to associate the environmental assessment requirements of the ESMS with the application of urban greening design principles such as creating green islands on the maidens of cobblestone roads or the development of squares with greenery (e.g. Holeta & Modjo). However, it is known that fulfilling the environmental assessment requirements on the infrastructure projects would have enabled to look on environmental effects beyond it. The lack of implementing ESMS requirement in the infrastructure projects of the ULGs are often reflected by the existence of environmental degradations associated with the projects. The absences of EMP for quarries used by ULGs to supply raw materials for construction are observed to leave its footprints (e.g. Arsi Negele, Holeta and Modjo). Solid waste disposal sites selected to serve as makeshift sites till the proper facilities are developed are observed to be located along river banks with a potential to cause water pollution downstream (e.g. Dodola). In general, the ULGs appear to lack experiences in addressing the EIA requirements and associated procedures.

b). Existing capacities for implementing ESMS

During CIP preparations, the ULGs conduct consultations with the community on prioritization of sub-projects. Following that, however, sub project screening for environmental and social effects is not exercised by any of the assessed ULGs in the region. This attributes to the absence of responsible body having sufficient capacity in the new candidate ULGs that can handle the ESMS procedures. The ULGs have a structure for Infrastructure office which is staffed with engineers and are responsible for undertaking the infrastructure development projects. The infrastructure office, however, does not have job placement for environmental and social experts who can assist them in carrying out the ESMS requirements. Moreover, as it is the practice with some of the ULGDP II participating cities in Oromia region, the assessed ULGs appear not to have assigned an environment and social focal persons from their beautification and sanitation offices. Thus, the new candidate ULGs appears to lag behind in building the necessary basic capacity that helps to implement the ESMS procedures.

The ULGs in the region, on the other hand, have either established or they are in the process of establishing their own Environment Protection and Climate Change (EPCC) Offices under the City administration. For example, whereas Holeta and Modjo towns have functional EPCC branch offices, the remaining towns i.e. Dodola and Arsi Negele are planning to establish similar branches in the next 2017/2018 EFY. Since the EPCC branch offices are part of the regulatory arm of the OFPEDCCA they are only supposed to enforce the environmental requirements on the ULGs themselves, a task which they rarely do. Most of the applicable Federal and regional environmental legislation and guidelines are known

to the EPCCs, though it is not the case with the other sector offices of the city administrations including the city mayors, managers and experts.

iii. Social Systems Management:

The discussion to assess the system of social risk management of nominated towns revolved around 1) the process of land acquisition and resettlement process; 2) grievance redress mechanism in relation to land expropriation; 3) access of service/infrastructure to underserved and vulnerable groups 4) the impact of labor influx because of program implementation in ULGs. The assessment is summarized by region as follows:

Land Acquisition

The field assessment of towns (Holeta, Modjo, Arsi Negelle, and Dodla) established that proclamations no. 445/2005 and regulation no. 135/2007 as well as regional regulation and directives were in use to address land take and compensation. Field assessment also confirmed that compensation payment regulation is being amended to reflect ground reality (a new agency for complaint hearing and review of compensations made in the past years started work during write up of this report). Proclamation no. 721/2011, proclamation to lease urban land is the prevailing law to manage land in ULGs.

Even though similar laws are applied in the region, the towns assessed have varied experience related to land expropriation and compensation (Modjo has vast experience whereas Arsi Negelle's experience is limited). Only legal property owners can claim compensation and other entitlements for property lost. Undocumented property owners should go through a process of legalization property under their possession which includes confirming to proposed land use on the structure plan, details on lease proclamation (721/2011) and related regional regulation and directives (4/2016 and 182/2016). Any property owner must confirm to have built before a cutoff date set by regional directive (the cutoff date for legitimacy is when a property is captured on aerial photo or land inventory up to December 2013).

Compensation includes cash for lost properties and land replacement (140 sq. m -200 sq. m subject to town's standard) within the town's jurisdiction. When rural settlements are incorporated in to urban areas, affected household head and adult children living with parents (18+) are entitled to land replacement, 500sq. m for the household head and 100sq.m-160sq. m to children. By the same token cash compensation includes replacement cost of property and improvements (tree, crops etc.) calculated based on average income earned in the last five years calculated for 10 years payable only to household head.

When public (Kebele) houses are expropriated, alternative house (usually Kebele) or land is provided (depending on the affected household capacity) in exchange. However, if the public property was used for commercial purpose the affected are expected and encouraged to get organized and build. There is no compensation on livelihood restoration in the region in general. One exception is Holeta town administration where the city council passed a decision to support 18 kebele households, whose property has been expropriated, to organize, train, and have access to finance to ensure continuation of livelihood to previous standard.

Public and Workers Safety and Vulnerable Groups

The four sampled towns undertook construction of cobble stones roads, culverts, and drainage lines through urban initiative fund, a program where regional government raises equivalent to 30% of ULGs collected revenue for infrastructure provision. Field visit showed that the drainage lines limit accessibility

particularly to the elderly, PWD, children and pregnant woman. One of the core principles 3(a) which requires community, individual and workers' safety be promoted through the design, construction, operation and maintenance of physical structure is mostly relegated secondary to coverage. Even though regional governments support towns including the assessed ones, in preparation of CIP, environmental and social management is not included, thus universal accessibility.

Experts discussion during field assessment stated that lower payment for women (for the similar work as men) in the manufacturing and construction industry is still practiced. Worker and employer relations are regulated based on proclamation no.377/2003, the most frequent area for arbitration, according to discussion, is gender bias in payment (large-scale farming –Holeta and Manufacturing in Modjo). Abuse on woman and children is, in general, declining in all the assessed towns. However, in 2015 abuse on women and unwanted pregnancy reached a record high in Holeta town. Large scale awareness rising campaigns (TV, Radio, Documentary film), aggressive use of grass roots women groups has significantly lowered the frequency but the risk persists.

Experiences of ULGDP I and II and field work findings showed that all jobs created by this project have taken by the locals and no physical infrastructure construction had resulted labor influx in existing cities as well as in the assessed towns.

Institutional Arrangement

Land development and management office, accountable to the city manager, is responsible to administer land within an urban jurisdiction. Once land expropriation is decided, the land development and management office takes inventory and value property. The office structure of assessed towns shows that valuation is made by an expert (usually engineer) subject to agreement by PAP since inventory of property is made in the presence of PAPs. The woreda agriculture office is involved in the valuation of inventoried property particularly at the peri-urban.

Grievances in relation to land are logged to the 'complaints and grievance office' accountable to the mayor. The mayor office addresses complaint issues by drawing members from his cabinet, land management, and development office being part of the committee. One incident worth mentioning is the experience of Modjo (Dry port expansion), when compensation payment to farmers was delayed leading to recalculation of compensation to include farm produce that would have been collected, for expropriated land left unused.

All assessed towns have a functioning office for labor and social affairs, except for Arsi Negelle which is still dependent on the woreda office. The office, to be established in the coming fiscal year, will have responsibility to implement and regulate work relationship as per proclamation no. 377/2003. Current practice by the woreda office is limited to arbitration between employees and employers. Investigation of construction sites is jointly made with construction office to ensure safety of workers, but MSEs are not subject to meet safety requirements the presumption being they will meet standard because they use their own labor and enforcing such law will increase construction price.

Oromia National Regional state has adopted the federal building proclamation, and issued regional building proclamation 174/2012. Approval of infrastructure design, including cobble stone roads, drainage and culvert are undertaken by construction office, but available laws serve only buildings. In the absence of legal framework or standard, safety precautions are assumed to be expensive thus approval processes tend to focus on cost and coverage instead of accessibility. Audit report of infrastructure

covered by ULGDP II found out that crossing drainage lines is difficult particularly to the elderly and PWD.

Office for woman and children is established at all assessed towns. The office works with grass roots (Kebele) level women groups (1:5 & 1:30), to raise awareness and minimize harmful traditional practice. In recent years, traditional practices are declining and abuse on woman reducing; however, child labor (for domestic use) is still high. The office also works jointly with justice office and the police to bring culprits to justice. Temporary shelter for victims and centers for rehabilitation do not exist in any of the towns visited.

Key gaps and areas of assistance

The following were identified as key gaps and challenges by the new candidate ULGs in the region.

- Shortage of skilled man-power especially in environment and social management area due to its absence in the organizational structure of the ULGs.
- Lack of capacity building support to start the implementation of the existing environmental requirements.
- Shortage of information/knowledge sharing on the availability of environmental laws, guidelines, standards including the World Bank ESG and RSG documents
- Shortage of transport facilities and other logistics

The ULGs in the region also identified the following areas for assistance

- Training on environmental and social management systems and associated environmental assessment requirements.
- Periodic short term trainings to orient new staffs recruited by the ULGs
- Technical support on implementing environmental assessment guidelines, procedures and requirements including world bank ESG and RSG guidelines
- Capacity building training on urban management and performance enhancement at leadership and expert level.
- Experience sharing tours in other well performing ULGDP II participating cities
- Support to provide IT facilities, equipment like GPS, and transport vehicles

2. Amhara National Regional State

Amhara National Regional state is one of the nine regions found in Ethiopia. Eight ULGs from the regional state are already participating in the ULGDP-II program and another eight ULGs are expected to join in the next phase of UIIDP program. The new candidate ULGs from the region are Chagni, Woreta, Kobo, Injibara, Debarik, Dangila, Sekota, and Bure.

In addition to the ULGDP II participating cities assessed previously, three sample ULGs (Injibara, Woreta and Kobo) were selected and visited during the current ESSA field assessment. In addition Bahirdar city being the capital of the region was visited during the assessment to carry discussions and interviews with the regional bureaus. The overall picture of the existing environmental and social management systems and the institutional capacities is updated in the following sections by incorporating the changes and new

developments that occurred between the previous (2014) and current ESSA assessments (2017) done on the same region.

i. Existing Environmental and Social Management Systems and legislations

Since 2011, the Amhara National Regional state has put in place regional environmental legislations which respond towards the fulfillment of core principle 1 & 2 and its key planning elements. The environmental and social management systems in the region are basically defined by the proclamations on EIA, Pollution control and associated directives as well as guidelines.

The Amhara national regional state has adopted the Federal Proclamation on Environmental Impact Assessment after it was customized to the regional realities. The Amhara region version of the proclamation is called ‘Environmental Impact Assessment Proclamation of Amhara National Regional State No. 181/2011’. This piece of legislation is still at work and remains to be the same without further updates made to it in the past three years (2014 – 2017). In addition to the framework proclamation, EFWPDA have prepared and published detailed guideline on EIA in 2012. During the field assessment, it was learned that experiences in practical implementation of the 2012 EIA guideline in the past years has shown some differences versus the ESG in categorization of sub-project. As a result, EFWPDA is in the process of revising and drafting new EIA guideline that will be more in agreement with the ESG categorization.

In line with core principle 1(a) of the interim guidance for ESMS of OP/BP 9.00 which seeks to promote environmental and social sustainability in the overall development efforts and in the upcoming *P for R* UIID program; the regional EIA Proclamation No. 181/2011 has clearly stipulated the requirement for environmental assessment in article-4 by stating that “*anybody who shall conduct a project..... shall not be permitted to implement unless he gets a positive response from the \bureau or the environmental protection, rural land administration and use office at different levels*”. According to this article project proponents (whether public or private) are required to prepare EIA and submit to the EFWPDA or its branch offices at zone or woreda level to obtain positive response (*which meant approval*) for it before they start implementing the proposed project.

The enforcement of this requirement for environmental assessment is spearheaded by EFWPDA and its branch offices at Zone, Woreda and ULG levels. Thus project proponents are required to present certificate of positive response or approval from the EFWPDA or its zonal branch offices by preparing EIA and getting it approved. In practice the level of enforcement of the EIA requirement is growing from time to time. Nowadays submission of EIA for all big projects is required by the Authority. Representatives of the Authority agree that the implementation of ULGDP I & II programs so far has enhanced the level of awareness, enforcement and commitment on the decision makers of the public sectors regarding environment protection in general and on the need to enforce the EIA requirement on ULGs in particular.

In agreement with Core principle 1(b) of the interim guidance for ESMS of OP/BP 9.00 which seeks to promote informed decision-making relating to a program’s environmental and social effects, article 11 sub article-1 of the regional EIA proclamation requires that the environmental impact study report should contain sufficient information that would enable the Authority to give its decision. This implies that the EIA report is expected to contain all necessary information that is relevant to the nature and

characteristics of the proposed project, inputs and technology including the process to be used, content and amount of pollutants to be released, baseline information on the project site and its environment, duration and characteristics of all direct and indirect impacts, and etc. Therefore, the EIA report to be prepared for any project is expected to contain sufficient information including those listed above as minimum information requirement. In practice, the EFWPDA uses the review and approval process as a platform to ensure that the EIAs submitted contain sufficient and correct information necessary to make decision and provide its comments to the project proponent for amendments.

In line with the key planning elements of core principle-1 of the interim guidance for ESMS of OP/BP 9.00 that seek to ensure whether existing EIA procedures incorporate recognized elements of environmental and social assessment good practices, the environmental procedures followed to implement and administer the EIA proclamation as outlined in the EIA guideline demonstrates that there are steps to follow during the EIA preparation process. According to the EIA guideline (2012) project proponents are advised to contact the competent agencies for pre-screening consultation to get advice. The project proponent is then supposed to conduct screening of the project with possible help from a consultant. Screening reports are expected to be submitted to EFWPDA and its branch offices at Zone and Woreda levels.

The EIA guideline categorizes the list of development projects into three categories. Category 1 projects are those in the inclusion list which are perceived to have potentially significant environmental effects on the environment and mandatorily required to prepare full Environmental Impact Study (EIS) report. Category 2 projects are considered to be less complex development projects having environmental impacts that are not wide spread and relatively easy to mitigate. All projects included in category 2 are required to prepare a preliminary environmental impact assessment or initial environmental examination (IEE) report. Category 3 forms the exclusion list and projects listed under it are considered not to have significant environmental effects individually or collectively. It is expected that an environmental improvement program is included in the development projects and no EIS or IEE is required. Decisions on the screening reports are expected to be given within 3-5 days by EFWPDA and its branches. Based on the decisions made on the screening reports, the preparation of either full EIA or IEE will be preceded. EFWPDA practically applies the screening of proposed development projects by the public and private sector proponents and categorize it into one of the schedule I,II or III, thereby recommending the level of Environmental assessment needed for it

On the other hand the issue of public participation and its inclusion in the EIA study and review process is well addressed in practice and in the law. Article 21 sub-articles 2 of the regional EIA proclamation also stipulates that EFWPDA or its branch offices “*shall ensure the comments made by the public and in particular by the communities likely to be affected by the implementation of the project are incorporated into the EIS report as well as in its evaluation*”. In practice EIS reports that do not have signed minutes of public consultation meetings and other supporting photo or video evidences are not generally accepted and approved by the Bureau and its branches.

Core principle (2) of the interim guidance for ESMS of OP/BP 9.00 and its key planning elements generally seek to ensure that environmental and social management procedures and processes are designed to avoid, minimize, and mitigate against adverse impacts on natural habitats and physical cultural resources. In line with it, according to the EIA guideline of the region, project proponents are

required to consider site and project alternatives based on the nature of the project and environmental sensitivity. Natural habitats with rich biodiversity and sites with physical cultural resources are listed among the long list of sensitive and fragile environment in the guideline which should be treated cautiously. These considerations on project alternatives are required to be present in the EIA document to be submitted for review and approval. Representatives of EFWPDA explained that the site alternative consideration is one of the important aspect sought during review of EIA and in some cases it has resulted in refusal of proposed projects intended to be constructed in sensitive areas. Moreover, article 5 sub article 1 of the regional EIA proclamation also states that “*impacts of a project shall be assessed on the basis of the size, location, nature, cumulative effect with other concurrent impacts or phenomena, duration, reversibility or irreversibility or other related effects of the project*”. The EIA guideline published in 2012 (which is currently under revision) also identifies a list of other sensitive and fragile sectors of the environment that need to be cautiously assessed and conserved during EIA implementation.

Project proponents can submit their EIA study reports for review and approval either to head office of EFWPDA, the zonal branch or to the woreda branches based on the category level and trans- boundary nature of the project impacts. The regional EIA guideline published in 2012 has provided a checklist to guide the review process by indicating the different aspects and level of information to be checked in the EIA study report. The EFWPDA and its zonal branches are required by the law to review the EIA study report submitted to it within fifteen days and issue the certificate of approval/authorization/positive response if satisfied with the report within the stated time limit. At the same time EFWPDA and its branch offices can also decide to refuse the implementation of the project if it is convinced that the negative impacts of the project cannot be satisfactorily mitigated or avoided. Under normal practices, however, EFWPDA takes more time than the fifteen days limit set in the law to provide its review comments and subsequent decisions on the EIA/EMP submitted. Project proponents dissatisfied with the decision of the EFWPDA can submit their grievance to head of the bureau within thirty days after receipt of the decision. The bureau head is expected to provide his response to the complaint within thirty days after receipt of the compliant.

ii. 5.3.2.2 ESMS Implementation arrangements and Institutional capacities

The implementation responsibilities for the Environmental and Social Management Systems in Amhara Region is bestowed to Environment, Forest, Wildlife, Protection and Development Authority (EFWPDA). The former BoEPLAU has been restructured by the regional state and separated from the Land Administration and Use Core Process and merged with other relevant conservation departments to become an Authority by itself. The new restructured regional environment office is currently known as ‘Environment, Forestry and Wildlife Protection and Development Authority (EFWPDA) and it appears to have strengthened its focus more on the environmental conservation and management fields as the result of the restructuring. The restructuring is carried in a similar manner down to the Zonal and Woreda levels.

With regard to institutional arrangement for ESMS implementation, EFWPDA has five main Directorates at the regional head office level. These are the Environmental protection, Forest Protection & Development, State of Environment, Wildlife Protection and Development, and Public Awareness and Information Directorates. Though many of the directorates appear to have direct and indirect roles on the ESMS process, the main responsibility for administering and enforcing EIA in the region is shouldered by the Environment Protection Directorate. This Directorate consists of three case teams that specifically

work on environmental permitting, environmental enforcement and environmental laboratory. The environmental permitting case team is specifically responsible for the review and approval of EIA, EMP and Screening reports.

At Zone level, the branch offices of EFWPDA are called “Environmental Protection and Sustainability office” and are organized under one core process. The zonal offices appear to consist of four staff with one EIA expert. The Zonal offices are getting increasingly involved in enforcing the ESMS in ULGDP II and other similar World bank funded projects and appear to have gained more experiences in the review and approval process. The structure of EFWPDA also stretches down to woreda level with accountability to the regional Authority. The environment offices at woreda level are continued to be named as “Land use administration and environment protection offices” and are mainly focused on environmental management in the rural areas of the Woreda. However, after the restructuring they are also mandated to do Category C projects. At ULGs level, EFWPDA has branch offices in three cities of the region (i.e. Bahirdar, Gondar, and Dessie) which are categorized as metropolitan cities by the region’s bureau for industry and urban development. Outside the three metropolitan ULGs the Environment office is found merged with urban agriculture and land administration office. But such structure is not yet fully established and operational in many ULGs of the region.

The restructuring of the former BoEPLAU was also followed by devolvement of mandates and responsibilities on ESMS down to the zone, woreda and ULG levels with more clarity than before. It is learned that EFWPDA as regional authority will mainly focus on the review and approval of Category A projects, delegating the zone environmental protection and sustainability offices to handle all Category B projects. Since ULGDP-II (UIIDP) sub-projects are supposed to be Category B, the review of screening reports and associated EMPs will be conducted at the Zone Environment Protection and Sustainability offices. The mandates to review and approve Category C sub-project is delegated to the Woreda and ULG level environment protection offices.

Despite gaining more experiences and excelling in the EIA administration, the institutional capacities of EFWPDA at the regional head office and zone level need to be strengthened further with more professional staffs. The environment protection Directorate of EFWPDA is a better staffed directorate with environment professionals. It has about eight professional staff. The Directorate has assigned an environmental and social focal persons to exclusively follow up the ULGDP II program sub projects being implemented in the eight participating ULGs. The two case teams (environmental permitting and enforcement) are staffed with more than 9 professionals currently. The institutional capacities at zonal offices also need to be further strengthened especially due to the devolvement of mandates which expand their role in EIA review and approval. Though not sufficiently financed, the EFWPDA carries its activities with the help of annual budgets allocated to it by the regional state. EFWPDA also gets some financial support from the ULGDP II program to help it conduct its own environmental audit and monitoring in the ULGDP II participating cities. However, this was repeatedly claimed to be insufficient when distributed among the zonal and woreda environmental offices involved in the conduct of the environmental audit and monitoring.

iii. Review of ESMS in ULGs of Amhara Region

In addition to the ULGDP II participating cities assessed previously, three new candidate ULGs from among the eight ULGs in line to join the UIIDP program were visited and assessed from Amhara region. The candidate ULGs visited belongs to three different zonal administrations of the region. The following table briefly summarizes the profiles of the ULGs visited.

No.	ULG name	Population	Area	Existing No. of Municipal Staff
1	Injibara	35,645	36.9 km ²	85
2	Woreta	44,872	78.4 km ²	83
3	Kobo	43,600	192.34 km ²	105

Flood hazards appear to be one of the environmental challenges faced by some of the ULGs assessed in the Region. For example Kobo town is frequently exposed to flood accidents that often flow out of the channel of Dikala River affecting the life and property of its residents. Woreta town also is exposed to flood hazards.

Infrastructure development and experiences in the management of environmental and social risks of projects.

The ULGs in the region are endeavoring to develop their city infrastructures with the limited resource and support they obtain from the regional government, community participation and their own revenues. As in the other regions, the types of infrastructure projects prioritized for implementation were mainly the cobble stone road, drainage and gravel roads.

Due to limitation of financial resources, other more demanding and resource intensive infrastructure projects such as solid waste management facilities including waste collection & transport, and disposal sites and abattoirs are not tackled. The current environmental situations of those facilities in the ULGs appear to be a major source of concern and sometimes source of public complaint by the residents. Many of the abattoirs in the ULGs are located inside the towns (e.g. Woreta town) where they generate unpleasant odors that discontent the neighborhood residents. Though there are efforts to control the environmental and public health effects of the open waste disposal sites by burying it in a dug pits in some ULGs (e.g. Injibara town), in others the disposal sites are situated in open fields or along river banks (Woreta & Kobo respectively) which remain to be a source of environmental concern due to the contamination/pollution it may cause to soil and water bodies. The actions required to alleviate the environmental concerns (degradation) of these facilities are observed to be out of the reach of the current resources of the ULGs both in terms of financial and skilled man-power.

No.	ULG name	Length of Cobble road built (Km)	Length of gravel road built (Km)	Length of drainage built (Km)
1	Injibara	4	61.2	17.5

2	Woreta	8.13	57.63	24.36
3	Kobo	10.3	10	

With regard to the existing practices of environmental management systems, the ULGs in the region appear to be at different levels with respect to the level of awareness and exercising the fundamental procedures of ESMS. The infrastructure office of some ULGs such as Injibara were found to be well aware of the environmental requirements and have already started preparing environmental and social screening reports for many of the prioritized road projects they were implementing and forwarded it to the Zone Environmental Protection and Sustainability office (ZEPSO) for review and approval. ULGs like Injibara appear to have gone a long way in developing their experiences and responding to the ESMS requirements. The ULG also appear to have conducted public consultation during CIP preparation and sub-project screening. Sub-projects that cause resettlement and hence payment of compensation are screened out from implementation for there is shortage of resources in the ULG to cover compensation payments.

On the other side, though the City administration appears to be less aware about the environmental assessment requirements, ULGs like Woreta were in preparation to start practicing the ESMS procedures on the infrastructure projects they were implementing. Especially the ULG was trying to get assistance from the zonal office for urban development environment officers to conduct environmental screening of its sub-projects. Others, like Kobo haven't yet started exercising the ESMS procedures and appear to lack the experience yet. During the discussions held with the city administration, it was learned that about three staff members of the ULG did participated in environmental and social management training in the past but the guidelines were not put into action. In general, though the existing experiences on ESMS implementation practices are observed to be in its infant stage, there is an encouraging progress towards the commencement of actual practices of the ESMS procedures thereby developing experiences of the ULGs.

Existing capacities for implementing ESMS in the ULGs

The ULGs in Amhara region, in particular those in the pipeline to join the UIIDP program, appears to have been engaged in building and strengthening their capacities that would assist them to meet and implement the ESMS requirements on the infrastructure projects they are carrying now and in the future. There appears to be a general trend that the infrastructure offices of the new ULGs going to join the program have already an approved job placement for environmental officer in their organizational structure for which either they have already recruited an officer or are in the process to recruit one. For example, according to the Awi & Woldia ZEPSOs, ULGs like Injibara, Chagni, Dangila and Mersa have created an institutionalized capacity by employing an environmental officer within the infrastructure office that will carry out the necessary works to meet the ESMS requirements. The environmental officers in those ULGs have already commenced submitting environmental screening reports for projects they are currently undertaking to the Zonal office and get them reviewed and approved. The other ULGs like Woreta and Kobo were observed to be in the process of filling the vacancy for environmental officer at the time of the assessment. This indicates that the ULGs are striving to build their capacity and experience for ESMS implementation.

Despite that, however, many of the assessed ULG's leadership and staff members appear to be less acquainted with the environmental assessment requirements and ESMS procedures in general. For many of the ULG administration organs including the city mayors and managers, there is no clear understanding that the environmental assessment requirements also apply to infrastructure development projects implemented by the City Administrations themselves. On the other hand, many ULGs are also a seat for the Woreda Administrations and hence enjoy the presence of Woreda Agriculture and Environment Protection Offices (WAEPO) in the cities. The WAEPO appears to be actively engaged in enforcing the EIA requirements in the private sector and handling environmental complaints. For example, in Kobo town, a site proposed for factory project investments were made to be changed after the EIA revealed incompatibility with one another. Similarly, the location of a stone crusher found at the suburb of the town was ordered to change after environmental complaints related to noise and dust release were lodged by the surrounding communities in Kobo town.

It was also learned that some ULGs tend to establish work relations with these environment protection offices, especially with their respective WAEPO, to submit their environmental screening reports for review and approval. However, such practices need to be checked against conflict of interest in review and approval process.

iv. Social Systems Management

Land Acquisition

Amhara National Regional State, like all regions, has adopted proclamations no. 445/2005 (Expropriation of Land Holding for Public Purposes), regulation 135/2007(Payment of compensation for property situated on land holdings expropriated for public purpose) and proclamation no. 721/2011 (Urban Land Lease Holding) to manage land and land related issues in urban areas. Following the federal proclamation, the regional government has issued lease regulation 103/2012, applet tribunal 124/2014 and guidelines to value property and estimate compensation.

The visited towns (Injibara, Woreta and Kobo) use the aforementioned laws to acquire land for public use. The field assessment showed that towns undertake vast infrastructure work particularly the expansion of cobble stone roads and drainage lines but the need to expropriate land was kept to the minimum. The prevailing system shows that only legal land holders are entitled to compensation. Not all property owners have the necessary evidence to ensure legality thus entitlement to compensation and related benefits when expropriated, thus a separate process is followed to define legal status by applying the land lease proclamation and regulation and related directives and the prevailing development/structure plan of the ULG, which could be lengthy and frustrating.

Compensation includes cash for lost properties, calculated as per directive provided by the regions, and replacement land (150 sq. m -200 sq. m depending on standard of a city under consideration). Public (Kebele) houses, used for residence, when expropriated, alternative kebele house or land is provided in exchange. When public (Kebele) property, used for commercial purposes, PAPs are encouraged to organize and build.

In peri-urban areas, predominantly rural settlement, whose livelihood dependent on farming, land replacement for expropriated property include not only the household head but also adult children (18+) living in the same household. Land plots up to a size of 500 sq. m for the household head and 100sq.m -

400 sq. m for adult children is provided respectively. All entitlements include replacement cost of property, improvement made on land valued based on the average of the previous five years harvest calculated for 10 years. However, persons affected but do not have legal status are not compensated. Livelihood restoration practices are not practiced in the three towns assessed.

Public and Workers Safety and Vulnerable Groups

The main responsibility to regulate public and workers' safety in relation to construction sites/civil works lays on regional and town levels labor and social affairs and construction bureau/office. Bureau of Labor and Social Affairs, at region level is responsible to issue laws and guidelines. In addition to ensuring the implementation of labor law to enhance harmonious industrial relationship, social welfare process have finalized documents to mainstream interests of the elderly, people with disability and other vulnerable groups.

Proclamations 377/2003 and 624/2009, regulation 243/2011 and directive 5/2011 are the prevailing laws at ULGs visited, however hardly enforced. Furthermore, regulating use of safety precautions to protect workers during quarrying and laying of cobble stone roads and drainage lines is none existent.

Core principle 3(a) which requires community, individual and workers' safety be promoted through the design, construction, operation and maintenance of physical structure is rarely adhered too. Field assessment of towns in Amhara region show that the built drainage lines are unsafe particularly for the elderly, PWD, children and pregnant women. Per audit of civil works by the EFWPDA, built infrastructure particularly drainage lines are not safe to vulnerable groups.

Field assessments showed civil work on cobble stone road and drainage line constructions do not attract large number of laborers nor child labor. Nonetheless, the team assessed the overall system of towns' readiness to prevent use of child labor and adverse impact of labor influx on host community particularly on woman and children. In regions where traditional harmful practices (like early marriage, abuse and child labor), is widespread woman and children are vulnerable to harm. Though interviews with relevant body indicated that the frequency of such incidents is declining domestic child labor persists.

Institutional Arrangement

Land development and management office is responsible to administer land within an urban jurisdiction. Once land expropriation is decided by the tribunal, land development and management office takes inventory and value property. The woreda /urban agriculture office is involved in the valuation of compensation of property located at the peri-urban. Approved calculations are then referred to finance department for payment.

The Amhara national Regional state has developed regulation 124/2014 (the Urban Land Clearance and Compensatory Cases, Appellate Tribunal Establishment and Working Procedures Determination Council) issued to expedite responses to complaints made in relation to land expropriating and compensation. Accountable to the mayor, the Tribunal is composed of the Mayor office, representatives from trade, urban agriculture and unlawful act prevention offices and two (one female one male) representatives who have lived in the town for more than five years. The tribunal has to respond within 30 days of logging a complaint. The decision made by the Tribunal is final excepting issue related to compensation. The Tribunal compiles and records complaints, decisions minutes and report to the city council every three months.

The office for Labor and Social Affairs, which is merged with Women and Children at ULG level, is responsible to regulate public and workers' safety at/around construction sites. Interviews at ULGs and regional levels found out that this structure has created challenge of accountability and departments competing for prioritization of activities. The building officer, another organ of the ULG responsible for evaluation /approval of buildings and infrastructure for construction and later inspection approves designs of cobblestone roads and drainage lines. However, available laws and guidelines serve only buildings. Engineers do not have guidelines/standards to evaluate and approve infrastructure designs based on cost minimization.

Inspection of construction sites to assess worker's safety are conducted jointly (building officer labor affairs of the city). However, with limited awareness and capacity (human, financial and regulatory) inspections are inadequate and far in-between. Furthermore, fear (perceived) of hike on the construction cost particularly those involving SMEs has made inspection and enforcement rules lenient. As a result, built drainage lines in most of the ULGs are not accessible to all sections of society especially to the elderly and PWDs.

The office for Labor, Women, Children and Social Affairs, is also responsible to address issues related to women and children. The office is mainly engaged in raising awareness at grass roots level, through women groups (1:5; 1:30), to minimize harmful traditional practice, and report when such incident occurs. The woman and child affair office jointly work with justice office and the police to bring offenders to justice. Interview with Woman and Child Affair staff found out that temporary shelter for victims and centers for rehabilitation do not exist in any of the towns visited.

In general, the assessed towns, particularly Arsi Negelle and Dodola must strengthen their capacity to be able to meet environmental and social systems requirements. Implementing the newly proposed structures including hiring Social and Environmental specialists is of crucial importance.

Key gaps and areas of assistance

The following were identified as key gaps and challenges by the new candidate ULGs in the region.

- Lack of skilled man-power in environmental management and EIA at city level
- Shortage of training and skill development
- Shortage of capacity building on EIA process
- Shortage of transport to conduct monitoring and inspection
- Shortage of logistics support

The ULGs in the region also identified the following areas for assistance

- Capacity building training on EIA techniques
- Experience sharing on good practice with other cities in the country
- Awareness raising on EIA laws, guidelines and its application on public and private sector funded projects to all levels including leadership and experts of city Administration
- Provision of transportation support to conduct monitoring and inspection
- IT support including computers, laptops, printers etc.

3. Tigray National Regional state.

The Tigray National Regional state is found in northern parts of Ethiopia. Eight ULGs have been participating in the ULGDP-II program from the region and one more ULG is expected to join in the next phase UIIDP program. The overall picture of the existing environmental and social management systems and the institutional capacities present at ULG and regional levels is updated in the following sections.

i. Existing Environmental and Social Management Systems and legislations.

In parallel to the other regional states, the environmental and social management systems in the region are set out by the framework proclamations on EIA and Pollution control. The Tigray National Regional State has adopted the Federal Proclamation on Environmental Impact Assessment and Pollution Control after it was adjusted to the regional context. The regional versions of the proclamations are called ‘Tigray National Regional State Environmental Impact Assessment Proclamation No. 200/2003’ and ‘Tigray National Regional State Pollution Control Proclamation No.199/2003’. In addition to the framework proclamation, EPLAUA have prepared draft regulations on EIA and pollution control which will provide more detail rules and guidelines to implement the framework proclamations. The draft regulations are still pending for endorsement by the regional administration, and hence the Agency has continued to apply the Federal EIA procedural guidelines for its daily operational purposes.

In order to encourage the inclusion of necessary measures that ensure environmental and social sustainability in development projects, the Environmental Impact Assessment Proclamation No. 200/2003 of the Tigray region provides the necessary legal and regulatory framework to guide environmental and social impact assessments that positively responds to the Core principles and the key planning elements of the OP/BP 9.0 on environmental and social risk management. The Regional EIA proclamation lay down the requirement for environmental assessment in article 6(1) by stating that “*any person or any project proponent who shall conduct a project..... shall not be permitted to implement the project unless he gets authorization from the Agency*”. According to this article project proponents (whether public or private) are required to go through the formal EIA procedures and should obtain authorization (*or consent*) for their project before starting its implementation, which is practically applied to development projects widely proposed by the private sector.

Usually project proponents approaching the Agency are advised on the type of EIA (full or partial) they need to prepare. Often, in practice, the experts of EPLAUA and its Woreda branches provide a kind of pre-consultancy support to the project proponent. When project proponents approach the regional EPLAUA and its woreda branch offices, the office experts advise them on the category into which the proposed project belongs and further indicate them on the type of EIA (full or IEE or none) required to be submitted by checking the specific proposed project against the schedule of activities indicated in the Federal EIA procedural guidelines. The project proponent is then supposed to conduct the EIA study with the help of registered consultants by the agency. With regard to ULGDP II and other World Bank financed projects such as the AGP, the ESMF screening formats and procedures are generally followed by the agency. Screening reports are expected to be submitted either to EPLAUA head office or its woreda branch offices. The ULGs other than Mekelle city are expected to submit their screening reports to the nearby Woreda Environment Protection and Land Use Offices. Based on the decisions made on the screening reports, the preparation of either full or partial EIA will be proceed.

Moreover, in line with the concept of Core principle 2 (c) which seek to promote informed decision making in relation to environmental and social effects, article 13(1) of the regional EIA proclamation requires that EIA reports should contain sufficient information that would enable the Agency to give its decision. This implies that the EIA report is expected to contain all necessary information that is relevant to the nature and characteristics of the technology to be applied by the project including the process, content and amount of pollutants to be released, the type and extent of ecological systems and biodiversity resources to be affected, source and type of energy, duration and characteristics of all direct and indirect impacts, and etc. In addition, the breakdown of costs and budgets necessary for implementing the EMP and environmental monitoring requirements are also required to be indicated in the EIA study reports.

In line with the key planning elements of core principle-1, the issue of public and stakeholder consultation and its inclusion in the EIA study and review process is well addressed in the EIA legislation and in practice. Article 12(2) of the regional EIA proclamation stipulates that EPLAUA “*shall ensure the comments made by the public and in particular by the communities likely to be affected by the implementation of the project are incorporated into the EIA report as well as in its evaluation*”. In practice EIA reports that do not have signed minutes of meetings of public consultation and other supporting photo or video evidences are not generally accepted and approved by the Agency.

According to article 7(2) of the regional EIA proclamation, the environmental impact study is supposed to consider the state of the environment to be affected, the nature and type of potential impacts, the magnitude & reversibility of adverse impacts, the number of people to be affected, the environmental sensitivity of the project site, and etc. On the other hand, under article 11(1), the Regional EIA proclamation states that a project proponent shall undertake an environmental impact assessment to identify the likely adverse impacts of his project, incorporate the means of prevention or containment, and submit the environmental impact study report to EPLAUA. Moreover, adverse impacts to be considered are defined to include any change to the environment or to its component that may affect flora, fauna, natural or cultural heritage, or in general, subsequently alter environmental, social, economic or cultural conditions. Ensuring the availability of correct, sufficient and accurate data in the EIA’s submitted to EPLAUA is an area of prime focus for review and approval process. Thus the Regional proclamation on EIA has provisions by which it considers the issues of conserving natural habitats and physical cultural resources which are the main concerns of Core principle 2 of the OP/BP 9.0 on environmental and social risk management.

Project proponents can submit their EMP or EIA study reports for review and approval to the head office of EPLAUA. The review and approval of EMP and EIA documents (for Category A & B projects) in the region is conducted at the head office level. EPLAUA is required by the law to review the EIA study report submitted to it within ten days and issue the letter of authorization/consent/ if satisfied with the report within the stated time limit. In practice, however, most project EMPs/EIAs submitted for review and approval take more time than the 10 days deadline by the regional head office of EPLAUA. EPLAUA can decide to refuse the implementation of the project if it is convinced that the negative impacts of the project cannot be satisfactorily mitigated or avoided.

Project proponents or any member of the public dissatisfied with the decision of the EPLAUA on the submitted EIA or by reasons related to its implementation can submit their grievance to head of the Agency. The head of the agency is expected to provide his response to the complaint within five days

after receipt of the complaint. If dissatisfied by the decisions of the head of the agency, the complaint can be submitted to the head of Agriculture and Rural Development bureau.

The level of enforcement of the EIA requirement is improving over time. The region is continuing to give priority to training, awareness raising, and providing advises to stakeholders and other project developers in order to create capacity and better grounds for the enforcement of the EIA requirements. EPLAUA also conducts site visit and inspection on ULGDP and other similar projects to follow implementation of mitigation measures and also to provide advice and technical support. Nonetheless, the enforcement of the Environmental Assessment requirement is being exercised at all levels of the agency including by the woreda level branch offices.

ii. ESMS Implementation arrangements and Institutional capacities

Tigray National Regional State has established ‘Environment Protection Land Administration and Use Agency’ (EPLAUA) in 1996 E.C. The enforcement of the requirement for environmental assessment is spearheaded by EPLAUA. The Agency is organized under the Bureau of Agriculture and Rural Development. The EPLAUA has two main core processes at head office level. These are the environment protection core process and land administration and use core processes. The Environment protection core process has three case teams under it that consists of the EIA and Pollution Control, Biodiversity and Ecosystem, and the Capacity building and awareness raising case teams. The core process is staffed with more than seventeen experts who are actively engaged in the ESMS implementation and the EIA and pollution control case team alone is staffed with 6 professional.

The organizational structure of EPLAUA is extended straight down to woreda levels without strong presence at zonal levels. The Agency has environment protection and land administration offices in thirty four woredas organized under the offices of agriculture and rural development. The Woreda Environment protection core processes are staffed with four professionals including the coordinator. The Agency has deployed two environmentalists in the southern and western zones of the regional state which are designated as development corridors. Mekelle city also has its own environmental desk with two staffs. The Woreda Environment protection services are mandated to provide their regulatory services to the ULGs in their jurisdiction.

Regarding responsibilities and mandates for carrying the review and approval of screening, EMP and EIA reports, the Agency has devolved the mandate to review and categorize screening reports to the Woreda EPLAU offices. However, the review and approval of EMPs and EIAs prepared for all Category B and A projects are still handled by the Regional Head office.

4. Southern Nations Nationalities and Peoples Regional State (SNNPR)

SNNPR is one of the nine states found in Ethiopia. During ULGDP I and II programs eight ULGs from the region have been participating. Another 9 candidate ULGs from the region are on the pipeline to join the upcoming UIIDP program.

For the current ESSA assessment three sample ULGs (i.e. Halaba Kulito, Durame and Boditi) were selected and visited during the field assessment. The overall picture of the existing environmental and social management systems at regional and ULG level is presented in the following sections.

i. Existing Environmental and Social Management Systems and legislations

The current ESMS applied in the southern region bases itself on the Federal Environmental Proclamations. The SNNPR versions of the three basic legislations (i.e. EIA, Environmental Pollution Control and Solid Waste Management Proclamations) has been prepared and forwarded to the relevant organs of the region for review and endorsement. It appears that there is a general complacency with the use and application of the Federal Environmental Legislations in the SNNPR.

The Federal EIA Proclamation No.299/2002 and its associated guidelines provide the fundamental requirements and procedures that are enforced and implemented by the environmental and social management systems of the SNNPR. In order to ensure sustainable development by enforcing the introduction of environmental and social sustainability measures in development projects, article 3(1) of the Federal EIA proclamation requires that, no person shall commence implementation of any project that requires environmental impact assessment without the authorization from the Authority or from the relevant regional environment agency. This requirement for EIA along with article 4(1) which outline aspects for consideration while carrying assessment of impacts including site location, nature of project, cumulative effects, duration, reversibility or irreversibility of the effects of the project etc. provides the desired regulatory framework to guide environmental and social impact assessments that would meet the principles and key planning elements of Core principle 1 of the OP/BP 9.0 on environmental and social risk management. There are also other provisions in the Federal EIA proclamation such as article 8 (1&2) which require to provide sufficient information in EIA reports and outlining the minimum information requirement EIA reports should contain which are essential for informed decision making during EIA review and approval by the SNNPR Environment Protection and Forest Authority (EPFA).

The implementation of the Federal EIA proclamation by the EPFA is also supported by EIA procedural guideline (2003) and ESMP preparation guideline (2004) which provides the essential procedural steps for carrying out EIA by the project proponents. The EIA procedural guideline requires that prior to the commencement of EIA studies, pre-screening consultations, screening and scoping exercises needs to be done in order to Categorize the proposed project into one of Schedule I, II or III (Category A, B or C). The EIA procedural guideline has consisted in its annexes the list of project types that are categorized under the schedules I to III. These lists are widely applied for Categorization not only by SNNP Regional EPFA but also by many of the other regional environment protection offices in Ethiopia.

Existing practices of the FPFA shows that project screening and pre-screening consultations are carried out to help categorize the projects into one of the Schedules I to III. The review and approval process of EIA and EMPs carried by EPFA also looks whether all project potential adverse impacts and issues are well addressed in the EIA study report.

The Inclusion of concerns and opinions of affected communities in the EIA study process is also considered as one important issue in preparing an acceptable EIA by EPFA. The Federal EIA law has also made it clear in article 15(1) by stating that the Authority (i.e. MoEFCC) or the relevant regional environmental agency shall ensure that the comments made by the public and in particular by the communities likely to be affected by the implementation of a project are incorporated into the environmental impact study report as well as in its evaluation. In a similar move with other regional state

environment protection offices, the SNNPR EPFA does not consider an EIA report not consisting of evidences for community consultation as acceptable one for review and approval.

On the other hand, under article 7(1), the Federal EIA proclamation states that a project proponent shall undertake an environmental impact assessment to identify the likely adverse impacts of his project and incorporate the means of their prevention or containment, and submit the environmental impact study report to the Authority (i.e. MoEFCC) or the relevant regional environmental agency. Moreover, the kind of adverse impacts a project proponent is required to assess includes any change to the environment or to its component that may affect flora, fauna, natural or cultural heritage, or in general, subsequently alter environmental, social, economic or cultural conditions. Thus the Federal proclamation on EIA has provisions by which it considers the issues of conserving natural habitats and physical cultural resources which are the main concerns of Core principle 2 of the OP/BP 9.0 on environmental and social risk management.

In practical terms, it was learned that, EIAs submitted to EPFA in the past years commonly address such potential adverse impacts on the terrestrial flora and fauna including any major effect on forests, wildlife habitats and religious and cultural heritages.

ii. ESMS Implementation arrangements and Institutional capacities

The SNNPR is one of the foremost regions to have established its Agency responsible for environmental protection and management. The present institution mandated for implementing the ESMS based on the Federal laws is Environment Protection and Forest Authority (EPFA). The regional EPFA has three main core processes that are responsible for the overall implementation of its responsibilities. These are the Environment Protection, Forest Development and Protection, and Biodiversity Development and protection core processes. The main responsibility for implementing the ESMS in relation to EIA falls with the Environment Protection Core Process. The later core process has case teams that are directly involved on the review and approval of Screening, EMP and EIA reports. The total staff of the environment protection core process is about twelve.

The EPFA have a special branch office in Hawassa City, which is the Capital of the Regional state, with a mandate to review and approve Category B projects. Moreover EPFA has devolved its structures to Zonal, Woreda and 28 city administration levels. The Zonal branches offices appears to have all the three core processes in parallel with the regional EPFA, with the environment protection core process taking the lead on enforcing and implementing the EIA requirements and procedures. The ULG level branch offices are staffed only with environment protection personnel and it appears that many of these are established and running (e.g.: Boditi & Durame town has open Environmental Protection offices). The Zonal EPFA branch offices are already functioning and reported to be conducting operational activities to implement the ESMS. In similarity with the Amhara and Oromia regions, the mandate to review schedule II (Category B) projects has been devolved to the Zone EPFA branches. Due to the prevailing lack of dependable capacity at the ULGs level, the delegation of authority to carry out monitoring and inspection of development projects by the ULG Environment Protection offices is deferred.

At present the monitoring and inspection of projects is carried jointly by the Zonal and ULG branch offices with staffs of the regional EPFA. It was learned that there is an ongoing effort made by the

regional EPFA to provide training support to the zonal and ULG branch office staff to develop their capacity and strengthen enforcement of the ESMS requirements.

In order to strengthen the implementation of ESMS in the region and to support the environmental monitoring and inspection activities, the EPFA is building an Environmental Laboratory. The Hawassa EPFA branch office has already built an environmental laboratory which is currently operational. The Ethiopian Metrology Services has also installed and made operational an automatic air quality monitoring station together with other metrological station in Hawassa city.

iii. Review of ESMS in ULGs of SNNP Region

Out of the nine candidate ULGs that are expected to join the UIIDP program, three ULGs were selected for the current ESSA field assessment. Two of the ULGs assessed belong to the Kembata and Wolaita zone administrations, whereas Halaba kulito belongs to a Special Woreda Administration of its own. The following table briefly summarizes the profiles of the ULGs visited.

No.	ULG name	Population	Area	Existing No. of Municipal Staff
1	Boditie	63,864	4700 ha	116
2	Durame	82,300	4006 ha	63
3	Halaba Kulito	55,000	1,011 ha	123

a) Infrastructure development and experiences in the management of environmental and social risks of projects.

During CIP preparation the ULGs appear to conduct a series of public consultation for prioritization of the sub-projects. The development of city infrastructures, in particular cobblestone; gravel roads and drainages, appears to be going in many ULGs of the SNNPR. The extent to which the infrastructure development is carried in the ULGs depends largely on the support they get from the regional government, their own revenues and community participation. In certain instances, when the commitment of community participation becomes strong, ULGs get more potential to implement projects. For example, in Halaba town, the City administration is building about 10Km asphalt road financed by the community itself. The extent of road and drainage infrastructure development that has taken place in the past years in the ULGs assessed is shown in the table below.

No.	ULG name	Length of Cobble road built (Km)	Length of gravel road built (Km)	Length of drainage built (Km)
1	Boditie	16		
2	Durame	15.72	12.12	24.2
3	Halaba Kulito	11	50	16.5

Though city infrastructure development projects were under implementation in the past few years in the ULGs, associated environmental assessment and management works that would have been carried were not exercised. Among the reasons for the absence of practices on environmental assessment works for the projects as per the ESMS requirements are lack of capacity and lack of general awareness on the environmental requirements by the city administrations starting from the leadership down to the experts. During the discussions held with the ULGs, fulfilling ESMS procedures and the environmental assessment requirements were frequently associated with the efforts made on street island greening and regular solid waste collection campaigns carried in some of the ULGs (Boditie & Durame). The City administrations appear to be less aware regarding the existing national environmental legislations, ESG and RSG and its applicability to the public financed projects they implement. Besides, the ULGs currently lack skilled man-power that can assist in the preparation of the environmental and social screening reports etc. to the ULGs. Therefore, the assessed ULGs in the SNNPR haven't yet acquired an experience in responding to the ESMS procedures appropriately.

On the other side, some of the Environment Protection and Forest Units of the ULGs appear to be engaged in trying to close the gap in awareness observed in the leadership of city administrations. This was particularly observed in one ULG, i.e. Boditi, where the city Environment Protection and Forest Unit was disseminating brochures to the various sector offices of the ULG in order to raise their awareness on the environmental assessment requirements and related environmental legislations.

The absence of environmental management practices and experiences in the ULGs is also observable by the environmental footprints of the quarries they use for providing construction materials (e.g. Durame), and solid waste disposal sites including abattoir by products (Halaba).

b) Existing capacities for implementing ESMS

The recent organizational structures of the ULGs consist of an infrastructure office with a vacant job placement for environmentalist and social development specialist. However, during the field assessment, it was noted that the ULGs are far behind from making any tangible movement towards recruiting the necessary environment and social development specialists to start building their capacity for implementing ESMS requirements. As stated earlier, there is a general low level of awareness on recognizing the environmental legislations and associated guidelines by the leadership and staff of the ULGs. The Environmental systems Guidelines and Resettlement Systems Guideline of the ULGDP-II program including the national EIA laws and guidelines are not well known by the ULGs.

iv. Social Systems Management

Land Acquisition

The prevailing law to manage, expropriate and pay compensation related to land are directly used or adopted from the federal laws Land Lease proclamation 721/2011, proclamations for land expropriation for public purpose 455/2005 and compensation payment 135/22007. The Regional government has issued a regulation of its own, Land Lease Regulation 123/2015 and related directives. As is common practice in all regions, property owners who cannot produce evidence should go through a process of legalization justifying the property has been in their possession before July 2014.

Land replacement is granted to a legal owner and adult children (18+). Land replacement for a household head is 500 sq. m and adult children 200 sq. m each. Household head, the legal possessor, is entitled to cash compensation of lost property and other improvements. Land replacement could be in the urban jurisdiction or rural area depending on the choice of the owner whose land is being expropriated is located at the peri-urban. However, land replacement on both urban and peri-urban is not allowed. Expropriation of public properties (kebele houses), are either replaced by another kebele house (Boditi), or low cost housing (Halaba Kulito) and when commercial use temporary shelter and alternative land.

Grievance Mechanism

In Halaba- Kulito and Boditi, land related complaints are addressed administratively, disgruntled complaint going hierarchically up to the mayor and special woreda. In Durame, an ad hoc committee established at a project level participates during inventory taking of property designated for expropriation, the presence of which is believed to have minimized the number of complaints. Nevertheless, when a complaint is logged at grievance office, the mayor addresses compensation related complaints supported by yet another committee, i.e. compensation committee drawn from sector offices. In all three towns, complaining process starts at the sub city level and proceeds hierarchically up to region.

Public and Workers Safety and Vulnerable Groups

Field assessment of towns showed that constructing cobble road (and asphalt in Halaba - Kulito) and drainage lines safety precautions are hardly followed. As is true to most of assessed towns, deep drainage lines limit safe accessibility particularly to the elderly, PWD, children and pregnant woman.

Halaba-Kulito, Durame and Boditi being densely settled, labor movement from rural to urban looking for employment is common. Based on the field discussion, contractors prefer to hire women as daily laborers. None of the construction sites use child labor. The assessment found out that though not related with the program illegal trafficking particularly children is one of the issues local and regional governments are fighting to stop.

Institutional Arrangements

In the towns assessed, land management and development office accountable to the mayor is established. Routine land management activities are regulated based on stipulation on Land Lease regulation of the region (regulation 123/2015) adopted version of proclamation 721/2011. On issues related to land expropriation and compensation, federal laws prevail. Absence of up-to-date land information is the main challenge for accurate and timely land management including compensation payment.

Labor and social affairs office are established as an agency at the region level and units at ULG levels as of 2016. Both at agency and unit level the focus of agency/unit is awareness raising. The agency supervises workers' health and safety are protected as dictated by proclamation 377/2003 at manufacturing plants but not SMEs who are likely to be involved in UIIDP sub projects. According to discussion with process owner, constructions sites are not inspected, due to periodic/temporary hiring practices of construction works. The agency is trying to prevent abuse and child labor by implementing children protection plan of action (for 2016-2020). The agency is also drafting a guideline to mainstream issues of the elderly and PWD in sector offices.

Office for Woman and Child Affair at the ULG level and regional bureau of same are responsible to promote women's agenda to ensure equal participation of women in the development process and benefits accordingly; promote gender equality and protect children's rights. The field assessment found out that,

child labor is not commonly used on construction sites, use of child labor as domestic and farm hand, however, is very common, thus high child trafficking in the locality. Both labor and social affairs unit and office for woman and children jointly work with police, justice, the court and transport sector to prevent child trafficking and abuse on children and women. Limited awareness, capacity limitation and budgetary constraints are mentioned as the main challenges exacerbated by traditional practices on child labor and abuse.

The region has currently undergone a reform to strengthen the capacity of urban centers to strengthen the role ULGs could play. To play their envisaged role and implement requirements of UIIDP, most offices at the ULG level need to fill the vacant positions by hiring qualified professionals, building knowledge and skill capacity, specially environmental and social development professionals, (environment and social experts) to adopt and implement the various guidelines developed by the Minister of Urban Development and Housing.

Key gaps and areas of assistance

The following were identified as key gaps and challenges by the new candidate ULGs in the region.

- Shortage of budget to raise awareness to leadership & staff of ULGs and to conduct monitoring and inspection of waste management by City level Environment Offices.
- Budget constraints to employ environment professionals as per organizational structure

The ULGs in the region also identified the following areas for assistance;

- Awareness raising on environmental management to all levels from leadership to expert
- Sensitization to city administration officials to give emphasis and kick start ESMS
- Capacity building training on environmental and social management, environmental requirements, and procedures.

5. Somali National Regional State

The Somali regional state is found in the eastern parts of the Country. Jigjiga, the capital city of the regional state, has been participating in the ULGDP II program. Currently, another four ULGs of the regional state, (namely Godey, Degehabur, Dolo & Kebridehar) are expected to join on the next phase UIIDP program.

During the ESSA field assessment, one of the four new ULGs (i.e. Godey) was visited along with the capital Jigjiga. The overall assessment of the current environmental and social management systems applied in the regional state, the institutional arrangements and associated capacities are described in the following sections.

i. Existing Environmental and Social Management Systems and legislations.

The Somali National Regional state has adopted the basic environmental legislations to operationalize the environmental and social management systems in the region. These are proclamation no. 111/2004 on Environmental Impact Assessment, and Proclamation no. 112/2004 on solid waste management. The

Regional state has also prepared directives for environmental impact assessment and a guideline for reviewing EIA reports.

The regional EIA proclamation no.112/2004 appears to be identical in content and substance with that of the corresponding proclamation of the Federal MoEFCC. This means the legal provisions of the regional EIA proclamation that sets the ground for the regulatory framework which guide environmental and social impact assessments in the Somali region are similar to the Federal proclamations. As indicated in section 5.3.4(a), the EPFA of SNNPR also applies directly the same Federal environmental legislations. Thus, it will be proper to refer the reader to section 5.3.4(a) to avoid the repetition of describing identical ESMS as applied in Somali region and its complementary with the Core principles of OP/BP 9.0 on environmental and social risk management.

The activities of the Somali Regional Agency for environment (EPFMEDA) in enforcing the EIA requirement are increasingly growing from time to time. The enrollment of Jigjiga city into the ULGDP II program and presence of other similar World Bank funded programs in the past few years has also positively contributed to the growing practices and development of capacities in implementing the environmental requirements in the region. At the regional EPFMEDA level, two focal persons for environment and social management are assigned to follow up the implementation of environmental requirements on ULGDP sub-projects. The Agency carries review of screening reports of sub-projects and approve/disapprove the categorization. EMPs are prepared and submitted to the EPFMEDA for which review comments and approval/disapproval decisions are provided at the end of the procedure.

ii. ESMS Implementation arrangements and Institutional capacities

The lead Agency for implementing ESMS in the Somali Region is the Environment Protection, Forest, Mines and Energy Development Agency (EPFMEDA). The EPFMEDA has four main core processes that consist of the Environment Protection, Forest Development, Mining and Energy Development Core processes. Within the EPFMEDA, the main department that is fully responsible for implementing the ESMS is the Environment Protection Core process. This core process has three case teams under it. These are the EIA and Pollution control, Environmental law and awareness, and the Rangeland Conservation and Climate Change case teams. Apparently, the EIA and Pollution control case team is the one that is engaged with the daily EIA administration and enforcement activities. Each case team is expected to be staffed with 12 to 13 professional experts at full capacity, but there are still some vacant unfilled posts and the total staff of the EPFMEDA presently ranges between 48 -50.

Currently, EPFMEDA is operating at regional head office level without devolving its branches and responsibilities down to zonal, woreda and ULG levels. It is noted that there are environment experts in the ULGs within the Beautification and Sanitation offices (e.g.: Godey town) and in the Woreda Administrations with office of agriculture and natural resources (e.g.: Dolo Ado town). Nevertheless, it was also learned that EPFMEDA is awaiting the approval of its new organizational structure by the regional cabinet that allow it to devolve its organizational structure and responsibilities down to the Woreda level.

Thus, implementation of the Environmental and Social Management Systems in the Somali region is mainly practiced by the EPFMEDA at regional head office level. Branch offices at zonal and ULG levels would need to be established and strengthened to support the wider implementation of ESMS in different parts of the regional state.

iii. ULGs in Somali Region

In addition to Jigjiga which has been participating in the ULGDP II program, another four ULGs from the Somali regional state are expected to join the UIIDP program. Godey town, which is one of the four new ULGs, was assessed as a sample ULG from the region. The overall picture of the existing environmental and social management systems at the ULG level in the region is summarized as follows.

No.	ULG name	Population	Area	Existing No. of Municipal Staff
1	Godey	58,000	42 Km ²	I. 39

a) Infrastructure development and experiences in the management of environmental and social risks of projects.

The development of city infrastructures that include cattle market, milk market, and the commonly constructed cobblestone roads and drainages are being undertaken in Godey town. Owing to shortage of available resources, the different components of the infrastructures are being carried in phases (e.g. drainage line for the markets). The total size of the common infrastructures developed by the Godey City Administration with the financial support obtained from the regional state is shown in the table below.

No	ULG name	Length of Cobble road built (Km)	Length of gravel road built (Km)	Length of drainage built (Km)
	Godey	1.18	21	0.712

Though the development of city infrastructure itself is only beginning, the City administration has not yet started responding to the ESMS requirements for environmental assessment. During the field visit it was noted that the city administration has not prepared environmental and social screening reports for the infrastructure projects it implemented. This was generally due to lack of experience and capacity limitation in ESMS implementation.

b) Existing capacities for implementing ESMS

The Godey city administration has established in 2015/2016 an office for “Beautification, Sanitation and Environment Protection Agency”. Similar agencies are reported to have been established in Kebridehar and Degehabur towns. The agency appears to be well aware of the basic national and regional environmental legislations & procedures including the ESG and RSG guidelines. According to the discussions held with the agency staff, the Godey city administration cabinet have endorsed the basic environmental legislations including the ESG and RSG guidelines and have agreed to implement it in all public and private sector projects. Despite that, however, the environmental and social screening of

projects has not started in the ULG due to capacity limitation. The Agency is currently understaffed with only one coordinator and one expert.

iv. Social Management

Godey, the second largest town in Somali region is one of the sampled towns to assess capacity of ULG to meet minimum requirement of OP 9.00. One of the requirements is that land acquisition and loss of access to natural resources are managed in a way that avoids or minimizes displacement, and affected people are assisted in improving, or at least restoring, their livelihood and living standard. Godey is located in an agro-pastoralist - pastoralist locality, where by large number of town population' livelihood is dependent on farming. Thus proclamation no. 128/2013, the Ethiopian Somali Regional State Rural Land Administration which ensures, among others, that pastoralist and agro-pastoralists have access to land, women's equal rights to grazing land, and every person who is 18+ have rights to free access to farm land, is an important law to be considered in managing land even within an urban jurisdiction. The region has also adopted the federal land lease proclamation 721/2011, and proclamation 455/2005 for land expropriation for public use and 135/2007 compensation payment for expropriated land.

Godey town has experience in building cobblestone roads, culverts and drainage lines however land expropriation and related compensation payment experience is nonexistent. The only urban center with the experience of land expropriation and compensation is Jigjiga town. According to discussion held with the deputy bureau head, the experience in Jigjiga is like other regions though the presence of customary (tribe) land with similar rights is strong. Compensation includes cash payment for property lost and substitute land as per the standard of the city which ranges from 150 sq. m to 250 sq. m.

Vulnerable Groups

Woman and Children bureau is structured at woreda and ULG levels. The responsibility to empower woman and protect children is the main agenda of the bureau. Awareness raising, organizing women to be economically independent and fight traditional harmful practices are the focus of the bureau. Promoting rights of a child is also another area of involvement for the bureau. At ULG level, the office for woman is involved in raising awareness against HTP working at grass roots level with women's group (i.e., 1:5, 1:30). Per women's representative the town, most of cobblestone roads are laid by women laborers.

Labor law, proclamation no 377/2003 is directly applied to regulate employee and employer relationship. Federal building proclamation no. 624/2009 is applied in the process of building permit approval allowing considerations for universal access to buildings. Unfortunately, the regulation does not cover approval process of infrastructure including road and drainage lines. Consequently, built drainage lines are a challenge to cross particularly to elderly, pregnant women and PWD, as observed in all the assessed towns.

Institutional Arrangement

Urban Development, Construction and Industry Bureau is responsible to issue laws and regulations and build capacity of ULGs. At ULG level, Land management and development process at the city manager's office is responsible to manage land. As observed in all assessed towns, legal properties are compensated. However, identifying a legal property in the absence of a functioning land information system is a challenge, as is true in all ULGs. A separate process of identifying the legal ownership is then necessary. The historical presence of customary laws is likely to create a complication requiring reconciliation with the modern law in use.

Labor and Social Affairs is established as bureau at regional level however does not have an independent organ at lower level governments. At Godey, it is a process at Health, Labor and Social Affairs Office. The office is more focused at arbitrating labor complaints. Construction sites are jointly inspected for complying to health and safety requirements of the proclamation jointly with town's Building officer. Woman and Children Affairs office, works near with kebele and woman organization to raise awareness, keep children in school, report on harmful traditional practices (HTP). The office works with schools to regulate child labor and police and justice to bring offenders to justices.

In general, the town administration needs to build its capacity by hiring additional environmental and social development professionals, and enhancing knowledge and skill. The support of the regional bureaus in all sectors is crucial for the successful implementation of projects at the town.

Key gaps and areas of assistance

The following were identified as key gaps and challenges by the new candidate ULGs in the region.

1. Shortage of skilled man-power both in-house and for outsourcing in the area to conduct environment screening, EMP preparation, etc.
2. Shortage of budget for carrying out preparation of EMPs.
3. Shortage of transport and office logistics to conduct environmental monitoring.

The ULGs in the region also identified the following areas for assistance;

1. Capacity building training for relevant staff on EIA and environmental management.
2. Provision of financial support to facilitate implementation of ESMS requirements
3. Provision of office logistics such as computers, printers, internet, and transport facility.

Annex 2: Legal Framework for Environmental Management in Ethiopia

Proclamation/Policy	Scope and Application	Responsible Entity
Environmental Policy of Ethiopia	It indicates priority to be given to waste collection services and safe disposal; development of guidelines for waste disposal and on techniques to enable the cost-effective implementation of defined standards of control; establishment of system for monitoring compliance with environmental pollution control standards and regulations and for the handling and storage of hazardous waste disposal; and promotion of waste minimization strategies. It also affirms that employers who deploy workers without training and personal protection equipment should be held legally liable. Moreover, it ensures the need to keep an up-to-date register of toxic, hazardous and radioactive	MOEFCC
Solid Waste Management Proclamation no. 513/2007	It is applicable mainly to non-hazardous solid waste, such as glass containers and tin cans, plastic bags, food related solid waste and other general waste. It stipulates that any legal and/or natural person should get a permit from concerned bodies of an urban administration to engage in the collection, transport, use or disposal of solid waste.	MOEFCC
The Bamako Convention Ratification Proclamation no. 355/2003	Parties to the Convention are obligated to take appropriate legal, administrative and other measures within the area under their jurisdiction to prohibit the import of all hazardous waste into Africa from non-contracting parties and provide detailed procedures for the control of trans-boundary movements and management of hazardous waste within Africa.	MOEFCC
Environmental Pollution Control Proclamation no. 300/2002	It is applicable to non-hazardous waste and all forms of hazardous waste streams. It requires that the generation, keeping, storage, transportation, treatment or disposal of any hazardous waste must be with a permit from the MOEFCC or the relevant Regional State Environmental Agencies. Moreover, it emphasizes that any natural and/or legal person who is involved in the collection, recycling, transportation, treatment or disposal of any hazardous waste should take appropriate precautions to prevent any damage to the environment or to human health or well-being.	MOEFCC
Environmental Protection Organs Establishment Proclamation no. 295/2002	The proclamation requires sector agencies to establish their environmental units so that their activities are in harmony with pertinent environmental protection requirements.	MOEFCC
Environmental Impact Assessment Proclamation	It declares that no project shall commence without an environmental impact assessment if it is required, as stated in	MOEFCC

Proclamation/Policy	Scope and Application	Responsible Entity
no. 299/2002	directives. This therefore, includes the construction of HCFs. It also states that any natural/legal person who violates the provisions of this proclamation shall be regarded as having committed an offence and shall be liable in accordance with the FDRE Criminal Code.	
Stockholm Convention on Persistent Organic Pollutants Ratification Proclamation No. 279/2002	It defines the control of the release of persistent organic pollutants (e.g. dioxins/furans) from unintentional sources such as medical waste incinerators. The convention encourages parties to promote the application of available, feasible and practical measures to achieve a realistic and meaningful level of release reductions including dioxins/furans from medical waste incinerators through the adoption of best available options and environmental practices including the use of low-waste technology; the use of less hazardous substances; the promotion of recovery and recycling of waste; good housekeeping and preventive maintenance programs; improvements in waste management with the aim of stopping open and other uncontrolled burning of waste including the burning of landfill sites. Moreover, when sites for construction of new waste disposal facilities are sought, considerations are to be given to alternatives such as activities to minimize the generation of medical waste, including resource recovery, reuse, recycling, and waste separation and promoting the use of products that generate less waste	MOEFCC
Basel Convention on the Control of Trans-Boundary Movements of Hazardous Waste and their Disposal Ratification Proclamation no. 192/2000	The Convention obliges parties to ensure that the generation of hazardous waste and other waste be reduced to a minimum, considering social, technological and economic factors and to ensure the availability of adequate disposal facilities, for the environmentally sound management of hazardous waste and other waste materials that shall be located, to the extent possible, within it. In addition, it emphasizes that any natural/legal persons involved in the management of hazardous waste or other waste to take all the necessary steps to prevent pollution due to hazardous waste and other waste. It also contains provisions for co-operation among parties in the development and implementation of environmentally sound low-waste technologies and the improvement of existing technologies with a view of eliminating the generation of hazardous and other waste materials.	MOEFCC
Labor Proclamation no. 377/2003 and International Labor Convention Ratification no. 152/1999	Both specify that employers have the responsibility to take the necessary measures to safeguard adequately the health and safety of their workers by complying with occupational safety and health standards; by providing the necessary on job instructions; notifying the associated hazards on the task; and informing their workers of the necessary precautions to be taken to avoid accident	MOLSA

Proclamation/Policy	Scope and Application	Responsible Entity
	or injury to health. In addition, both require employers to provide workers with appropriate personal protective equipment.	
The Technical Guideline on the Environmentally Sound Management of Biomedical and Healthcare Wastes	Defines HCW, explains risks arising from HCW and recommends applicable waste treatment and disposal technologies, reuse and recycling of waste, labeling and packaging of waste for off-site transport and training for staff. It also defines responsibilities for HCF managers.	MOEFCC
The Criminal Code of the Federal Democratic Republic of Ethiopia Proclamation no. 414/2004	The new Criminal Code of Ethiopia contains a list of penalties for offences against laws promulgated to protect public health and control of pollution including the spreading of human diseases by negligence; unintentional contamination of water; discharge of pollutants into the environment by breaching relevant laws; failure to manage hazardous waste in accordance with relevant laws; and implementation of a project without conducting a full EIA as required by the law.	MoJ

Annex 3: Environmental Impact Assessment Process in Ethiopia

Environmental Impact Assessment Process

Proclamation 299/2002 states that an EIA is a mandatory requirement for implementation of any project likely to generate adverse environmental impacts. Project developers seeking a permit follow the EIA process as outlined in the Proclamation, the steps for which are outlined below. These steps, which are stipulated in the EIA Procedural Guideline (2003), largely follow the standards for environmental management procedures and processes under the Bank policy: Program for Results financing.

Screening: As per the EIA Procedural Guideline (2003), the screening process enables the Competent Authority to decide on the:

- Need for and level of assessment required
- Level of government responsible for the project (Federal or Regional)
- Necessary permits or approval processes required (e.g. rezoning)
- Merit-based acceptability of the consultant to assist the proponent
- Public participation process
- Total life-cycle of the project

The proponent is required to submit a screening report to the Authority, based on which a decision will be made as to whether an EIA is required and the type of EIA required (full, partial/preliminary).

Scope of an EIA

The EIA Procedural Guideline (2003) indicates that a detailed plan of study for the scoping exercise should be prepared. This plan of study is important in ensuring that where public consultation is required, the relevant parties are identified.

The plan of study for EIA should contain the following:

- Description of the environmental issues identified during scoping that may require further assessment
- Description of baseline information of Bio-physical and socio-economic environment of the project site
- Description of feasible alternatives identified during scoping that may be further investigated
- Indication of additional information required to determine the potential impacts of the proposed activity on the environment
- Description of the proposed method of identifying these impacts

- Description of the proposed method of assessing the significance of these impacts

After the approval of the Competent Authority, an EIA is then conducted in accordance with the findings of the scoping exercise. Considering the baseline study which includes the social, economic, physical, ecological, socio-cultural, and institutional environment in the project area, an EIA is undertaken which identifies and predicts impacts and evaluates their significance.

Consideration of Strategic, Technical and Site Alternatives

The EIA must include the contents listed in Part III of the EIA proclamation and the EIA Procedural Guideline (2003), including the following elements of the Bank policy: Program for Results financing:

- Consideration of **Project alternatives** including the project site, design and technologies and reasons for preferring the proposed site. Note that the ‘without project’ alternative is also explicitly stated in this guideline.
- Consideration of **Cumulative Impacts** which should be assessed along with overall environmental and social impacts in the EIA.
- Consideration of **Trans-regional impacts**

Impact Mitigation Measures

Part III of the EIA proclamation explicitly states that ‘an environmental impact study report shall contain a description of measures proposed to eliminate, minimize, or mitigate negative impacts.

Monitoring and Reporting

Part IV of the EIA Proclamation states that:

- The Authority or the relevant regional environmental agency shall monitor implementation of an authorized project to evaluate compliance with all commitments made by and obligations imposed on the proponent during authorization
- When the proponent fails to implement the authorized project in compliance with commitments or obligations imposed upon him/her, the Authority or the relevant regional environmental agency may order him/her to undertake specified rectification measures
- Any other authorizing or licensing agency shall, in tandem with the Authority's decision to suspend or cancel any authorization to implement a project, suspend or cancel the license it may have issued in favour of the project

Consultation and Disclosure

Part V of the EIA proclamation stipulates that the Authority or the relevant regional environmental agency shall:

- Make any environmental impact study report accessible to the public

- Ensure that comments made by the public and communities likely to be affected by implementation of a project are incorporated into the environmental impact study report as well as in its evaluation

Grievances

There is a procedure for grievance in the EIA proclamation, which states:

- Any person dissatisfied with the authorization or monitoring or any decision of the Authority or the relevant regional environmental agency regarding the project may submit a grievance notice to the head of the Authority or the relevant regional environmental agency.

The decision of the head of the Authority or relevant regional environmental agency shall be issued within 30 days following the receipt of the grievance.

Annex 4: Environmental and Social Risk Management under existing ULGD project

Urban Roads & Drainage: Quality of Management of Environmental and Social Risks

Type of Activity	Potential Risks	General Performance of ULGs during Implementation	Quality of Implementation (Unsatisfactory/Moderate/Satisfactory or Highly Satisfactory)	Residual Risks Low/Moderate/High
Construction	Negative social and economic effects on local people and communities, such as: <ul style="list-style-type: none"> • Unplanned commercial development • Demand for local public infrastructure and services increases beyond existing capacities • Disruption of traditional lifestyles • Induced population movements and natural resource exploitation activities, due to improved access (e.g. conversion of forest to pasture, or of sustainable land use to unsustainable, short-cycle cropping; illegal or unsustainable hunting) 	<ul style="list-style-type: none"> • There has been limited consultation with the affected communities • The project provided funds to strengthen local public infrastructure and services (e.g. health clinics, markets, schools) • The project avoided creating congested and unsafe road conditions at intersections, and in cities 	Satisfactory to Highly Satisfactory	Low
	Displacement of housing or farms or involuntary resettlement	<ul style="list-style-type: none"> • The project purchased most of the replacement land and resettled affected people • The project authorities at city level provided monetary compensation 	Satisfactory	Moderate
	Loss of natural areas, important habitats, biodiversity	The regional EPAs have been active and have been able to generally avoid within urban areas infringing on critical habitats or areas with	Satisfactory	Low

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		significant biodiversity (e.g. wetlands)		
	Damage valuable historic, religious, cultural, and archaeological resources	Regional government and ULGs are generally able to avoid areas of cultural, historical, or religious significance. The chance find procedures have been in existence but never used.	Highly satisfactory	Low
	Social disruption during construction (e.g. enhanced transmission of STDs and TB)	Community participation in construction planning and management has been limited ULGs have used local labor in most cases generating employment	Satisfactory to highly satisfactory	Low
	Creation of stagnant water in construction borrow pits and quarries, and on road sides, that breed disease carriers	No assessment was undertaken of ecological impact during construction, therefore no evidence of occurrence of disease due to stagnant water The drainage in the construction area and road side are poor, including maintenance	Moderately satisfactory	Low to moderate
	Impact of road noise on surrounding habitation	The project does not show indication of buffer planation between road and surrounding habitation thereby exposition community higher noise levels during construction	Moderately satisfactory	Low to moderate
	Dust	The ULGs stabilized the road surface with gravel and other rocky surfacing materials thereby reducing exposure to dust	Moderate to highly satisfactory	Low
	Contamination of surface water and generate trash due to lack of solid waste management	Temporary sanitation was provided during construction and construction waste was collected and disposed off-site	Moderately satisfactory	Moderate
	Increased soil erosion leading to sediment in runoff and, possibly, gully formation from: <ul style="list-style-type: none"> • Construction activities such as grading, excavations, and borrowing/quarrying • Inadequate design of culverts and drainage 	The cobble stone work controlled the potentially flooding risks by using the natural drains; However, occupational health and safety at location of borrow pits and quarry sites are found to be unsatisfactory.	Moderately satisfactory	Moderate

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	controls			
Post-Construction and Operation	Landslides, slumps and slips	<p>ULGs have done a reasonably good job in avoiding areas of soil, slope or geological instability and unstable river crossing sites</p> <p>More work is needed to stabilize slopes by planting vegetation and installing drainage ditches to divert water away from road</p>	Satisfactory	Low
	Accidents and safety risks	Speed bumps and traffic signs have been provided	Satisfactory	Low
	Quarry used for construction may become a health hazard	ULG need to agree with local community to agree on alternate use of borrow pits such as water collection pits for cattle, irrigation	Moderately satisfactory	Moderate
	Impact of road noise and dust on village due to traffic movement	ULGs need to still plant buffer tree strips at several places	Moderately satisfactory	Moderate

Water Supply and Sanitation: Quality of Management of Environmental and Social Risks

Potential Risks	General Performance of ULGs during Implementation	Quality of Implementation (Unsatisfactory/Moderate/Satisfactory or Highly Satisfactory)	Residual Risk Low/Moderate/High
Illness or disease related to poor source water quality or from contaminants entering water supply system	<p>ULGs carry out regular testing of water as part of the project</p> <p>The involvement of community in planning is weak</p> <p>The planning, design, and maintenance of supply, sanitation, and wastewater works is appropriate to local needs, as there has been no evidence of illness or water borne disease</p>	Moderately satisfactory	Moderate
Contaminated soils from disposal of inadequately decomposed wastewaters	ULGs generally dispose the contaminated soil at off site location	Moderately satisfactory	Moderate
Contamination of ground and surface water source supply	<p>ULGs are able to locate water source well away from latrines, septic systems, traditional defecating areas, and animal pens</p> <p>However, surface water sources from adequately protected contamination from runoff from nearby agricultural areas or garbage and vegetative debris</p> <p>There has not been evidence of breakout of any major disease or illness</p>	Moderately satisfactory	Moderate

Waste Management: Quality of Management of Environmental and Social Risks

Potential Risks	General Performance of ULGs during Implementation	Quality of Implementation (Unsatisfactory/Moderate/Satisfactory or Highly Satisfactory)	Residual Risk Low/Moderate/High
Changed land uses due to location of waste landfill site	There are few investments in this area but generally the involvement of community in deciding location of location of landfill sites and access routes has been weak. Many ULGs have selected areas that are far away from the city or habitation but would need to discuss operational aspects with potentially affected communities	Low to moderately satisfactory	Moderate to high
Disruption or destruction of sites of cultural, religious or historical importance	ULGs have generally been able to avoid any sites of cultural, religious or historical importance near waste management sites, using informal consultation with communities	Moderately satisfactory	Moderate
Human settlements and land uses near landfill and composting sites	ULGs have been generally careful in selecting sites that are located away from human settlement. However, consultation with community will be required before finalizing route to transport solid waste.	Moderately satisfactory	Moderate
Windblown garbage, dust, odor and smoke	The practice to spread and compact incoming refuse, and cover with soil, daily has been weak in most cases.	Moderately satisfactory	Moderate government
Creation of stagnant water sources causing risks of disease	Proper designs for drainage have avoided any water stagnation or vector borne disease near the landfill sites	Moderate to highly satisfactory	Low
Contamination of surface and groundwater with landfill runoff and leachate	The water resources have been protected by locating landfills in area that are relatively impermeable, and have a high capability for containing chemical contaminants (e.g. clays). Also, the bottom of the landfill is above the water table and away and down gradient from surface waters, and groundwater recharge areas sources. All new landfills use a landfill liner (e.g. clay, synthetic) and have a collection system for surface runoff and have installed test wells at landfill perimeter to monitor water quality during operations for early identification and mitigation of emerging adverse effects	Moderate to highly satisfactory	Low

Annex 5: Environmental and Social Exclusion List

No.	UIIDP Activities with the following impacts are not eligible for financing
1	Cause significant physical and economic relocation (more than 200 people and greater than 10% of their landholding)
2	Cause large-scale physical disturbance of the site or the surroundings
3	Block access to and/or use of water points etc.
4	Located in protected areas and other ecologically sensitive ecosystems
5	Create encroachment and/or cause significant adverse impacts to critical natural habitats (e.g., wildlife reserves; parks or sanctuaries; protected areas; forests and forest reserves, wetlands, national parks or game reserve; any other ecologically/environmentally sensitive areas)
6	Significant impact on physical cultural resources (archaeological sites; religious monuments or structures; natural sites with cultural values; cemeteries; graveyards; graves; and other sites of significance)
7	Have risk on and/or exclude some members of community, including vulnerable groups, underserved peoples and ethnic minorities,
8	Can instigate social tension or conflict
9	Contravene international and regional conventions on environmental and social issues
10	Road works outside of existing rights-of-way
11	Likely to adversely create or exacerbate conflict within communities
12	Large scale market construction that contribute large amount of solid wastes in the cities
13	Have significant adverse impacts on vulnerable and underserved communities
14	New landfills that are larger than 10 hectares in area or have no system for upstream waste collection, segregation, transportation; and treatment and disposal of leachates or that do not strictly follow the solid waste management manual of the MoUDH
15	New slaughterhouse which does not follow the design; construction and operation standard of MoUDH, or without full package of environmental and social risk management provisions, like treatment pond, solid waste management system, etc. as stated in the MoUDH guidelines and standards.
16	Large-scale flood control systems (such as dams or large dykes)

Annex 6: Summary report on draft ESSA stakeholders consultation

The Consultation Process

Consultations with stakeholders are required for the Program-for-Results (PforR) financing instrument as it is the case under investment lending operations. Similarly, the Ethiopian legal frameworks such as The Environmental Impact Assessment Proclamation (299/2002) and The FDRE Constitution demand public consultations to ensure efficiency and transparency in the execution of projects.

Article 92 of the FDRE Constitution states that “People have the right to full consultation and to the expression of their views in the planning and implementation of environmental policies and projects that affect them directly.” Likewise, Article 15 of The Environmental Impact Assessment Proclamation (299/2002) underscores the need for public consultation and specifies the modalities for the consultation in environmental and social impact assessments.

As per the requirements of the Bank and the Ethiopian legal framework, consultations with the stakeholders of the Urban Institutional and Infrastructure Development Program (UIIDP) were conducted during preparation of the ESSA of UIIP. The consultations were intended to:

- increase public awareness and understanding of the program, and ensure its acceptance;
- include the attitudes of the community and officials who will be affected by the program so that their views and proposals are mainstreamed to formulate mitigation and benefit enhancement measures;
- discuss about the nature and scale of adverse impacts associated with the program and to identify and prioritize the remedial measures;
- ensure that the stakeholders’ views and concerns are incorporated into the program design and implementation with the objectives of reducing or offsetting negative impacts and enhancing benefits from the program and;
- agree on the DLI and program action plans (PAP) stated in the ESSA;
- inform relevant authorities of the impacts, solicit their views on the program and discuss their share of the responsibility for the smooth functioning of the overall program operations.

In the PforR operations, the World Bank is responsible for managing consultation process but limited in scope to the Bank’s own assessment of the Program’s environmental and social systems. In addition to stakeholder consultations which were conducted in the small cities, the Bank together with Ministry of Urban Development and Housing (MoUDH) organized consultation meetings at Hawassa and Bahir Dar cities on November 11 and November 14, 2017 respectively. More than 130 stakeholders from various institutions (Table 11) including representatives from city administrations, NGOs, Environmental protection agencies took part in the consultations. The topics discussed during the consultative meeting and the outputs of group discussions are outlined in sections 2-5 of this annex.

Table 11: List of participants by region and organization

Region	Organization	No of participants
Southern Nations Nationalities and Peoples Regional State	City Administration	40
	Regional Urban Development and construction	2
Oromia National Regional State	City Administration	35
Harari National Regional State	City Administration	3
	Regional Environment Protection Authority	1
	Regional Bureau of Women, Children and Youth	1
	Regional Bureau of Labour and Social Affair	1
Dire Dawa City Administration	City Administration	4
	Environment protection Authority	1
	Bureau of Labour and Social Affair	1
Ethiopian Somali National Regional State	Bureau of Labour and Social Affair	1
Benishangul - Gumuz National Regional State	City Administration	2
	Regional Environment Protection Authority	1
	Regional Bureau Urban Development and Construction	1
	Regional Bureau of Labour and Social Affair	1
Tigray National Regional State	City Administration	7
	Regional Bureau Urban Development and Construction	3
	Regional Bureau of Women Association Social Affair	1
Amhara National Regional State	City Administration	25
	Regional Environment Protection Authority	1
	Regional Bureau Urban Development and Construction	2
	Regional Bureau of Labour and Social Affair	1
	Regional Bureau of Women, Children and Youth	1
Gambella National Regional State	Regional Environment Protection Authority	3
Total Participants		139

Issues discussed

- The Ethiopia Urban Institutional and Infrastructure Development Program Environment and Social risks /impacts and mitigation measures;
- The lessons learned regarding environmental and social management issues during implementation of Urban Local Government Development Program (ULGDP II);
- The likely environmental and social risks associated with eligible investments under Ethiopia Urban Institutional and Infrastructure Development program (as perceived by representatives from the beneficiary cities/towns) and proposed mitigation measures are outlined in the third section of the report.

2. Brief Presentations

The topics of the presentations were:

- General Overview of Urban Institutional and Infrastructure Development Program(UIIDP)
- PforR Operations
- Draft UIIDP ESSA findings
- Lesson learned from ULGDP II

2.1 Ethiopia Urban Institutional and Infrastructure Development Program: General Overview

The presentation focused on the rapidly increasing urbanization in Ethiopia, which has been associated with high levels of economic growth. The need for managing urbanization proactively is a key factor to address the challenges related to jobs, infrastructure and services; and land and housing in a reasonable manner. To this end, significant achievements has been recorded during the implementation of previous ULGDP II which includes among other things enhanced institutional capacity and provision of urban infrastructure. UIIDP's key design principles and Disbursement Linked Indicators (DLIs) were highlighted in the presentation. Roads (excluding asphalt), integrated multiple infrastructure and land services, sanitation (liquid waste), solid waste management (Landfill <10 ha with environmental and social management provisions), water supply, urban drainage, urban disaster risk management & initiatives to enhance resilience (e.g., fire trucks, etc.), urban parks and greenery and consultancy services are those identified and proposed eligible investments under the new UIIDP. Capacity building activities are also included in the menu of the likely eligible investments.

2.2 The PforR Operations

PforR finances borrowers' programs and disbursement is effected upon achievement of program results, not inputs in this financing instrument.

- Strengthening the institutional capacity of the client is important for the program to achieve desired results.
- Overall, the PforR operations provide assurance that Bank financing is used appropriately.

- In terms of environmental and social management, PforR employs a risk management approach.
- For PforR operation, the Bank assesses the borrower's authority and organizational capacity to achieve environmental and social objectives against the range of environmental and social impacts that may be associated with the Program.
- If, in the judgment of the Bank, the borrower's management system lacks the regulatory authority or organizational capacity to effectively manage environmental or social effects, supplementary actions to strengthen Program performance may be required, or it may be decided that the proposed Program or specific Program activities are not suitable for PforR. Excluded from PforR financing include large-scale infrastructure such as power plants, transport infrastructure such as highways, expressways, commercial logging, large scale water resource infrastructure, etc.

2.3 Draft ESSA of the Urban Institutional and Infrastructure Development Program

A team of environment and social development specialists from the World Bank prepared an Environmental and Social System Assessment (ESSA) of the Ethiopia Urban Institutional and Infrastructure Development program. The following components of the draft ESSA were presented in the stakeholders' consultation meeting.

2.3.1 Methodology:

- Desk review of policies, legal frameworks, program documents as well as Environment and Social Audit and Annual Performance Assessment (APA) reports; ESIA's and RAPs which were prepared for ULGDP II participating cities.
- Interviews were held with various Ministries and Authorities key experts/decision makers at the federal, regional, and city level.
- Consultations were conducted with the relevant sector offices that will be directly or indirectly engaged in the implementations of Environmental and social risk management and public and workers' safety management under UIIDP.
- Field visits of fourteen cities (11 new and 3 existing) and regions

2.3.2 Draft Environment and Social Systems Assessment

The main issues addressed include among other things:

- the list of eligible and ineligible investments under UIIDP
- the likely negative environmental impacts associated with implementation of the program
- Environmental Management systems analysis against the PforR core principles that guide ESSA and gaps identified in the government's system were highlighted
- Risks associated with these gaps and actions recommended to bridge the gaps were briefly described.

The following negative environmental impacts are expected because of the UIIDP activities:

Environmental and Social System Assessment (ESSA)

- health effect from borrows pits for construction materials (cobblestone, gravel, sand etc.)
- Noise and air pollution
- Soil erosion
- land acquisition
- Depletion and pollution of surface and ground water resources
- Indiscriminate disposal of Solid waste
- Public and occupational health and safety issues

Core Principle 1: General Principle of Environmental and Social Management. *Recommended measures to strengthen the government system to ensure compliance with Core Principle 1:*

- Development of program level environmental and social management guideline, which required only updating of the ESMG for the proposed UIIDP program-173 ULGs.
- Development of appropriate, checklists, technical options, and manuals to ensure compliance with environment and social legislation applicable to the Program.
- Strengthening of Country and ULG systems to manage environmental and social risks.
- Improve implementation of compliance with national legislation and existing guidelines;
- Use of guidance outlined in the updated ESMG
- Implement specific actions stated in the UIIDP ESSA Program Action Plan

Core Principle 2: Natural Habitats and Physical Cultural Resources. *Recommended measures to strengthen the government system to ensure compliance with Core Principle 2:*

- Address the potential impacts through prevention of those archeological and cultural valuable resources
- Improve and strengthen the already initiated experience in screening procedures at ULG level Allocate sufficient budget for the identification and management of natural habitats and PCRs
- Improve the level of awareness on safeguarding threatened habitats and PCRs
- Strengthen the screening procedures to include a check list to assess

Core Principle 3: Public and Worker Safety. *Recommended measures to strengthen the government system to ensure compliance with Core Principle 3:*

- Improve awareness and implementation capacity of OHS regulatory agencies
- Update the ESMG to include clear guidance and procedure on public and OHS risk management
- Incorporate health and safety consideration into site selection as well as during construction practices of proposed sub project construction activities
- Incorporate public and worker safety measures in all civil works contracts during construction works at city level

- Improve shortage of budget and manpower to carry out health and safety inspection in ULGs.
- Improve the capacity of Labor and social affairs office at ULG level by providing training and inspection equipment.
- Prepare the required site specific instruments like Waste Management Plan (WMP).
- Regular implementation of Program environmental and social instrument at the city, regional and National level.
- Coordinate the public and workers safety inspection activities of the Labor and construction offices at the ULG level
- Develop sound procedures to strengthening capacities on OHS implementation

Core principle 4: Avoid or minimize displacement, and assist the affected people in improving, or at the minimum restoring, their livelihoods and living standards. *Recommended measures to strengthen the government system to ensure compliance with Core Principle 4:*

Provision of special support for vulnerable households

- Meaningful consultation and documentation
- Institutional Capacity (skilled social development staff, training, resource allocation).
- Revision of Environment and Social /Resettlement system Guidelines and endorsement by city councils
- Compensation at replacement cost and assistance to restore livelihoods, including those without titles
- Standardize procedures for land acquisition that can be followed across all the regions and cities

Core principle 5: Give due consideration to cultural appropriateness of, and equitable access to, program benefits, giving special attention to the rights and interests of underserved people and to the needs or concerns of vulnerable groups. *Recommended measures to strengthen the government system to ensure compliance with Core Principle 5:*

- Awareness on the needs of vulnerable and marginalized groups at all levels
- Procedures to identify vulnerable groups and underserved people
- Ensure equitable access to program benefits
- Consultation procedure - Free, prior and informed consultation of underserved people and vulnerable communities
- Mainstream the interest of vulnerable groups in the preparation of long-term and short term development plans including Capital Investment Plans(CIP) and Structure Plans of town
- Integrate into the urban development planning process the organs responsible for the development and protection of Women, children, elderly and People with Disability(PWD) as well as identified underserved groups

Core Principle 6: Avoid exacerbating social conflicts. *Recommended measures to strengthen the government system to ensure compliance with Core Principle 6:*

- Consultation, communication and enhanced transparency in UIIDP supported activities
- The issue of civil unrest in the country and related social tensions in some areas can significantly affect the capacity of the program to deliver services. Such developments are not directly related to the program and outside of the scope of its influence.
- The presentation also included recommendations on the need to address capacity gaps i.e. gaps in skilled staff assignment (social development and gender) and lack of adequate training for the assigned staffs, shortage of transport facilities and other logistics.

Establishing (for new cities) and strengthening (for existing ones) the ESM System:

- Endorse by city council the updated *ESMG and RSG instruments for risk screening* of impacts, mitigation measures, monitoring, consultation, approvals from REPA;
- Ensure that the federal, region and city level offices are adequately staffed with environment, social and gender specialists with sufficient logistics and operational budget
- Establish lines of communication as well as decision procedures
- Broadening stakeholders' involvement (including offices for Labor and Social Affairs and Women and Children Affairs to improve implementation of occupational health & safety issues, ensure gender equality and access to service by vulnerable group)

Consultations:

- Increase stakeholders'/community **awareness** on social and environmental impacts and management of UIIDP sub-projects.
- Improve frequency of **consultations**, (and documentation) and participatory approaches where land acquired
- Provide orientations on **Grievance Redress Mechanism** for implementers and ensure public (PAP) understanding of the system;

Addressing Resource Constraints:

- Assess human and budgetary resources and address them if necessary
Capacity building and training on E&S and gender
- Incentives for implementation and performance evaluation through the Annual Performance Assessment and Annual Environmental and Social Audit.

Enhancing Gender Equality:

- Proactive inclusion of women into consultation and decision making processes
- Awareness raising on gender-specific needs, including into the design of subprojects

- Employment opportunities created equally for women and men during construction and maintenance
- Provide equal opportunities for women to participate in UIIDP supported micro-enterprise shades

Audit and Monitoring:

- Annual Performance review - Update the Performance Assessment Guideline, as part of the Program Operation Manual and share it with 117 ULGs. Independent annual assessment will be undertaken including social and environmental reviews on a timely basis.
- Audit on Environment and Social Management: Submission of quality audit timely.
- Developing a harmonized and standardized Terms of References (ToR) to define the Environmental and social management audit objectives and criteria, so that comparable audit results could be obtained from all ULGs with core E&S issues covered
- Agreement to cover all the enrolled cities in annual bases and quality audit conducted and report produced using an independent consultant

2.4 Lesson learned from ULGDP II (from MoUDH)

In terms of environmental and social management, the existing ULGDP II cities show considerable variation in institutional capacity. While some of the cities were using environmental and social management instruments properly, others showed poor performance in the implementation of the environmental and social management tools. There were some towns where the subprojects were not screened in first year of the implementation of ULGDP II. In many of the beneficiary towns, there was a tendency to categorize subprojects as schedule 3 which can have a serious impact on credibility of the results of the screening. In almost all the cities screening of infrastructure investments (based on environment and social risks) and instruments such as EIAs, environmental management plans, and resettlement action plans (RAPs) were approved by the Regional Environmental Protection Agency (REPA).

Hawassa city and to some extent Batu (Ziway) and Mekele cities have relatively better achievement in greenery and drainage activities in the ULGDP II which need to be scaled up to other towns/cities. Capacity gaps need to be addressed so that the beneficiary cities/towns could have nearly equivalent performance in social and environmental management issues.

3. Summary on Question and Answer (Q&A) Session

AS per the Agenda, the Q&A at the two consultations was moderated by the Bank team. Questions raised by the participants and the respective responses are presented below.

Table 12: Summary on Question and Answer

• Questions and comments	Suggestions/Responses
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Environmental and Social System Assessment (ESSA)

<ul style="list-style-type: none"> • Are cities like Gonder considered to see the impact on cultural resources? What was the methodology used to select cities? 	<p>The experience of ULGDP II implementation was assessed from review of previous program reports, environmental and social management instruments, Environment and Social Audit reports of urban local government under each region as well as Annual performance assessment reports to understand the environment and social management practices. Furthermore 11 cities were randomly selected from the new target urban local governments and three from the existing ones to triangulate the findings.</p> <p>The chance find procedure is well explained in the environment and social management guideline in if there are such cases, which is/will be applied by the respective Urban Local Government.</p>
<ul style="list-style-type: none"> • Will informal settlers such Artisans be considered during the resettlement process? 	<p>Yes, according to the program resettlement system guideline endorsed by ULGDPII, informal settlers will be considered which applies to UIIDP as well. Urban local governments for the new cities are also expected to endorse the Resettlement system guidelines.</p>
<ul style="list-style-type: none"> • Appreciate World Bank efforts on the new program's focus on gender and urban resilience. There are efforts already started at Tigray region including urban local government to consider gender issues, assignment of women in leadership positions with the target of 20%. 	<p>Thank you, Noted, efforts very well appreciated.</p>
<ul style="list-style-type: none"> • For UIIDP, will minimum condition apply to the ULDGP II cities or the new target cities only? 	<p>The minimum condition applies to all target cities. Detail information and technical support will be provided on the program requirements.</p>
<ul style="list-style-type: none"> • If informal settlers stay for more than 10 years in an area, should they have formal legal titles? 	<p>Yes, as much as possible the government should draw efforts to formalize such settlers</p>
<ul style="list-style-type: none"> • How can we (Amhara regional Labor and Social Affairs office) collaborate to address social and safety issues? What is in place to address Health and safety issues? 	<p>Ministry of Labor and Social Affairs(MoLSA), Bureau of Labor and Social Affairs(BoLSA) and city Labor and Social Affairs are expected to actively engage in the relevant committees by UIIDP. Moreover, formal representation of Labor</p>

	<p>and Social Affairs focal persons to work closely with UIIDP social and environment experts is expected to address social and safety issues at the urban local governments.</p> <p>The program(ULGDPII) Environment and Social System Guideline is being updated to consider community and workers' health and safety issues also based on the Country's regulations.</p>
<ul style="list-style-type: none"> • Who will conduct environment and social audit? 	<p>The regional environment authority is mandated to follow up and audit environment and social performance.</p>
<ul style="list-style-type: none"> • Is compensation expected for all project affected people? • When is compensation to project affected people appropriate before or after construction? • Who will cover compensation costs? 	<p>Compensation both in kind and cash for all project affected people should be processed and completed before commencement of construction activities as indicated in the RSG</p> <p>Compensation costs related to UIIDP will be covered by the Urban Local Government/the implementing entity, not from the project budget</p>
<ul style="list-style-type: none"> • What is the required skill for key staffs assigned on environment and social management, for instance gender specialists/experts? 	<p>The key staffs/experts are required to have the relevant experience and/or qualification at least a bachelor degree related to the area. For instance, for gender it can be a person with social background and who has relevant experience in the area.</p>

4. Main Environmental and Social Risks Associated with the Possible Investments under UIIDP (as perceived by the Key Stakeholders) and Recommendations

By being in four groups, participants of the Hawassa and Bahir Dar consultations from the beneficiary towns/cities discussed environmental and social risks associated with the possible investments under UIIDP and the likely mitigation measures.

4.1 Issues associated with solid waste management (Sanitary landfills)

The participants underscored that solid waste is one of the main challenges facing the towns/cities in Ethiopia and the need for appropriate waste management practice is highly needed. The common waste management practices in almost all the cities/towns in Ethiopia has been an open dump which has been causing problems such as air, land, and water pollution; odor, spread of different types of vector-borne diseases, and aesthetic deterioration of the environment. Rapid urbanization in Ethiopia and high

population growth have resulted in a decrease in availability of land for waste disposal. The participants, therefore, emphasized the need for appropriate solid waste management technique. Sanitary landfills are one of the investments proposed under UIIDP to address the problem. The discussants were asked to share their experience, if any, regarding sanitary landfill.

A participant from Dire Dawa reported that a sanitary landfill of appropriate design and quality was constructed in Dire Dawa through KfW financing. However, it ended up being an open dump site and has been causing a range of social and environmental problems. The main reasons for failure to properly use the sanitary landfill in Dire Dawa include:

- Lack budget to implement activities in the operational phase and the equipment needed for the operation (which was even greater than the construction cost)
- Lack of technical skill to manage the landfill

Considering the experience from Dire Dawa, the participants cautioned that towns/ cities planning to construct sanitary landfills should properly think of the technical capacity and costs needed to manage the landfills so that the resource to be used for the construction will not be in vain.

Potential risks of landfills indicated by the participants include

- Underground water and soil pollution
- Community Health Risks
- Physical and economic displacement of people
- Explosion and sliding if not properly managed
- Scattering of waste materials (e.g plastic bags) on farmlands that affect the harvest

Recommendations based on the discussion on solid waste management (sanitary landfills)

If properly designed and managed, sanitary landfill could be a good solution for solid waste disposal. Given the land shortage problem common in urban centers of Ethiopia, it would hardly be possible to construct sanitary landfills of size as large as 10 ha. Acquiring land of such size could also lead to considerable resettlement and may have significant socio-economic and environmental risks. Land compensation issues could delay the implementation of the program. Hence, the following issues should be seriously considered in towns planning to construct the sanitary landfills:

- Availability of land in areas that will not cause significant displacement and which are not located in close proximity to residential areas, sensitive natural habitats and physical cultural resources. The site selection should also consider topography, site geology, and hydrogeology, and legal requirements for the construction and operation of landfills.*
- Availability of the financial and human resources for the operation of the landfills so that they may not end up being an open dumping site after considerable investments. Appropriate mechanisms for soliciting financial resource for functionality of the sanitary landfills should be considered.*
- Appropriate sanitary landfill construction and management guidelines need to be developed.*

In sum, though appropriate solid waste management is highly needed in all urban centers in Ethiopia, serious consideration need to be given for the functionality as well as the social and environmental risks of the system to be introduced.

4.2 Issues associated with cobblestone and gravel roads

The discussants reported that roads (cobble stone and gravel) are among the major achievements of the program and contributed a lot for betterment of the public health and for beauty of the towns. It was also a source employment for considerable number of urban youth/the locals. Though there is general migration to the cities in search of a better life, ULGDPII specific labor influx has not been observed during the past and is not considered a risk for the upcoming program, UIIDP. The following environmental and social risks associated with this investment were reported (based on their experience in ULDP II):

- There were poor quarry site management
- Health hazards from quarry sites
- In some cases, cobblestone roads of poor quality were constructed which may jeopardize the sustainability of the results of the project.
- Soil erosion and landslide
- Health related risks (injuries) on cobblestone road workers
- Air and noise pollution.
- Impacts on (destruction of) existing infrastructure.
- Displacement
- Flooding
- Traffic accidents
- Access blockage

Recommendations based on discussion on environmental and social risks associated with cobblestone and gravel roads

Many of the above listed problems could be addressed if an Environmental and Social Guidelines for Construction activities is developed and implemented. This guideline will be used by the environmental and social management and procurement experts to supplement existing clauses within the standard contract documents. It is necessary to periodically water down temporary roads to minimize air pollution. Rehabilitation of quarry sites should be given due consideration. Restore/rehabilitate all sites to acceptable standards. Any trench, pit, excavation, hole or other hazardous feature should be appropriately demarcated and signposted to prevent hazard. The location of quarries should be subject to review and approval by relevant authorities. Construction timing, putting traffic signs, speed breakers and awareness creation, proper use of construction materials, temporary road constructions, timely maintenance and restoration of quarry sites, timely completion of construction activities are also proposed as mitigation measures by the participants.

4.3 Issues associated with abattoirs /slaughter houses

No abattoir financed by the program is functional thus far (at least in cities which were represented in the Hawassa meeting). However, the participants reported that the existing abattoirs have been significant sources of pollution. Among other things, the traditional abattoirs have been:

- attracting predators and scavengers and causing considerable security threat
- air, water and soil pollution.
- generating liquid wastes which are simply discharged into the environment in some towns.
- poor in terms of sanitation and can cause health problems. Some even mentioned that the poor sanitation in the existing abattoirs could encourage illegal slaughters outside of the formally known slaughter houses.
- causing bad odor.
- have no appropriate mechanism to dispose of solid wastes from the abattoirs.
- dust emission during construction.
- economic and physical displacement.

Recommendations based on discussion on environmental and social risks associated with abattoirs

Given the environmental and social problems associated with the existing abattoirs, the investment in modern abattoirs that could help to address the problems is desirable. However, as it was the case for sanitary landfills, issues such as land acquisition, technical capacity, operational costs, etc. should be seriously considered by the towns/cities planning to invest in construction of new abattoirs. Appropriate guideline for management of the new abattoirs need to be in place so that environmental and social risks could be addressed well. The World Bank Group Environmental, Health and Safety Guidelines for Meat Processing need to be properly referred while developing the guideline.

4.4 Market sheds

The market shades in the case of Adama were constructed in areas which are far away from the downtown and hence were not as such accessible to the potential customers. Thus, it was difficult to conclude whether this investment was significantly worthwhile or not.

Potential risks of markets

- Noise Pollution
- High solid waste generation
- Physical and economic displacement
- Expansion of urban crime- theft

4.5 Issues associated with Drainages

- The drainage ditches in some cases have been filled with considerable solid waste and causing flooding and environmental pollution.

- Drainage ditches which are not properly covered could cause physical hazards
- Accidents due to open ditches
- Problem on outlet results in Malaria and other water borne diseases
- Lack or blockage of access to houses and business specially during construction
- Displacement and property loss
- Ground and surface water contamination
- Risk of flooding and pollution due to the floods

4.6 Social inclusion issues

Women benefit equally from the program by

- Creating employment opportunity for women during construction and operation
- Using affirmative action during employments
- Training on gender issues, using successful women as role models
- Appropriate compensation payment for women
- Participation of women in planning and design of projects so that they can benefit equally
- Priority should be given in management of market projects by women MSE

Benefits to the elderly, people with disability, the poor can be realized by making

- Consultations and participation to be inclusive
- Design of subprojects consider the needs of people with disability, women, the elderly
- Inclusion and accessibility
- Designing non-capital intensive projects that can benefit the very poor

5. Conclusion

The following are points raised as a conclusion:

- the importance of commitment by leadership involving the city councils and city majors and administrators' commitments for the success of Urban Local Government, UIIDP activities.
- All the required efforts should be exerted by the cities to meet Minim Conditions
- More technical support to be provided by MoUDH.
- Community consultation and participation along with active involvement of the private sector and universities was also an area noted for the success and sustainability of urban development and the urban local governments' capacity strengthening.

Figure 5: List of consulted peoples from different institutions

TIGRAY

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S.N	Name	Region/	City	Organization	Position	Tel.	E-Mail
1	Abraham Sifon	Tigray	Mekele	ADD	Mayor	091412321	
2	Redae Bihon	Tigray	Alamato	add	manager	091423512	
3	Hailemariam	"	Adigrat	add	manager	091423512	
4	Walegn	"	Adigrat	municipal	manager	091423512	
5	Dargis	"	Karera	add	manager	091423512	
6	Tefera Kidanu	"	Mekelle	add	manager	091423512	
7	Hamza	"	Hemera	add	manager	091423512	
8	Tefera Alemsefer	"	Mekelle	EPHA	A.P. manager	091423512	
9	Bekele Berhe	"	Mekelle	UIIDP	Expert	091423512	
10	Hailemariam	"	Mekelle	UIIDP	Expert	091423512	
11	Dr. Yohannes	"	Mekelle	UIIDP	Expert	091423512	
12	Dr. Yohannes	"	Mekelle	UIIDP	Expert	091423512	
13	Bekele Keat	Gambella	Gambella	BOG FCC	Driver	0911337496	
14	Yonas Tekemsa	Gambella	Gambella	BOG FCC	Driver	0911337496	
15	W. Seawant Alem	Gambella	Gambella	BOG FCC	Driver	0911337496	

Ambara

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S.N	Name	Region/	City	Organization	Position	Signature			
						14/11/2017 Morning	14/11/2017 Afternoon	15/11/2017 Morning	15/11/2017 Afternoon
1	Walegn Biju	Ambara	Flitka	Manager	Manager	Manager	Manager	Manager	Manager
2	Temesken Jara	"	"	driver	driver	driver	driver	driver	driver
3	YITAH BIRHAN	"	BUNE	manager	manager	manager	manager	manager	manager
4	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
5	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
6	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
7	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
8	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
9	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
10	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
11	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
12	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
13	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
14	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
15	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
16	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
17	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
18	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
19	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
20	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
21	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver
22	Yitah Birhan	"	BUNE	driver	driver	driver	driver	driver	driver

Urban Institutional & Infrastructure Development Program

Asar / Bannung

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S.N	Name	Region/	City	Organization	Position	Signature					
						14/11/2017		15/11/2017		16/11/2017	
						Morning	After noon	Morning	Afternoon	Morning	Afternoon
1	Wondie Ja	Zac	Ant	Ant							
2	Wondie Ja	Zac	Ant	Ant							
3	Wondie Ja	Zac	Ant	Ant							
4	Ahmed Ismael	Afar	Afar	Adm. Director	Mayor						
5	Musesta Tadele	Afar	Afar	EPA	Expert						
6	Musesta Tadele	Afar	Afar	Assoc. Prof.	Adm. Dir.						
7	Ahmed Babekir	D/Gambu	Asosa	BoKSA	Director						
8	Ahmed Babekir	D/Gambu	Asosa	BoKSA	Director						
9	Bilel Keat	Gambu	Gambu	BOECC	Chief						
10	Yonas Teklehaimanot	Gambu	Gambu	EFandC-CH	Head						
11	W/rognat Abn	Gambu	Gambu	EFCCB	Chief						
12	Hasna Ahmed	Afar	Daba	Adm. Dir.							
13	Ahmed Ali	Afar	Daba	Adm. Dir.							

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						14/11/2017		15/11/2017		16/11/2017	
						Morning	After noon	Morning	Afternoon	Morning	Afternoon
1	Gawir Mersa	Tigray	Adm. Dir.								
2	Redae Berhane	Tigray	Adm. Dir.								
3	Abel Berhane	Tigray	Adm. Dir.								
4	Yonas Teklehaimanot	Tigray	Adm. Dir.								
5	Yonas Teklehaimanot	Tigray	Adm. Dir.								
6	Gemedwin Silam	Tigray	Adm. Dir.								
7	Haytom Gashu	Tigray	Adm. Dir.								
8	Haytom Gashu	Tigray	Adm. Dir.								
9	Barbara Beld	Tigray	Adm. Dir.								
10	Barbara Beld	Tigray	Adm. Dir.								
11	Dr. Yonas Teklehaimanot	Tigray	Adm. Dir.								
12	Dr. Yonas Teklehaimanot	Tigray	Adm. Dir.								
13	Teklay Fesseha	Tigray	Adm. Dir.								

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Tigray

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S.N	Name	Region/	City	Organization	Position	Signature					
						11/11/2017		12/11/2017		13/11/2017	
						Morning	After noon	Morning	Afternoon	Morning	Afternoon
1	Tefera Fesseha	Tigray	Adara	Municipality	Mayor						
2	Ataklti Gebret	Tigray	Mekele	BOLDI	Director						
3	Degefa Werede	Tigray	Shanno	Administration	Mayor						
4	Abel Tekle	Tigray	Adara	Municipality	Mayor						
5	Reda Bithan	Tigray	Adara	Municipality	Mayor						
6	Dawit Alemayehu	Tigray	Adara	Municipality	Mayor						
7	Almedin Siltan	Tigray	Adara	Municipality	Mayor						
8	Festay Alemayehu	Tigray	Adara	Municipality	Mayor						
9	Tesfay Kidanemariam	Tigray	Adara	Municipality	Mayor						
10	Dadaj Gebremariam	Tigray	Adara	Municipality	Mayor						

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S.N	Name	Region/	City	Organization	Position	Signature					
						14/11/2017		15/11/2017		16/11/2017	
						Morning	After noon	Morning	Afternoon	Morning	Afternoon
1	Mulugeta Bentie	Amhara	Bidar	BOLSA	Expert						
2	Adane Atkema	Amhara	Dangula	Municipality	Manager						
3	Anye Shifer	Amhara	Dangula	Municipality	Manager						
4	Melak Bishay	Amhara	Dangula	Municipality	Manager						
5	Walesta Bealaga	Amhara	Dangula	Municipality	Manager						
6	Endelawneh Ayalew	Amhara	Dangula	Municipality	Manager						
7	Zigede Kassa	Amhara	Dangula	Municipality	Manager						
8	Wubale Mihret	Amhara	Dangula	Municipality	Manager						
9	Melak Alemayehu	Amhara	Dangula	Municipality	Manager						
10	Bekele Alemayehu	Amhara	Dangula	Municipality	Manager						
11	Adane Gebremariam	Amhara	Dangula	Municipality	Manager						
12	Melak Alemayehu	Amhara	Dangula	Municipality	Manager						
13	Abasse Molla	Amhara	Dangula	Municipality	Manager						
14	Tadesso Woldemariam	Amhara	Dangula	Municipality	Manager						
15	Mersaba Alemayehu	Amhara	Dangula	Municipality	Manager						
16	Arman Amare	Amhara	Dangula	Municipality	Manager						
17	Wubale Mihret	Amhara	Dangula	Municipality	Manager						
18	Melak Alemayehu	Amhara	Dangula	Municipality	Manager						
19	Melak Alemayehu	Amhara	Dangula	Municipality	Manager						
20	Getachew Alemayehu	Amhara	Dangula	Municipality	Manager						

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S.N	Name	Region/	City	Organization	Position	Tell-	E-Mail
01	Melak Alemu	Amhara	Bidar	Municipal	manager	0918081011	melakalemu@gmail.com
02	Melak Maysen	Amhara	Waketa	Municipality	Mayor	0918081011	melakmaysen@gmail.com
03	Yehuala Zinsidye	Amhara	Chagna	Municipality	Mayor	0918081011	melakmaysen@gmail.com
04	Adane Adinate	Amhara	Mangsha	Municipality	Manager	0999999910	adaneadinate@gmail.com
05	Derese Kindu	Amhara	Adet	Municipality	V. Mayor	0918090743	deresekintu@gmail.com
06	Wolde Ademe	Amhara	Bir	BOWCA	Chairperson	091270786	woldeademe@gmail.com
07	Akshay Mssabe	Amhara	D. U. Road	Construction	Manager	0918081011	akshaymssabe@gmail.com
08	Derese Abeje	"	Bidar	BOLSA	PR. Director	0918081011	dereseabeje@gmail.com
09	Tesfaye G. Abate	Amhara	Arborea	M.A.CITY	Director	0918081011	tesfayeabate@gmail.com
10	Bate						

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S.N	Name	Region/	City	Organization	Position	Tell-	E-Mail
1	Rejot Hussien	Amhara	Bidar	BOLLOH	Environment	0912715134	rejabat@bolloch.com
2	Tefera Tefera	"	Blolan	"	social dev	0911900048	teferatefer@gmail.com
3	Abdullah Tulu	Amhara	Aldehena	Q. U. R. A.	leader	0918196843	abduallah@aldehyna.com
4	Mohammed Said	Amhara	Bati	Bati	Chairman	0918081011	mohammedsaid@gmail.com
5	Aweke Adanav	Amhara	Gedusha	Commission	manager	0918081011	awekeadana@gmail.com
6	Mulbale Milhe	Amhara	Barkena	Mayor	Mayor	0913652615	mulbalemilhe@gmail.com
7	Zigete Kassa	Amhara	Debreay	manager	manager	091270786	zigetekassa@gmail.com
8	Ousman Yimer	Amhara	Kombasa	manager	man	0918081011	ousmanyimer@gmail.com
9	Mertsha Alem	Amhara	Matta	Mayor	Mayor	0918245899	mertshalem@gmail.com
10	Dongegnal Tafese	Amhara	Dawit	Mayor	Mayor	0918245899	dongegnal@gmail.com
11	All Hatuma	Amhara	Kanise	Mayor	Mayor	0918245899	allhatuma@gmail.com
12	Tesfaye Wazemariam	Amhara	Hayle	Mayor	Mayor	0918245899	tesfayewazemariam@gmail.com
13	Desalegn Alibabaw	Amhara	Aykol	Manager	Manager	0918245899	desalegnalibabaw@gmail.com
14	Kelete Tilove	DARKE	DARKE	Manager	Manager	0918245899	kelete@gmail.com
15	Abeba Abayuel	Amhara	Bahara	Environment	Director	0918245899	abebaabaye@gmail.com
16	Walegn Dessalegn	Amhara	Mesawi	Municipality	Manager	0918245899	walegn@gmail.com
17	Abete Molla	Amhara	Aldehena	Mayor	Manager	0918245899	abete@gmail.com
18	Adane Gebremariam	Amhara	D. U. Road	Mayor	Manager	0918245899	adane@gmail.com
19	Estimate Arico	Amhara	Mihara	Municipality	Manager	0918245899	estimatearico@gmail.com
20	Melak Birkanu	Amhara	Libela	Municipality	Manager	0918245899	melakbirkanu@gmail.com
21	Mulugeta Bantie	Amhara	Bidar	BOLSA	Expert	0918005963	mulugeta@gmail.com
22	YITAYAL BIRHAN	"	BURIE	manager	manager	0910009094	yitayalbirhan@gmail.com
23	Walegn Ejiyu	"	Fisalam	manager	"	0911261220	walegn@gmail.com

Urban Institutional & Infrastructure Development Program

BENI SHAGUC GUMUZ

Urban Institutional and Infrastructure Development Program (UIIDP)
Stakeholders' Consultation Workshop on UIIDP
Environmental and Social System Assessment (ESSA)
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S.N	Name	Region/	City	Organization	Position	Tell-	E-Mail
1	Mengistu Tabele	B.Gumuz	Arsena	for city Admin	City Manager	0919838958	mengistu@igmail.com
2	Atef Mussa	"	"	UP development	Urban Head	0910310222	atef.mussa@gmail.com
3	Ahmed Babekir	"	"	BALSA	Bar/Head	091102222	ahmedbabekir@gmail.com
4	Ed. Tadesse	"	"	"	"	0922203842	ed.tadesse@gmail.com
5	UAG Alemu	B.G.S	"	AR-DC	Director	0909022222	uag.alemu@gmail.com
						0920101173	

SANMPRS

Urban Institutional and Infrastructure Development Program (UIIDP)
Stakeholders' Consultation Workshop on UIIDP
Environmental and Social System Assessment (ESSA)
November 11, 2017, Hawassa

S.N	Name	Region/	City	Organization	Position	Tell-	E-Mail
1	Mulugeta Abate	SANMPRS	Jinka	City Admin	Deputy Mayor	0916655322	
2	Kassahun Abate	"	Teppi	Municipality	Deputy Mayor	0917061579	
3	Temeszen Azeze	"	Sorata	"	Vice Mayor	0916284576	
4	Tariku Ugeyo	"	Hawassa	Social affair	S. Servent	0911043740	
5	Teshome Shibre	"	Yigalam	Environ	ESAF form	0913414023	
6	Yohannes H	"	Bedite	Mayor	Mayor	0911575833	mlawant@pna
7	Hilwete Florkas	"	Ahikamul	Social	Social	0910759250	zohalem@pna
8	Zelalem Mengistu	"	Mizanadran	mission	Envi't	0920945976	zelalem@pna
9	Bekale Fussa	"	Burdaw	Bulldoz H	UIC-DE coordin	091744738	clawte@pna
10	Dzandé Oyata	"	Bedite	Urbanists	Head of site	092610825	
11	Mekere Tefera	"	Burdaw	Envi't	UIC-DE coordin	091105117	amb. xero
12	Yared Amde	"	Shinyata	Envi't	member	0910838314	
13	Tigstay Abdy	"	Flakera	City Admin	Mayor	0911331188	
14	Abat - Yacob	"	Hawassa	City Admin	Head Adm	0942482205	
15	Elisas Amde	"	Shinshicho	City Admin	Reculation	0912022851	
16	Berhanu Muluatu	"	Sorata	S-m		09110396254	
17	Tilahun handebo	"	Wozake	Municipality	Manager	0912315587	
18	Sami Oleso	"	Gaddo	Admin's	U/Mayor	0913227384	
19	Tesfaye Hiyowan	"	"	Municipal	Manager	0906172277	
20	Tesfaye Hiyowan	"	Durame	Municipality	Manager	0913721184	tesfaye@pna
21	Teshome Safre	"	Yichefe	Municipality	Manager	0912446069	tesfetu2006
22	Michael Bayane	"	Wolqite	Municipal	MGR	0926767664	
23	Tariku H/mariam	"	Kalkito	Municipality	Employer	0921541427	
24	Abdurahman Safo	"	Arfa	Mayor	Mayor	0912380047	

Urban Institutional & Infrastructure Development Program

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S.N	Name	Region/	City	Organization	Position	Tell-	E-Mail
26	Christnu Zaber	SNNPR	Aneka	Municipality	Manager	0913192177	chr.2295@gmail.com
27	Halle Gensle	"	Aneka	"	"	011814615	"
28	Weyou Bekede	"	Butejira	"	manager	0915421881	weyou@butejira.gov.et
29	Getnet Almasia	"	Dilla	"	"	091550922	getnet@butejira.gov.et
30	Asrat Batta	"	Hawassa	"	Social	0911971146	asrat.batta@gmail.com
31	Azizma pidimas	"	Halab	"	"	091681324	"
32	sultana sultana	"	Halab	"	MANAGER	091681324	sultana.com
33	Endriah Gebie	"	Welkita	"	DETIVER	0913858177	"
34	Aschib FAHANO	"	Welkita	"	DETIVER	0911736982	"
35	Yohann Dirala	"	Welkita	"	DETIVER	091583189	"
36	Merkiné Hiseal	"	Welkita	"	DETIVER	0916301086	"
37	Deyapet Dateti	"	Baaleti	"	DETIVER	0913453576	"
38	Emilia Larayo	"	Shane	"	"	0913227711	"
39	Mariam Makena	"	Hawassa	"	Environment	0910116767	"
40	Tantui Koroa	"	Hawassa	"	DETIVER	091172667	"
41	Tesfaye Adam	SNNPR	Ilaka	"	DETIVER	0910159417	"
42	Tesfome Anana	SNNPR	Hawassa	"	CITY MANAGER	0912267711	"

Oromia
Urban Institutional and Infrastructure Development Program (UIIDP)
Stakeholders' Consultation Workshop on UIIDP
Environmental and Social System Assessment (ESSA)
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S.N	Name	Region/	City	Organization	Position	Tell-	E-Mail
1	Tadesie Kudama	Oromia	Burayu	Municipality	Manager	0911824230	tadesie.kudama@gmail.com
2	Getchu Beraku	Oromia	Shakisa	municipality	Manager	0916372777	"
3	Wolena Fete	Oromia	Fiche	municipality	manager	09141288	"
4	Bizunayehu legese	Oromia	Beddelle	municipality	head	0913116802	"
5	Yehunder Wolica	"	Nesefte	Goverment	Head	091645761	"
6	Suresh Tesfome	Oromia	Yabro	municipality	manager	0916322633	"
7	Gosa Amare	"	Goba	municipality	manager	0911262634	"
8	Mariam Naeef	"	Gannu	municipality	Manager	0914017240	"
9	Seifu Bedada	"	Suuuta	municipality	Manager	0922542191	seifubedada@gmail.com
10	Husein Kulezo	"	Bantu	municipality	Manager	0918781096	"
11	Hailu Mekonen	"	metu	Goverment	Mayor	0932461968	"
12	Sultan Haji Teman	Harari	Harar	EPA	Head	0915021020	sultant@yaho
13	Wolkegetenhu Girma	Oromia	sefeje	municipality	Head	0913741555	"
14	Gezaye T/Hora	Oromia	Medjo	municipality	manager	091135072	"
15	Tsegaye Sabihu	Oromia	Shashan	city	manager	0930802988	Tsegaye.Sabihu@gmail.com
16	Ahlan Alemsefer	"	Churo	"	"	0915717977	ahlanalemefer@gmail.com
17	Gebrey Tesfaye	"	Adama	"	"	0910745654	"
18	Fitsum Woldemichael	"	Babile	Keziban	Head	0913482056	"
19	Benedan Badire	Oromia	Babile	Municipality	manager	0913090266	benedan@yaho
20	Gastaw Tesfome	"	Haramaya	"	manager	0917814332	"
21	Debera Fite	"	Sebele	"	Manager	0931941179	deberafite@gmail.com
22	Tesfaye Tadesse	Oromia	Adola	Municipality	Director	0910248357	"
23	Abel Tesfaye	Oromia	Anem	Anem	Manager	0920864000	"
24	Kamil Abduki	"	"	"	Director	0911602554	"

Urban Institutional & Infrastructure Development Program

ORomia
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S.N	Name	Region/	City	Organization	Position	Tell-	E-Mail
1	Robe Berako	Oromia	Adole wola	Manager/Urban	Manager	091604129	
2	Fikadu Jete	>>	Ordeleya	municipal	manager	091170200	
3	Melaku Tadesse	>>	Ghimbi	municipal	Manager	0910023138	
4	Efak Sherefu	>>	Agaso	Municipal Man	Manager	0412804305	
5	Abdel Betate	>>	Milneba	Municipal	Manager	021186158	
6	Ahmed Bekir	>>	Dodola	Municipal	Manager	0920080886	
7	Juudi Aloye	>>	Asame	Municipal	Manager	0930293619	
8	Muluken Mekosha	>>	Majda	Director	Director	091597554	
9	Abicooch TANE	>>	Oromia		Director	0911574400	
10	Toshame Jada	>>	Majda		Director	091185220	
11	Chorinat Diriba	>>	Holeta		Mayor of	090559024	

HARARI
Urban Institutional and Infrastructure Development Program (UIIDP)
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S.N	Name	Region/	City	Organization	Position	Tell-	E-Mail
1	Elias Abdulahi	Harari	HARAR	ULGDP	Env. expert	0910620910	eliasabdulahi@gmail.com
2	Munib Bekir	Harari	>>	>>	Env. coordinator	091508666	munibbekir@gmail.com
3	Ismael Yusuf	Harari	>>	Kare municipal	vice manager	0912971517	ismail158@gmail.com
4	Alaida Muktar	Harari	>>	HBawcy	Director	0915956890	alaidamuktar@gmail.com
5	Ramadan Diner	Harari	>>	L.S.A	Head	0915745292	
6	Mohammed Usman	Harari	>>	>>	Director	0915743300	
7	Abdu Wasan	Harari	>>	2016	Director	0915745512	

Kenya Somali
Urban Institutional and Infrastructure Development Program (UIIDP)
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S.N	Name	Region/	City	Organization	Position	Tell-	E-Mail
1	Nurije Abdulahi	ESRS	Jijiga	Boba	De-Bura Head	0915062371	sumaliboba@gmail.com

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S.N	Name	Region/	City	Organization	Position	Tell-	E-Mail
1	Mohamed Gelo	Dire Dawa	D.D	Wolayta	YAT	0915744835	Mohamed Gelo
2	Fikadu Jete	>>	>>	Wolayta	YAT	0915744835	abdulmohamed@gmail.com
3	Fikadu Jete	>>	>>	Wolayta	YAT	0915744835	abdulmohamed@gmail.com
4	Fikadu Jete	>>	>>	Wolayta	YAT	0915744835	abdulmohamed@gmail.com
5	Fikadu Jete	>>	>>	Wolayta	YAT	0915744835	abdulmohamed@gmail.com
6	Fikadu Jete	>>	>>	Wolayta	YAT	0915744835	abdulmohamed@gmail.com
7	Fikadu Jete	>>	>>	Wolayta	YAT	0915744835	abdulmohamed@gmail.com

Figure 6: UIIDP ESSA Stakeholder Consultation workshop, November 11,2017 at Hawassa and November 14,2017 at Bahir Dar city , Ethiopia



Participants from MoUDH, BoUDH, MOLSA, RWMEB, REFCCA, ULGs, Cites, WB, etc. At Hawassa and Bahirdar



Welcoming and Introduction speech by MoUDH



Opening speech by Hawassa City Mayor



Opening speech by RUDH-Head, Bahirdar



Key Note speech - World Bank-ENR-GP

Urban Institutional & Infrastructure Development Program



Key message - World Bank



Presentation On Over all UIIDP program-WB



Presentation on Lesson Laerved at Hawassa and Bahirdar–MoUDH



Briefing on PforR -ESSA approach-WB



Presentation on ESSA_Methodology-WB



Presentation on ESSA_Environment-WB



Presentation on ESSA_Social-WB



Group Discussions-participants

Group presentations at Hawassa-participants



Group presentations at Bahirdar-participants

General discussions and Closing Remark-MoUDH