

FEDERAL DEMOCRATIC REPUBLIC ETHIOPIA
ETHIOPIA ELECTRIC POWER AND ETHIOPIA ELECTRIC
UTILITY



First Power Sector Reform Investment and Modernization in
Ethiopia (PRIME-1) Project (P176731)
as Part of a Multiphase Programmatic Approach (MPA)

Resettlement Policy Framework (RF)

(Final Draft)

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Acronyms and Abbreviations

ADELE	Access to Distributed Electricity and Lighting in Ethiopia Project
CSOs	Civil Society Organization
CRC	Compensation and Resettlement Committee
EEHP	Eastern Electricity Highway Project
EEP	Ethiopian Electricity Power
EEU	Ethiopian Electricity Utility
ENREP	Electricity Network Reinforcement and Expansion Project
EPA	Environmental Protection Authority
ESIA	Environmental and Social Impact Assessment
ESCP	Environmental and Social Commitment Plan
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standard
FDRE	Federal Democratic Republic of Ethiopia
FLSM	Forex Liquidity Support Mechanism
FPIC	Free, Prior and Informed Consent
GBV	Gender Based Violence
GoE	Government of Ethiopia
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
GRS	Grievance Redress System
GSDP	Geothermal Sector Development Project
HH	Households
IDA	International Development Agency
IPP	Independent Power Producer
IPSAHUTLC	Indigenous Populations / Sub-Saharan African Historically Underserved Traditional Local Communities
LRP	Livelihood Restoration Plan
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MOM	Ministry of Mines
MPA	Multi-Phase Programmatic Approach
NEP	National Electrification Plan
NGO	Non-Governmental Organization
PAD	Project Appraisal Document
PEA	Energy Regulatory Authority
PDO	Project Development Objective
PIU	Project Implementation Unit
PRIME	Power Sector Reform, Investment, and Modernization in Ethiopia
PPP	Public Private Partnership
PWD	Person with Disability
RP	Resettlement Plan
RE	Renewable Energy
RF	Resettlement Framework
ROW	Right of Way

SA	Social Assessment
SIIP	System Instrumentation Improvement Project
SDP	System Defense Project
SDT	System Digital Twin
SEP	Stakeholders Engagement Plan
TA	Technical Assistance
VLD	Voluntary Land Donation
VRE	Variable Renewable Energy
WB	World Bank

Executive Summary

The PRIME Phase 1 (PRIME-1) project will cover a range of activities to meet the development objectives, while preparing for subsequent phases of the PRIME MPA and pursuing sector reforms and financial performance improvement. The project will rehabilitate the distribution network in existing grid-connected areas across 72 key towns. Fourteen new transmission lines and sub-stations will be constructed. The project will invest in modernization of transmission and distribution networks. It will also support risk-mitigation for competitively selected IPP projects, including drillings to establish geothermal resources and establishment of a *Forex Liquidity Support Mechanism (FLSM)*. The Project Development Objective (PDO) is to strengthen and expand the electricity network, enable renewable energy generation, and support power sector reforms. The Project components relevant for this RF are:

Component-1: Distribution MV Network Refurbishment and Modernization: This component will improve the quality of supply and help expand grid electricity access by rehabilitating distribution networks across seventy-two (72) towns.

Component-2: Transmission Network Strengthening and Modernization: This component will construct fourteen (14) new transmission lines and substations to strengthen and expand the capacity of the transmission grid.

Component-3: Enabling private participation in RE generation: This component will facilitate private investments in non-hydro (solar, wind and geothermal) renewable energy to mitigate some critical risks faced by IPP developers. This will include: (i) Preparation of generation plans with Variable Renewable Energy (VRE) integration and capacity building, (ii) Transaction advisory and capacity building (for developing the FLSM), (iii) RE park infrastructure and resilience /adaptation studies, (iv) Public investments in geothermal park infrastructure, and (v) FLSM.

Component-4: Technical Assistance and Technical Assistance and Capacity Building at Petroleum and Energy Regulatory Authority (PEA). The component will be implemented by the Ethiopian Electric Power (EEP) and it provide technical assistance and institutional capacity strengthening support to enable PEA to effectively discharge its mandates and achieve its medium-term strategic plan.

The purpose of this Resettlement Framework (RF) is to analyze project interventions and ensure that any adverse impacts of physical and/or economic displacement are properly identified and compensated.

The RF establishes the methodological principles and criteria for resettlement and compensation, as well as the organizational provisions to be applied during the resettlement process, in order to ensure compliance with the World Bank Environmental and Social Framework (ESF) and Ethiopian law. For any inevitable displacement, this RF will be used to guide the process of elaboration of a Resettlement Plan (RP) and/or Livelihood Restoration Plan (LRP) to define the process of identification of affected persons, their entitlements, fair compensation for lost assets and organization for its delivery, as well as the budget and schedule for implementing these activities.

The objective of the RF is to ensure that relevant World Bank ESS and Government of Ethiopia environmental and social policies and laws are strictly adhered to. Specifically, the RF ensures that WB ESS5 provisions and principles are embedded in project design and implementation. A detailed analysis of the World Bank ESS

and the Ethiopian legal framework is provided. A comparison of the two and measures to bridge any gaps are detailed.

The Project and its ancillary facilities are likely to require land acquisition, and are likely to inflict restrictions on land use, and temporary and/or permanent economic and physical displacement of people living in or near the proposed sub-project implementation target areas. The project may result mainly in loss of agricultural and grazing land, but potentially also commercial and residential land, loss of livelihood, and impacts on natural drainage leading to land use change. Effects are likely on private and communal land and associated assets, crops, trees, etc.

Stakeholder engagements with a variety of stakeholders have been undertaken for the preparation of the Project and this RF in October and November 2023. The results have been included in this RF.

Once the sub-project activities of the Project are identified, the Project will undertake an environmental and social screening to determine whether sub-projects require any land acquisition and/or involuntary resettlement of people within the determined sub-project area. The relevant Project Implementation Unit (PIU), the Ethiopian Electricity Utility (EEU) for Component 1 and the Ethiopia Electric Power (EEP) for Component 2 and 3, in collaboration with the respective woreda will be responsible for the screening. The screening outcomes will indicate if a RP needs to be prepared, and whether the RP needs to include a Livelihood Restoration Plan (LRP), or whether a separate LRP is required.

As part of the RP/LRP preparation, a socio-economic census and asset inventory will be undertaken by the respective PIU to determine the extent of resettlement required. An important aspect of preparing a RP/LRP is to establish appropriate data to identify the individuals, households or communities and their assets that will be affected by the sub-project, people eligible for compensation and other assistance, and to discourage inflow of people who are ineligible for these benefits, including by setting and disseminating a cut-off date. Following completion of the RP/LRP, the respective PIU together with the Woreda will submit the RP/LRP to the regional regulatory body for review. The PIU will then submit the RP to the World Bank for approval. If further adjustments are required, the PIU will revise and resubmit the RP to the World Bank.

A Grievance Redress Mechanism (GRM) has been designed for the implementation of the Project. The GRM will be made available at the local level to allow any Project-Affected Person (PAP) to seek redress for Project-related grievances, including in relation to land and resettlement issues, it will include resettlement-specific Grievance Committees (GRCs).

The monitoring will be carried out by the respective PIU. The PIUs will appoint consultants to work closely with the PAPs to track the progress of RP implementation. The consultants will be specialists in land and resettlement issues. Monitoring will be based on identified indicators and within a defined timeframe. Monitoring reports of the RF and RP implementation will be prepared on a quarterly basis. The PIUs will prepare the report, which will summarize information that is collected and compiled in the quarterly Project Progress Report and highlight key issues. The monitoring of inputs, processes, outputs, and outcomes of RP activities will be used for improvements in the implementation of the RPs and RF.

According to ESS5, PRIME 1 will include an evaluation by an independent third party to assess whether the outcome of the RPs complies with ESS5. The main objective of this completion audit is to determine whether the project efforts to restore the living standards of the PAPs have been properly conceived and executed and restoration has been achieved. The audit should verify that all physical inputs committed to in the RP have been delivered and all services provided. Furthermore, the audit should evaluate whether

the mitigation actions prescribed in the RP have had the desired effect. The timing of the audit should enable the client to undertake corrective action, if any, as recommended by the auditors before the project is complete. The completion audit should bring to closure the PIU liability for resettlement, compensation, livelihood restoration, and development support.

1. Introduction

1.1 Background

Ethiopia faces the third highest electricity access deficit in Sub-Saharan Africa with an access rate of 51 percent in 2020¹, even as the Government and the utilities have made some concerted efforts to expand access. Over 56 million people lack electricity access, with the majority in rural areas (93 percent of urban houses are connected versus 40 percent of rural households – mainly through standalone solutions). More than half of those connected to the grid are not formally registered as consumers with the utility. Per capita electricity consumption in Ethiopia is 69 kWh compared to world average of about 3,131 kWh. The National Electrification Plan (NEP) launched in 2017 and further elaborated in 2019 (NEP2.0) presented an investment roadmap for achieving universal access by 2025 through grid and off-grid solutions, and 96 percent on-grid access by 2030. Despite well-performing World Bank-funded access expansion projects, the broader NEP program is delayed by nearly a decade and is constrained by limited funding, weak implementation capacity, limited contractor capacity, and the need to import key electrification materials.

Ethiopia has invested substantial public resources in expanding its hydropower capacity, but additional generation investments will be needed by 2030. With 98 percent of the generation coming from clean sources (mainly hydropower and some wind energy), Ethiopia's near-complete reliance on green electricity is an outlier in the region and makes it vulnerable to hydrological variations which may be exacerbated by climate change. Installed capacity has more than quadrupled between 2009 and 2022 (reaching 5,340 MW) and will reach about 13,000 MW by 2028. While the system will have surplus generation over the coming years, additional capacity will be needed that must be initiated already.

To achieve universal access, energize faster economic growth, and establish Ethiopia as a regional electricity hub, the sector utilities have identified large investment needs. The Power Sector Reform, Investment, and Modernization in Ethiopia Multi Phase Programmatic Approach (PRIME MPA) will make concerted efforts to accelerate public investments in network strengthening and risk-mitigate private investments in non-hydro Renewable Energy (RE) generation by establishing models that can leverage financing from other donor partners. The program will complement ongoing projects on last-mile access (grid and off-grid), IDA payment guarantees for private investments in renewable energy, and regional electricity trade. In parallel to above investments, the PRIME program will support a reform trajectory encompassing structural and operational reforms. The program will construct the upstream network infrastructure necessary to enable a tripling of the formal utility connections from 4.5 million (18 percent rate of formal grid electrification) in FY22 to 15 million (52 percent) in FY32 under ongoing and upcoming electrification engagements and a connection regularization scheme.² Network strengthening activities to help achieve these milestones will

¹ Tracking SDG 7: The Energy Progress Report. 2022. This includes off-grid electricity access, formal grid electricity access, and illegal connections.

² The tripling of formal utility connections by 2032 will be achieved through: (i) intensification and densification in grid-connected areas for about 3.8 million connections, (ii) regularization of over 4 million informal connections, (iii) electrification of nearly 2 million households through grid-extension, and (iv) electrification through mini-grids for about 240,000 households. In addition, 750,000 households will receive electricity access through standalone off-grid solutions. A regularization scheme will be designed by EEU to address informal connections and establish a formal utility-consumer relationship. This will enable the utility to deliver assured services at regulated tariffs while preventing exploitative rent-seeking.

synergize with last-mile electrification in grid-connected and newly grid-extended areas. The PRIME MPA will also help galvanize funding from other development partners to meet the vast investment needs of this large country. These efforts will generate significant momentum for achieving universal access by 2035 and near-universal (96 percent) grid-based access by 2040.

Acceleration in the rate of electrification will be synchronized with expansion of medium voltage and high voltage networks to improve the quality and reliability of supply while creating space for continued electrification. This improvement in quality and reliability of supply will be achieved through distribution rehabilitation in over 150 key towns.³ The PRIME MPA will support the strengthening and expansion of the transmission network to address the problems of line overload, transformer overload, under voltage, over voltage, and overarching challenges in managing systems dynamics and short-circuits. Further, with the generation capacity set to expand from 5340MW to 12840MW until 2023, the transmission carrying capacity and reliability (through built-in redundancies) will be strengthened by constructing new lines and substations as well as upgrading the existing ones.

The PRIME MPA will facilitate private investments in non-hydro renewable energy by leveraging global climate finances for upstream resource establishment. It will help Ethiopia in climate adaptation by diversifying the generation-mix towards non-hydro renewables, while also serving to secure energy reserve margins of 20 percent to manage climate-induced hydrological variations. It will support continued efforts to develop geothermal projects that will help avoid the need for generation using natural gas or other fossil fuels. The program will also support the relaunch of competitive bidding process for Independent Power Producer (IPP) selection and support the IPPs with payment guarantees. It will help unlock at least 600MW of IPPs by establishing a Forex Liquidity Support Mechanism (FLSM) to help the Ministry of Finance (MoF) in meeting its forex obligations towards select IPP developers.

The PRIME Phase 1 (PRIME-1) project will cover a range of activities to meet the development objectives, while preparing for subsequent phases of the PRIME MPA and pursuing sector reforms and financial performance improvement. The project will rehabilitate the distribution network in existing grid-connected areas across 72 key towns. Fourteen new transmission lines and sub-stations will be constructed. The project will invest in modernization of transmission and distribution networks. It will also support risk-mitigation for competitively selected IPP projects, including drillings to establish geothermal resources and establishment of a FLSM.

1.2 Description of Project Components for which Land Acquisition is Required

This section provides a brief description of the Project and its components for which land acquisition and resettlement may be required.

The Project Development Objective (PDO) is to strengthen and expand the electricity network and enable renewable energy generation in Ethiopia.

The PRIME-1 project will cover a range of activities to meet the development objectives, while preparing for subsequent phases of the PRIME program and pursuing sector reforms and financial performance improvement. The project will rehabilitate the distribution network in existing grid-connected areas across

³ These 150 towns will be in addition to 24 towns already covered under ongoing projects (fourteen under ENREP and ten under ADELE).

72 key towns. 14 new transmission lines and sub-stations will be constructed. The project will invest in modernization of transmission and distribution networks. It will also support risk-mitigation for competitively selected Independent Power Producers (IPP) projects, including drillings to establish geothermal resources and establishment of a Forex Liquidity Support Mechanism (FLSM). The Project consists of the following four components:

Component 1: Distribution MV Network Refurbishment and Modernization: This component will improve the reliability of supply in select towns where deficiencies in availability, quality, and reliability of supply remain a challenge; modernize the distribution network with digital systems; and build client capacity. Considering Ethiopia's high vulnerability to extreme climate events, all components will focus on increasing the resilience of the distribution network. More efficient distribution and reliability of services will greatly reduce greenhouse gas (GHG) emissions emitted by backup solutions such as diesel gensets. It consists of three Subcomponents:

Subcomponent 1.1. Distribution network strengthening across select towns. This Subcomponent will improve the quality of supply and help expand grid electricity access by rehabilitating distribution networks across 72 towns. Activities under this Subcomponent will focus on the rehabilitation of distribution networks that have not been expanded since the last 30 to 40 years and are inadequate to meet the growing demand of customers, nor to the more taxing temperatures and likely occurrence of extreme weather events due to climate change.

Subcomponent 1.2. Distribution network modernization. This subcomponent will support the continued modernization of the Addis Ababa city distribution transformer metering system as a part of the ongoing EEU revenue protection program (RPP). EEU is already installing 1000 smart energy meters for Automatic Data Acquisition (ADA) for the purpose of centralized meter data logging and data analysis. Under this component, Distribution Transformers Monitoring Units (DTMU) will be installed to achieve two-way communication with central data-servers to enable remote meter reading, remote management of energy meters, network problem identification, load profile, energy accounting and audit. Real-time identification of problems and load imbalances will be key in adapting to climate change to safeguard reliability of service. They will also be used to identify load imbalances in the distribution system, which cause excessive line losses and uneven voltage profiles. This will help extend the service life of transformers, reduce unplanned outages, and improve supply quality.

Subcomponent 1.3. Consulting services, capacity building and project implementation support. This Subcomponent will finance (a) consultancies to support activities' preparation and implementation and Project implementation support and (b) technical support and capacity building on structural and operational reform and (c) provide support to EEU specifically for structural and operational reform-related technical assistance as well as institutional capacity building, (i) segregation of public service obligation (PSO) from commercial business of EEU, (ii) establishment of strategic business units (SBUs) along the regional EEU, (c) tariff adjustments to reflect variations in inflation and currency exchange rate, (iii) least cost distribution investment planning, and (iv) an update of the grid code and planning standards with introduction of climate resilience requirements. Institutional capacity building also covers Project management, contract administration, procurement, and E&S risk management.

Component-2: Transmission Network Strengthening and Modernization. This component consists of three Subcomponents:

Subcomponent 2.1 Transmission Network Strengthening. This Subcomponent will construct 14 new transmission lines and substations to strengthen and expand the capacity of the transmission grid. Investments selected under this Subcomponent form a part of the least cost transmission expansion study conducted by EEP.

Subcomponent 2.2 Transmission System Modernization. This Subcomponent will support grid modernization by addressing frequent system wide instability and outages due to inadequate response from primary, secondary, and tertiary frequency control systems. This Subcomponent will also support grid modernization by addressing frequent system-wide instability and outages due to inadequate response from primary, secondary, and tertiary frequency control systems. It will include the following activities, which contribute to greater grid resilience and improvements in energy efficiency: (a) *System Defense Project* to cover all the generation and transmission assets and help improve grid resilience through effective and efficient system frequency response performance based on international standards and best practices; (b) *System Digital Twin Project* to establish a dynamic model of the power system to replicate the responses from the real system based on data from tests performed on the generating units, allowing for effective simulation of impacts of a changing climate; and (c) *System Instrumentation Improvement Project* to help improve the system instrumentation by establishing an electrical equipment calibration and testing lab.

Subcomponent 2.3 Consulting services, capacity building and project implementation support. This subcomponent will finance (i) consultancies to support activities preparation and implementation and project implementation support and (ii) technical support and capacity building on structural and operational reform. EEP will engage consultancy firms for required support during preparation and implementation of project activities, including support on technical designs and preparation of bidding documents, and contract management. In addition, the subcomponent will provide implementation support to the implementing agency including monitoring, environmental and social compliance, annual audits, training, and operating costs.

This subcomponent will also provide support to EEP specifically for structural and operational reform-related technical assistance as well as capacity building, including support on (i) the accounting, functional, asset, and human resource separation across the generation, transmission, and system operation functions of EEP, (ii) tariff adjustments to reflect variations in inflation and currency exchange rate, (iii) least cost distribution expansion planning; as well as institutional capacity building on project management, contract administration, procurement, and E&S risk management.

Component-3: Enabling RE generation. This component will enable geothermal development by preparing upstream sites, establish foreign liquidity support mechanism to mitigate the forex availability risk, and build capacity through TA on renewable energy (RE). It consists of the following Subcomponents:

Subcomponent 3.1: Upstream Geothermal Site Preparation. This Subcomponent will finance drilling and resource establishment at multiple locations in preparation for downstream development of a geothermal power generation program. Building on the successful drilling of wells at Aluto Langano and in line with the draft geothermal development strategy that EEP is developing with World Bank support, Subcomponent 1.1 will deploy existing drilling rigs owned by EEP (purchased under the Geothermal Sector Development Project, GSDP, P133613) to further establish geothermal resources at two or more locations that will be agreed during Project implementation. The downstream development of identified capacity of up to 100 MW of geothermal power may be financed by the private sector under a competitive selection process under the legal framework of the 2018 Public-Private Partnership (PPP) Proclamation, and applying international best practices in brine management to minimize risk to surface and groundwater resources.

Subcomponent 3.2: Establishing a Forex Liquidity Support Mechanism (FLSM). This sub-component will establish a FLSM to provide an incremental forex buffer to the MOF for meeting its forex commitments towards select IPPs. The FLSM will scale up technical support for bankable investment in solar and wind energy production. The FLSM will be structured to address the forex availability risk under suitable replenishment commitment by the Government – essentially providing additional liquidity to the Government to tide over any short-term gaps in meeting its forex commitments to the IPP developers. When established, the FLSM will complement IDA payment guarantees under the ongoing REGREP program (closing in Dec 2025) or a new credit enhancement program for RE IPPs (PRIME-3).⁴ This subcomponent will be subject to a set of conditions, including to ensure a satisfactory macro-economic reform program (including forex reforms) has been adopted by the GoE. The detailed design features and institutional setup for the FSLM will be reflected in the Project Implementation Manual (PIM) which is one effectiveness condition for this sub-component. No investments under the FLSM or by IPPs will be supported under PRIME-1 and appropriate provisions will be made in later phases according to OP4.03.

Subcomponent 3.3: Technical Assistance to Support RE Projects. This sub-component will support EEP, the PPP-DG, and the Ministry of Mines (MoM), to carry out technical studies and capacity building activities for scaling-up geothermal and other renewable energy. Activities under this sub-component will be funded from the GCF grant and will be procured by EEP on behalf of the concerned government agencies including MOWE, MOF (PPP-Directorate General) and the MOM, as well as for its own purposes. With the objective to build client capacity on developing and managing renewable energy projects, the technical assistance activities include support to update generation plans with variable renewable energy integration, provision of transaction advisory, and renewable energy infrastructure and resilience/adaptation studies.

Component-4: Technical Assistance and Capacity Building at Petroleum and Energy Regulatory Authority (PEA). This component will provide TA and institutional capacity strengthening support to enable PEA to effectively discharge its mandates and achieve its medium-term strategic plan. This will include analytical outputs, trainings, tools, and other services to address gaps in regulatory capacity for meeting its most important reform-related mandates. Such mandates include review, approval, and enforcement of multi-year tariff trajectory, intermediate tariff adjustments, licenses for various activities, Power Purchase Agreements (PPAs) with IPPs, utility least cost expansion and investment plans, technical standards (including grid code), performance standards, consumer service standards, structural transition to a competitive market through single-buyer and subsequently multi-buyer-multi-seller models. etc. This component will also support the GoE's efforts to strengthen independence and institutional governance of the PEA. A study to assess gaps and design a program for institutional capacity strengthening is being initiated using Project Preparation Advance, including in E&S risk management.

Given that concrete sub-project site and therefore land and resettlement impacts are not known at this point, a Resettlement Framework has been selected as the appropriate instrument. It shall guide the preparation and implementation of sub-project-specific resettlement plans once more details are known.

1.3 Principles and Objectives of the RF

The PRIME-1 and its ancillary facilities will require land acquisition, and induce restrictions on land use with temporary and/or permanent economic and physical displacement of people living in or near the proposed

⁴ The PPP Board and NBE Board have agreed to provide forex availability, convertibility, and transferability for select projects. Forex Guarantee will be provided by MoF and the NBE will act accordingly. This is a key pre-requisite for making IDA payment guarantees available under the REGREP.

Project implementation target areas. The project may further result in loss of agricultural land and grazing land, loss of livelihood due to impacts on sources of earning (including wage-based on enterprise-based income), impact on natural drainage leading to land use change, or impacts on access to services or other access issues in urban areas too.

The purpose of the RF is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to sub-projects to be prepared during Project implementation.

The objectives of this RF are to:

- Establish resettlement principles and organizational arrangements to be applied under PRIME-1 sub-project activities.
- Provide guidelines for the development of appropriate mitigation and compensation measures for resettlement related impacts resulting from the sub-project activities.
- Provide guidelines for the preparation of RPs/LRPs for the sub-project activities that require land acquisition/permanent transfer of land or result in access restrictions or any impact on assets and livelihoods.

This RF covers all sub-project activities under Components 1-3. Upon identification and approval of the activities requiring land acquisition, restrictions on land use or involuntary resettlement, RPs or LRPs will be prepared for each activity, based on the guidelines and procedures provided in this RF, and approved and implemented prior to the initiation of the respective project investments (civil works). This RF is based on the legal framework of the Republic of Ethiopia in regard to resettlement and compensation and the provisions of the World Bank ESS5 on land acquisition, restrictions on land use and involuntary resettlement.

This RF will be implemented alongside the Project Environmental and Social Management Framework (ESMF), and the Stakeholder Engagement Plan (SEP).

This RF is guided by the following principles:

- Involuntary resettlement should be avoided where feasible. Where involuntary resettlement is unavoidable, it will be minimized and appropriate measures to mitigate adverse impacts on displaced persons (and on host communities receiving displaced persons) will be carefully planned and implemented.
- Forced eviction will be avoided.
- Unavoidable adverse social and economic impacts from land acquisition or restrictions on land use shall be mitigated through: (a) providing timely compensation for loss of assets at replacement cost and (b) assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
- Living conditions of poor or vulnerable persons who are physically displaced will be improved through provision of adequate housing, access to services and facilities, and security of tenure.
- Resettlement activities will be conceived and executed as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the Project, as the nature of the project may warrant.
- Resettlement activities shall be planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

1.4 Preparation and Approval of Resettlement Plans

Once EEU/EEP have identified the locations and specific land requirements for the sub-projects, they shall develop and implement, in coordination with local woreda and city administration authorities a site-specific RP. The plan must be acceptable to the Bank prior to the commencement of works. This section describes the process for preparing and approving sub-project-specific Resettlement Plans (RAP).

Screening Process: Once the sub-project activities are identified, the Project will undertake an environmental and social screening to determine whether sub-projects require any land acquisition and/or involuntary resettlement of people within the determined sub-project area (see ESMF for E&S screening form). The relevant PIU, in collaboration with the respective woreda will be responsible for the screening and its documentation. The screening outcomes will indicate if a RP needs to be prepared, whether the RP needs to include a Livelihood Restoration Plan (LRP), or whether a separate LRP is required.

Socio-economic survey: As part of the RP/LRP preparation, a socio-economic census and asset inventory will be undertaken by the respective PIU to determine the extent of resettlement required, including the establishment of a cut-off date and related actions for dissemination and enforcement (see Annex 3). An important aspect of preparing a RP is to establish appropriate data to identify the individuals, households or communities and their assets that will be affected by the sub-project, people eligible for compensation and other assistance, and to discourage inflow of people who are ineligible for these benefits. The socio-economic census should achieve the following:

- Provide initial information on the scale of resettlement to be undertaken.
- Identify gaps in information and provide an indication of further socio-economic surveys required to quantify losses and determine compensation amounts, and if required, to design appropriate development interventions; and
- Establish indicators that can measure the success of the RP implementation.

The socio-economic survey will be accompanied by a land asset inventory to determine which assets will need to be compensated prior to the resettlement process. The land and asset inventory will be done under close supervision of the sub-project Compensation and Resettlement Committee (CRC).

Preparation of RP/LRP: The RP/LRP will be prepared in consultation with the Project-Affected People (PAPs), in particular with regards to the eligibility, the cut-off date, impacts on livelihoods activities, valuation methods, compensation payment modalities, potential resettlement assistance, livelihood restoration measures, GRM and timetables. The RP/LRP should be proportional to the anticipated risks and impacts of the resettlement activities. A broader and more comprehensive RP is required for sub-projects and activities with significant impacts. For sub-projects causing only economic displacement an LRP can be prepared as there will be no provisions for physical relocation. A detailed description and outline for a RP/LRP is provided in Annex 2.

The preparation of a RP/LRP should follow a clear and auditable procedure that is relevant to the impacts and that includes the consultations of PAPs.

The minimum elements of a RP/LRP are set out in Annex 2 and can be generally outlined as follows:

- Description of the sub-project –results of screening and alternatives considered.
- Identification of potential impacts.
- Objectives of RP/LRP.

- Cut-off date
- Census survey and baseline socio economic studies
- Identification of Vulnerable Groups
- Legal framework, gap analysis and gap-filling measures
- Institutional framework with clear arrangements for primary responsibility, supervision and coordination with agencies outside of the PIU
- Eligibility criteria for compensation and assistance
- Valuation of and compensation for losses (options and selection by PAPs)
- Resettlement assistance
- Livelihood Restoration
- Community Participation, disclosure and stakeholder engagement
- Resettlement Site(s) selection (for physical relocation)
- Resettlement Site(s) preparation and relocation (for physical relocation)
- Integration with host populations/new business communities
- Implementation Schedule
- Allocation of budget and implementation resources
- Grievance Redress Mechanism (GRM)
- Monitoring and evaluation

The RP/LRP must include measures to ensure that displaced persons are: inform about their options and rights pertaining to resettlement and compensation; consulted on the offered choices, and provided with technically and economically feasible resettlement, compensation and assistance alternatives; provided with prompt and effective compensation at full replacement cost for losses of assets and access, attributable to the project; and enabled to restore, to improve upon their pre-project living standards and conditions.

The RP/LRP shall take into account the needs and expectations of the communities posed during the socio-economic survey process and the community consultation and engagement processes.

Approval of RP/LRP: Following completion of the RP, the respective PIU together with the Woreda will submit the RP to the regional regulatory body for review. The PIU will then submit the RP to the World Bank for approval. If further adjustments are required, the PIUs will revise and resubmit the RP to the World Bank.

The local administration including woreda and kebele will have the following key roles in the preparation and implementation of the RP:

- facilitating consultations with the PAPs,
- establishing compensation and GRM committees including ensuring their functionalities,
- undertaking asset evaluation,
- allocating land plots for land to land compensation.

2. Legal Framework

This section presents the laws, proclamations, legislations and regulations governing land use and other assets in Ethiopia as well as ESS5 on resettlement, restrictions of land use and involuntary resettlement issues and other relevant ESS (this includes social issues especially those related to historically underserved peoples). A gap analysis has been undertaken and measures are provided where gaps were identified.

Land and Property Rights of Ethiopia: The Constitution of the Federal Democratic Republic of Ethiopia (FDRE) is the highest legal document that presents the basis for all laws and policies in the country. *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 exchange of land. *Article 40(3) of the Constitution* recognizes that the usage rights over “holding land” are open and that there is no time limit on this usufruct as long as it is subject to a proof of permanent physical occupation, ability to farm continuously and meet administrative dues and obligations. Furthermore, the *Proclamation No. 89/1997* confirms and details the Constitutional principle that holding rights to land can be assigned to peasants and pastoralists. Ethiopian peasants have the right to obtain land without payment and the protection against eviction from their possession. Ethiopian pastoralists have the right to free land for grazing and cultivation as well as the right not to be displaced from their own land. The implementation of these provisions shall be specified by law. The Constitution protects against unlawful seizure of property, stating “Everyone shall have the right to his privacy and physical integrity. This right shall include protection from explorations of his person, his home, his property and protection from appropriation of property under his possession” (*Article 26*).

Users of the land have the right to develop properties on the land and ownership of his/her possessions, which are the fruits of his/her labor. This includes annual crops, perennial crops, trees for timber, etc. developed on the land or any other permanent fixtures such as residential house, business installations, stores and fences, amongst others (*Proclamation No. 31/1975*). *Article 40(7) of the 1995 Constitution* reiterates and expands this right. It states “every Ethiopian shall have the full right to the immovable property he builds and to the permanent improvements he brings about on the land by his labor or capital. This right shall include the right to alienate, to bequeath, and, where the right to use expires, to remove his property, transfer his title, or claim compensation for it”.

Regional states are given the power and responsibility to administer land, enacting their respective regional laws that are in line with the federal Constitution and the provisions on environmental protection and federal utilization policies (*Proclamation No. 89/1997*). The usage rights over “holding land” are open and there is no time limit on this usufruct as long as it is subject to proof of permanent physical property, ability to farm continuously and meet administrative dues and obligations (*1995 Constitution Article 40(3)*).

Acquisition and Valuation of Land and Other Assets: The FDRE Peoples Representatives Council has rectified Proclamation No.1161/2019 that deals with the “Expropriation of Land for Public Purposes, Payments of Compensation and Resettlement of Displaced People”, and replaced the previously active legislation on the matter. The Proclamation gives priority rights to develop land for the landholders when there is capacity of the landholders to develop the land as per the approved land use plan; urban structural plan; or development master plan. It states, “Landholders whose holdings are within the area prescribed to be redeveloped shall have priority rights to develop their lands according to the plan either individually or in a group” (*Article 7, sub-article 1-2*).

Under Article 16 (sub-article 2), the Proclamation mandates the responsible bodies to establish a resettlement package for the affected persons as follows: “Regional states, Addis Ababa, and Dire Dawa City Administration shall develop resettlement packages that may enable displaced people to sustainably resettle”. The Proclamation gives the affected community the right to purchase shares from the investment under Article 16 (sub-article 4). More to the point, “If the land expropriation for public purposes is for investment, people who are displaced may own shares from the investment”. It is made clear in the Proclamation that people who are displaced and who lost their income shall be beneficiaries of the resettlement package if they do not own shares from the investment. The decision on expropriation for public purpose will be made by the appropriate Federal Authority, or a Regional one, Addis Ababa, Dire

Dawa City Administration cabinets on the basis of an approved land use plan or master plan or structural plan. The Proclamation further notes that "...a Regional, Addis Ababa, Dire Dawa cabinets may delegate a woreda or City Administration to decide on land expropriation for public purpose" (Article 5, sub-article 5). The Proclamation indicates "the budget necessary to cover the costs of compensation and resettlement and the responsible body that shall cover these costs shall be made clear at the time when expropriation for public purpose is decided". According to the proclamation, the City or woreda Administration has the power to order evacuations and take over the land decided to be expropriated for public purpose and unless the government needs the land urgently, landholders who are to be displaced shall be consulted at least one year before they handover their land on the type, benefits, and general process of the project; and shall be paid compensation or provided substitute land before displacement (Article 8, sub-article 1(a)).

Proclamation No. 1161/2019 Article 9, sub-article 1-3 states in detail the responsibility of the land requiring body and what it shall submit to the City or woreda administration. It applies throughout the country in rural and urban centers in matters relating to land expropriation. It also states the decision that the size and exact location of the land to be expropriated should be communicated at least one year before the commencement of the project and payment of the money required for compensation and resettlement to the respective City or woreda Administration. Depreciation value of the property cannot be considered during payment of compensation. The Proclamation states, "The amount of compensation for property on the land shall cover the cost of replacing the property anew." The Proclamation also notes that the minimum compensation payable to a housing unit may not, in any way, be less than the current cost of constructing a house as per the standard or based on the objective conditions of each Regional State or City Administration. The landholder shall be paid compensation for the property on the land and the permanent improvement made on the land. For relocation of the property on the land, the cost of removing, transporting, and erecting the property shall be paid as compensation (Article 12, sub-articles 1-5).

The valuation method and manner of payment to permanent and temporary expropriation of communal landholding shall be determined in directives to be issued by Regional States or City Administrations (Article 3). Valuation methods for various properties and detailed prescriptions applicable thereto shall be provided for by a Regulation (see 472/2020 below). In the Proclamation, it is noted that to determine the amount of compensation, a certified private institution or individual consultant valuers shall evaluate the property situated on land to be expropriated based on a nationally approved valuation method (Article 17, sub-article 1). Where there is no certified private institution, it shall be evaluated by an autonomous government organization established for this purpose. If there is no autonomous organization, considering the location of the expropriated land, the Compensation and Resettlement Committee will be established by the relevant City or woreda administration comprising proper professionals (Article 17, sub-article 3). Nevertheless, where the property is state-owned infrastructure or a utility line, the valuation shall be made by the government entity owning it (Article 17, sub-article 6). The unit price of compensation valuation shall be revised at most every two years.

A household to be permanently displaced shall get equivalent substitute land, one (1) year land holding income compensation shall be paid calculated based on the current price, which is equivalent to the highest annual income generated in the last three (3) years preceding the expropriation of the land. For permanent land acquisition and if equivalent substitute land is not available, the landholder shall be paid displacement compensation, which is equivalent to fifteen (15) times the highest annual income he/she generated during the last three (3) years preceding the expropriation of the land. In addition to cash compensation, according to the Proclamation, displaced people shall be compensated for the breakup of their social ties

and moral damage they suffer as a result of the expropriation of their land. The details on compensation for the breakup of social ties and moral damage are provided in regulation 472/2020 (see below).

A household whose landholding has been temporarily expropriated shall be paid displacement compensation for lost income based on the highest annual income secured during the last 3 years preceding the expropriation of the land until the repossession of the land. Moreover, the compensation paid shall take into consideration the amount of additional time necessary for the land to regain its productivity, which shall be determined by the surrounding agricultural institution (Article 13, sub-article 2 a & b). The Proclamation also stipulates payment of compensation either for persons who lost income permanently or temporarily without being displaced because of land expropriation.

Landholders or their agents whose landholding is to be expropriated shall submit landholding certificates or other proofs that shows their holding rights to the Urban or Rural Land Administration Office on the time schedule of the office. Notifying the landholder or his agent is made in writing to handover the land expropriated with the description of the amount of compensation the landholder is to be paid; and/or the size and location of the land or house for in kind compensation. The landholder who is served with a notice to hand over his land holding shall take the compensation and replacement plot or house with in thirty (30) days of notice. If he fails to comply with the order within the prescribed time, the compensation payment shall be deposited in the closed bank account of the City or Woreda administration. The landholder may be forced to handover the land within 120 days of payment of compensation (cash or kind), or after the cash is deposited in the bank. If there is no property or crop on the expropriated land, the landholder shall handover with in thirty (30) days of notice (Article 8, sub-article 1-7). The city or woreda administration shall consult land holders who are to be displaced at least one year before handover their holdings on the type, benefits, and general process of the project (sub-article 1). If the land is required urgently, the administration can decide on a shorter time period. The land holder may be forced to handover the land within 120 days of of payment in cash or in-kind compensation, or after the cash is deposited in the Bank (sub-article 6).

Proclamation No. 721/2011: Urban Lands Lease Holding Proclamation (Part 2, Article 12 – 14, 25). The proclamation applies to all urban centers within in Ethiopia with regard to urban land. It stipulates that no person may acquire urban land other than through the lease holding system provided in this Proclamation. The Proclamation lays out that a person displaced due to urban renewal program shall be entitled to a substitute plot of land. A lawful tenant of government or kebele owned residential house in a region or Dire Dawa shall be entitled to allotment of residential plot of land at bench mark lease price if displaced due to urban renewal program and could not be provided with access to substitute housing; provided, however that he shall deposit money, as determined by the appropriate body, in a blocked bank account to show his financial position. A lawful tenant in Addis Ababa shall be entitled for facilitated purchase of condominium housing unit if displaced due to urban renewal program. Urban land shall have a benchmark lease price. The valuation methods shall be determined on the basis of the objective condition of each urban center in accordance with regulations issues by the respective regions and city administrations. Leasehold can be terminated where it is decided to use the land for other purposes due to public interest. In this case, the lessee shall be paid commensurate compensation in accordance with the relevant law. The person displaced shall be provided with a substitute plot of land within the urban centre the size of which shall be determined by the region of city administration.

Entitlement for Compensation: The 1995 Constitution of Ethiopia under Articles 43 (sub-article 1 & 2) has given the people the right to improved living standards and sustainable development as well the right to be consulted with respect to policies and projects affecting their communities. Article 44 of the same

Constitution guarantees the right to a clean and healthy environment.

Proclamation No. 1161/2019 gives entitlement for compensation only to those who have formal legal use rights over their land holdings (properties). According to this proclamation (Article 8, sub-article 2), landholders or their agents whose landholdings are to be expropriated shall submit landholding certificates or other proof that show their landholding rights over the land that is to be expropriated to the urban or rural land administration office on the time schedule of the office. Article 8, sub-article 8 of the same proclamation stated that where the land expropriated is under illegal occupation, the occupant shall evacuate without a claim for compensation within 30 (thirty) days of notice.

Council of Ministers Regulation No. 472/2020: This Regulation contains property valuation and compensation methods and formulae that should be used in calculating compensation for various properties. It also contains lump sum compensation to be paid for severed social relationship and moral damages. The compensation items are categorized and presented in the Table below.

Table 1 Summary of Provisions of Expropriation of Land for Public Purpose, Payments of Compensation and Resettlement of Displaced People-Regulation No. 472/2020 and Proclamation No. 721/2011

Dimensions	Description
Compensation Assessment	<p>Compensation for Building (Article 16): The amount of compensation for a building shall be determined based on the current cost price of construction materials of the demolished building and current labor cost, Article 16 [sub article 1 (a)]. It shall include also current costs for constructing floor tiles of the compound, septic tank and other structures attached to the building and the estimated cost of demolishing, lifting, reconstructing, installing, and connecting utility lines of the building, Article 16 [sub article 1 (b)]. The amount of compensation for a building shall be determined based on the current market price per square meter for a similar building or current cost of constructing a comparable building, Article 16 [sub article 1 (c)].</p>
	<p>Compensation for fences: The amount of compensation for a fence shall be determined by calculating the cost of existing square meter or meter cube needed to rebuild a similar fence with the demolished fence or by producing a single value if the construction material of the fence cannot be estimated per square meter (Article 17).</p>
	<p>Compensation for property to be relocated (Article 18): The amount of compensation for a relocated property shall be determined by computing the estimated costs of labor, material and transport to be incurred at market value for removing, transferring and installing the property .</p>
	<p>Compensation for Crops (Article 19): If the crop or vegetable is not harvested, the amount of compensation payable will be based on the amount of produce available and the market value that the produce could produce if the crop or vegetable were harvested (sub-article 3). Compensation for crop surplus will be determined based on the current market price of the leftover produce (sub-article 5). If one crop is produced more than once in one year, the amount of the crop produced during the year will be the sum of the produce produced during the year (sub-article 6). Input costs incurred along a given years production costs like; costs for fertilizer, seed, chemicals, labor and technologies will be included.</p>
	<p>Compensation for perennial crops (Article 20): Where the perennial crop is ripe when the land is expropriated, the owner may collect the fruit within a prescribed time and where the owner fails to collect the production within the specified time, he shall be compensated for the production. Where the land is urgently required and the owner is not given adequate time to collect the production, he shall be compensated the market price of one year production based on the average yield of similar perennial crop production in the area. The cost incurred to grow the perennial crop shall be calculated on the basis of the local market and shall be paid. Input costs incurred along a given years production costs like; costs for fertilizer, seed, chemicals, labor and technologies will be included.</p>
	<p>Compensation for fruitless trees (Article 21): The amount of compensation for trees shall be determined on the basis of the level of growth of the tree, and the current local price per cubic meter or per unit. The owner of trees may, instead of compensation, cut and collect the trees within the period fixed. Input costs incurred along a given year’s production costs like; costs for fertilizer, seed, chemicals, labor and technologies will be included.</p>

	<p>Compensation for protected grass (Article 22): The amount of compensation for protected grass shall be determined on the basis of the productivity of the land and the current local market price of the grass per square meter. The owner of protected grass may, instead of compensation, cut and gather the grass within the period fixed</p>
	<p>Compensation for licensed miner (Article 23): The compensation shall be paid for the landholder by a licensed miner shall be determined based on mining law (sub-article 1) and compensation shall not be paid for a miner who holds land without a license (sub-article 2).</p>
	<p>Compensation for burial-ground (Article 24): The amount of compensation for a burial-ground shall be determined by the estimating costs to be incurred for removing the gravestones, preparing another burial-ground, transferring and relocating the corpse and for conducting religious and cultural ceremonies in relation to the process.</p>
	<p>Compensation for rural land (Article 25): The calculation compensation in case of displacement is the highest one year income received from the land within three consecutive years prior to the date of calculation. If the annual income of the property is not found, the same amount of land and land fertility will be taken from the highest annual income in three years. This will be based on the local hectare production rate. Other income derived from the use of land will be added to the annual income.</p>
	<p>Compensation for permanently displace rural land holder (Article 26): Where substitute land is to be given to the expropriated land holder and where the residential or commercial building of the holder is to be demolished, he shall be given freely a comparable house for two years or a two year estimated rental value for his demolished houses as resettlement compensation. Where a substitute house is to be given to the displaced house owner, he shall be paid a one-year rent as resettlement compensation.</p>
	<p>Compensation for permanently displaced urban landholder (Article 28): Where substitute land to be given to the displaced urban landholder, and where the property is residential or commercial building, a comparable building shall be given for two years free of charge or he shall be entitled to a two years rental based on the demolished building and current price.</p>
	<p>Compensation for severed social relationship and moral damage (Article 30): The amount of compensation for severed social relationship and moral damage shall be 25,000- 60,000. The amount will be paid for displaced people who are settling 5 kilometers or further from their original place. Compensation may also be paid for remaining people who are not displaced when approve dby the concerned government body.</p>
Compensation for urban land (Proclamation No. 721/2011	<p>Compensation for urban leasehold land: person displaced due to urban renewal program or any development activities shall be entitled to a substitute plot of land. Allotment of residential plot of land at bench mark lease price if displaced due to urban renewal program or any development activities and could not be provided with access to substitute housing</p>
Valuation Formula [Article 13(1-6)]	<p>Compensation for building= Current building cost + permanent improvement cost</p> <p>Compensation for Fence = unit price of fence in meter square /meter cube X total size of the fence in meter square /meter cube</p>

	<p>Compensation for relocated property= cost of removal + cost of loading/offloading + cost of transport +cost of installation or and connection</p> <p>Compensation for crops= area per hectare x current market value of crop per quintal x production per hectare in quintal +cost of permanent improvement on land</p> <p>Compensation for ripe perennial crops= yield of perennial crop from a single plant /legs in kilogram x the number of plats legs + cost incurred to grow perennial crops with the current +cost of permanent improvement on land</p> <p>Compensation for unripe perennial crops= number of plant legs X cost incurred to grow</p> <p>Compensation for fruitless trees= (large trees in number x Local current price of one tree +(medium tree in number X local current price of one tree)+(small tree in number x local current price of one tree) +(number of seedling/unripe tree x local current price of one seedling unripe tree)+cost of permanent improvement on land</p> <p>Compensation for protected grass= area covered by the grass with square meter x yield of grass with current local per meter square +cost of permanent improvement on land</p> <p>Burial ground compensation= cost of corpse pickup and burial ground preparation cost +cost of corpse transport and relocation +cost of religious and cultural ceremonies</p> <p>For rural land holders who do not receive replacement farmland displacement compensation= annual income x 15</p> <p>For rural land holder who is not granted a replacement farmland and is temporarily removed developmental compensation= Temporary land lease rate per hectare x Annual income per year</p>
Compensation for urban land (Proclamation No. 721/2011):	Valuation for urban leasehold land: Urban land shall have a benchmark lease price. The valuation methods shall be determined on the basis of the objective condition of each urban center in accordance with regulations issued by the respective regions and city administrations.
Support for displaced people	Support for displaced rural landholders shall be determined by directive that shall be issued by regional slates. Two years house rent shall be paid to displaced urban land holders and support unit they build new house where they are given substitute land
Providing substitute land or housing-Article 33 (1-2)	Where the displaced are elderly and people with disabilities, they shall be given substitute lands in accessible and convenience areas as much as practical. Substitute housing shall be provided where substitute land is not given and the displaced pays the full price at once or within the time frame described by the urban administration.
Resettlement package-Article 35	This package shall contain residential housing, livelihood option, social services like road, health clinic, schools religious site, training counseling and credit access etc.

World Bank ESS5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both. The term “involuntary resettlement” refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.

ESS5 also recognizes that physical and economic displacement, if unmitigated, may give rise to severe economic, social and environmental risks: production systems may be dismantled; people face impoverishment if their productive resources or other income sources are lost; people may be relocated to environments where their productive skills are less applicable and the competition for resources is greater; community institutions and social networks may be weakened; kin groups may be dispersed; and cultural identity, traditional authority, and the potential for mutual help may be diminished or lost. For these reasons, involuntary resettlement should be avoided. Where involuntary resettlement is unavoidable, it will be minimized and appropriate measures to mitigate adverse impacts on displaced persons (and on host communities receiving displaced persons) will be carefully planned and implemented.

The objectives of ESS 5 are:

- To avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives.
- To avoid forced eviction.
- To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement cost and (b) assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
- To improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.
- To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.
- To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

ESS5 applies to permanent or temporary physical and economic displacement resulting from the following types of land acquisition or restrictions on and use undertaken or imposed in connection with project implementation:

- (a) Land rights or land use rights acquired or restricted through expropriation or other compulsory procedures in accordance with national law.
- (b) Land rights or land use rights acquired or restricted through negotiated settlements with property owners or those with legal rights to the land, if failure to reach settlement would have resulted in expropriation or other compulsory procedures.

- (c) Restrictions on land use and access to natural resources that cause a community or groups within a community to lose access to resource usage where they have traditional or customary tenure, or recognizable usage rights. This may include situations where legally designated protected areas, forests, biodiversity areas or buffer zones are established in connection with the project.
- (d) Relocation of people without formal, traditional, or recognizable usage rights, who are occupying or utilizing land prior to a project specific cut-off date.
- (e) Displacement of people as a result of project impacts that render their land unusable or inaccessible.
- (f) Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas.
- (g) Land rights or claims to land or resources relinquished by individuals or communities without full payment of compensation; and
- (h) Land acquisition or land use restrictions occurring prior to the project, but which were undertaken or initiated in anticipation of, or in preparation for, the project.

With respect to eligibility, ESS5 recognizes three categories of affected persons:

- a) Those with formal legal rights to land or assets
- (b) Those who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under national law; or
- (c) Those who have no recognizable legal right or claim to the land or assets they occupy or use

ESS5 requires that a RP shall be prepared and cleared by the World Bank prior to implementing resettlement activities and the provision of compensation and other assistance to project-affected persons (PAPs). The restoration of affected livelihoods shall be done prior to the displacement of people. In particular, ESS5 requires that possession of land for project activities may take place only after compensation has been paid. Resettlement sites, new homes and related infrastructure, public services and moving allowances must be provided to the affected persons in accordance with the provisions of the RP.

Gap Analysis: Both, ESS5 and the Ethiopian Proclamation No.1161/2019 cover objectives and principles of land acquisition and involuntary resettlement. However, there are some gaps between Ethiopian laws and regulations and the requirements for resettlement as laid out in ESS5. The project will adhere to the Ethiopian laws and Proclamations as noted above and the ESS5 in its recommendations. In case of gaps and contradictions between the two sets of provisions, the instrument that provides and guarantees greatest benefit to the PAPs will prevail.

Table 2 Comparison of Ethiopian Legislation and ESS 5

Thematic Area	Ethiopian Proclamations	ESS5	Measures to Address Differences
Policy Objectives	<p>The Proclamation No. 1161/2019 gives power to Regions, Addis Ababa and Dire Dawa, Woreda or Urban Administrations to expropriate rural or urban landholdings for public purpose where it affirms that it should be used for a better development.</p> <p>Proclamation No. 1161/2019, Article 4 (sub articles 1-4) states that:</p> <ul style="list-style-type: none"> • Expropriation of land for public purposes shall be made only on the basis of approved land use plan; urban structural plan; or development master plan. • Compensation and resettlement assistance compensation for the expropriated land shall be paid to sustainably restore and improve the livelihood of displaced people • The amount of compensation to be paid at Federal, or Regional or Addis Ababa or Dire Dawa level for similar properties and economic losses in the same areas shall be similar. • Where land is expropriated for public purpose, the procedure shall be transparent, participatory, fair and accountable. <p>Article 12: Proclamation No. 721/2011: Urban</p>	<ul style="list-style-type: none"> • Avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives. • Avoid forced eviction. • Mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use. 	<p>ESS5 and Proclamation No. 1161/2019 and 721/2011 have almost similar objectives in ensuring transparency and participatory procedures, thus the overall aims shall be applied to avoid or minimize involuntary resettlement and to ensure consultation throughout the process.</p>

	<p>Lands Leaseholding Proclamation:</p> <ul style="list-style-type: none"> • Applies to all urban centers within in Ethiopia with regard to urban land. It stipulates that no person may acquire urban land other than through the lease holding system provided in this Proclamation. 		
Livelihood restoration and assistance	<p>Article 4(2) of 1161/2019 states compensation and resettlement assistance for the expropriated land shall sustainably restore and improve the livelihood of displaced people. Article 13(3a) also states compensation for communal landholding shall be based on the use of the communal land or the lost benefits and livelihood of the displaced people. Furthermore, Article 25 (5) mentions support for and ensuring the improvement of the livelihood of displaced farmers and pastoralists.</p>	<ul style="list-style-type: none"> • Provision of livelihood restoration and assistance to achieve ESS5 objectives to assist displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards. 	<p>Livelihood Restoration Programs will be used to re-establish sources of livelihoods for PAPs who are significantly impacted and have permanently or partially lost their sources of livelihood. Livelihood restoration programs shall be robust and accurately meet the livelihood restoration objectives in line with ESS5.</p>
Voluntary Land Donations (VLDs)	<p>The proclamation deals with expropriation of land for public purpose, powers to clear land holding, priority right of landholders to develop the land and procedures of land holding handover. The proclamation does not provide guidance on voluntary land donations.</p>	<p>ESS5 sets conditions under which PAPs can choose to voluntarily donate land or assets (footnote 10) in such a way that the borrower will maintain a transparent record of all consultations and agreements reached:</p> <ul style="list-style-type: none"> • The potential donor or donors have been appropriately informed and consulted about the project and the choices available to them; • Potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation; • The amount of land donated is minor and will not reduce the donor’s remaining land area below that required to maintain the donor’s livelihood at current levels; 	<p>VLD will be avoided except for minor easements intended to facilitate connection of the affected HH</p>

		<ul style="list-style-type: none"> • No household relocation is involved; • The donor is expected to benefit directly from the project; and • For community or collective land, donation can only occur with the consent of individuals using or occupying the land. 	
Eligibility for compensation	<p>According to Proclamation No. 1161/2019 Article 14(1), a person that lost economic benefits either permanently or temporarily without being displaced as a consequence of land expropriation shall be paid compensation; the person entitled for the compensation, type and amount of compensation shall be determined by the Directives issued by a Regional State in question.</p> <p>Article 8, sub-article 8 of the same proclamation stated that where the land expropriated is under illegal occupation, the occupant shall evacuate without claim for compensation within 30 (thirty) days of notice.</p> <p>Proclamation No. 721/2011: Urban Lands Lease holding Proclamation (Part 2, Article 12 – 14, 25). Lays out that a person displaced due to urban renewal program shall be entitled to a substitute plot of land. A lawful tenant of government or kebele owned residential house in a region or Dire Dawa shall be entitled to allotment of residential plot of land at benchmark lease price if displaced due to urban renewal program and</p>	<p>Affected persons may be classified as persons:</p> <ul style="list-style-type: none"> • Who have formal legal rights to the land or assets they occupy or use; • Who do not have formal legal rights to land or assets, but have a claim to land that is recognized or recognizable under national law; • Who have no recognizable legal right or claim to the land or assets they occupy or use. 	<p>The national legislation does not provide clear guidance on how claimants without possession of proof of ownership will claim for compensation. ESS5 para 34 (c) states that physically or economically displaced persons who are without legally recognizable claims to land (also see paragraph 10 (c)) will be compensated for lost assets other than land (such as crops, irrigation infrastructure and other improvements made to the land), at replacement cost. Additionally, the Borrower will provide assistance in lieu of land compensation sufficient to provide such persons with an opportunity to reestablish livelihoods elsewhere.</p> <p>ESS5 entitles compensation for assets to all affected individuals regardless of landholding rights to land titles (including squatter settlements). Thus, ESS5 includes additional groups who are eligible for compensation for loss of land and assets on the land notably those who have no</p>

	<p>could not be provided with access to substitute housing. A lawful tenant in Addis Ababa shall be entitled for facilitated purchase of condominium housing unit if displaced due to urban renewal program. Urban land shall have a benchmark lease price.</p> <p>Provision of Expropriation of Land for Public Purpose, Payments of Compensation and Resettlement of Displaced People-Regulation No. 472/2020. The amount of compensation for severed social relationship and moral damage shall be 25,000- 60,000. The amount will be paid for displaced people who are settling 5 kilometers or further from their original place. Compensation may also be paid for remaining people who are not displaced when approved by the concerned government body.</p>		<p>recognizable right or claim to the land or assets occupy or use [see ESS5 paragraph 10 (c)]. Physically displaced households are also entitled to resettlement assistance to establish a homestead with security of tenure.</p> <p>The Project will apply ESS5.</p> <p>The break-up of social ties and moral damage provides a gap closing opportunity but is limited by the caps imposed by the regulations. The Project may determine the amounts on a case by case basis, following assessments undertaken for the specific site (RP/LRF and SDP)</p>
<p>Timing of compensation payments</p>	<p>Proclamation No. 1161/2019 (Article 9, sub-article 1-3) indicated the responsibility of the land requiring body that shall submit to the City or woreda Administration and the decision that shows the size and exact location of the land and to be expropriated at least one year before the commencement of the project and pay the money required for compensation and resettlement to the respective City or Woreda Administration.</p> <p>Article 8, sub-article 1(g): Requires payment of compensation or provision of substitute land before the displacement of people from their</p>	<p>The borrower will take possession of acquired land and related assets only after the compensation in accordance with ESS5 has been made available and, where applicable, displaced people have been resettled and moving allowance have been provided to the displaced persons in addition to compensation.</p>	<p>Payment of compensation and support for displaced persons will always be effected before the land is handed over, as per the requirements of ESS5 and Proclamation No. 1161/2019.</p>

	landholding.		
Resettlement instruments	The Proclamation No. 1161/2019, Article 16 (1,2,&3) states Regional States, Addis Ababa, Dire Dawa City Administrations, woreda and city Administration shall establish a fund for compensation payment and rehabilitation, develop resettlement packages that enable displaced people to sustainably resettle and shall have the duty to resettle the people displaced on the basis of the resettlement package and allocated budget.	Requires a resettlement instrument in form of a RP and/or resettlement framework (RF) or livelihood restoration plan (in case of economic displacement).	Based on ESS5, RPs/LRPs shall be prepared for sub-projects financed by the Project that result in land acquisition and property loss and cleared by the Bank before the commencement of the sub-project. Additionally, compensation per the RP must be provided prior to land take (initiation of civil works) as noted above.
Procedure Landholding Handover	As indicated in Article 8 (sub article 5 and 6) of the proclamation, if the land holder who is served with a notice fails to receive compensation within the time of thirty (30) days, the compensation payment shall be deposited in a closed bank account of the city or Woreda Administration and the land holder may be forced to handover the land within 120 days after the cash is deposited in the bank.	The Borrower is encouraged to seek negotiated settlements with affected persons in a manner meeting the requirements of ESS5 in order to help avoid administrative or judicial delays associated with formal expropriation, and to the extent possible to reduce the impacts on affected persons associated with formal expropriation.	The Project will implement awareness creation and negotiation with the affected parties to meet the ESSs requirements, avoid forced eviction and ensure due process .
Valuation	Proclamation No. 1161/2019: To determine the amount of compensation, a certified private institution or individual consultant valuers shall evaluate the property situated on land to be expropriated based on a nationally approved valuation method (Article 17, sub-article 1). Where there is no certified private institution, it shall be evaluated by an autonomous government organization established for this purpose. If there is no autonomous organization, considering the location of the expropriated land, the Compensation and Resettlement	“Replacement cost” is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. If people living in the project area are required to move to another location, the Borrower will: (a)	The Project will include a flexible (committee-based) valuation methodology that includes agreement with the PAPs. It will provide flexibility for value reviews (not limited by the multiples prescribed in the Proclamation) through the GRM or a similar process when there are significant gaps and disagreements. The Project will give a preference to

	<p>Committee will be established by the relevant City or woreda administration comprising proper professionals (Article 17, sub-article 3). Nevertheless, where the property is state-owned infrastructure or a utility line, the valuation shall be made by the government entity owning it (Article 17, sub-article 6). The unit price of compensation valuation shall be revised at most every two years.</p> <p>Valuation methods for various properties and detailed prescriptions applicable thereto shall be provided for by Regulation (see 472/2020 below).</p> <p>Proclamation No. 721/2011: Urban Lands Leaseholding Proclamation: The valuation methods shall be determined on the basis of the objective condition of each urban center in accordance with regulations issues by the respective regions and city administrations.</p>	<p>offer displaced persons choices among feasible resettlement options, including adequate replacement housing or cash compensation; and (b) provide relocation assistance suited to the needs of each group of displaced persons. New resettlement sites will offer living conditions at least equivalent to those previously enjoyed, or consistent with prevailing minimum codes or standards, whichever set of standards is higher.</p>	<p>land for land compensation when preferred by PAPs and feasible in the local context.</p>
Consultation	<p>Proclamation No. 1161/2019: The City or woreda Administration has the power to order evacuations and take over the land decided to be expropriated for public purpose and unless the government needs the land urgently, landholders who are to be displaced shall be consulted at least one year before they handover their land on the type, benefits, and general process of the project;</p>	<p>Requirement for the disclosure of relevant information; meaningful consultations with affected persons communities, and other stakeholders; consultations must be on- going and inclusive.</p>	<p>The project will implement consultations as per the requirements under ESS10 and FPIC requirements under ESS7, where appropriate.</p>
GRM	<p>Proclamation No. 1161/2019 provides for the establishment of a Complaint Hearing Body and Appeal Council (Article 18). This body will entertain grievances arises from the</p>	<p>Access to grievance mechanism required regarding any project related complaint, no time limit.</p>	<p>The Project will provide Project GRM in addition to the Body, which has some specific provisions for land and resettlement related cases. The</p>

	Proclamation. Any person who receives an order for expropriation may file a complaint within 30 days. The Body has to make a decision within 30 days		Project GRM will have no limit of days to the filing of grievances.
<p>N.B. In instance of differences between the Ethiopian Legislation and World Bank Environmental and Social Standard 5, the one that provides greatest benefit to the PAPs will prevail.</p>			

3. Estimated Displacement Impacts

The Project and its ancillary facilities are likely to require land acquisition, and are likely to inflict restrictions on land use, and temporary and/or permanent economic and physical displacement of people living in or near the proposed sub-project implementation target areas. The project may result in loss of agricultural and grazing land, loss of livelihood (including wage-based or enterprise-based), impacts on natural drainage leading to land use change, restrictions on use of residential and commercial property. Effects are likely on private and communal land and associated assets, crops, trees, etc. Furthermore, access to services may be hampered both in urban and rural areas.

The downstream impacts of TA activities under sub-component 3.b for future solar and wind investments may require land, leading to potential physical and economic displacement of people and loss of access to land that provides for the social and economic well-being of people. Thus, the downstream impact of subcomponent 3b will be guided by the RF, which was prepared in 2019 REGREP (P173579) following requirements of OP 4.03 (it will be updated if necessary).

The below Table presents the Project and sub-project components with a typology of activities that may potentially lead to land and resettlement impacts.

Table 3 Types of Impacts

Sub-Project Activity	Typology of Impact	Potential Displacement Impacts	Categories of displaced persons	Estimated numbers
Rehabilitation of distribution networks across 72 towns	Restrictions on land use Permanent or temporary physical and economic displacement Loss of land Loss of livelihoods Temporary loss of access to livelihoods and services Restrictions on use of residential and commercial property	Power lines and stations already exist with respective governmental land ownership and rights of way (ROW). However, existing land and ROW may have been encroached on. Reclaiming of ROW may lead to restrictions on land use, permanent or temporary physical and economic displacement,	PAPs who have encroached on public land and existing ROW with their homes and agricultural activities, use of fruit trees, or use of grazing land. These can include PAPs from different social groups, including vulnerable and marginalized people as well as people defined under ESS7, requiring FPIC	Unknown at this stage.

Sub-Project Activity	Typology of Impact	Potential Displacement Impacts	Categories of displaced persons	Estimated numbers
		<p>loss of agricultural and grazing land, loss of livelihoods. Rehabilitation works may lead to temporary loss of access to livelihoods, economic resources (wage and enterprise based), and access to services</p> <p>Restrictions on use of residential and commercial property</p>		
Construction of 14 new transmission lines and substations	<p>Restrictions on land use</p> <p>Permanent or temporary physical and economic displacement</p> <p>Loss of land</p> <p>Loss of livelihoods</p> <p>Temporary loss of access to livelihoods</p> <p>Land use change</p>	<p>Land acquisition and acquisition of ROW for new transmission lines and substations, leading to restrictions on land use, permanent or temporary physical and economic displacement, loss of agricultural and grazing land, loss of livelihoods. Construction works may lead to</p>	<p>PAPs who own or use land, homesteads, agricultural activities, fruit trees, or grazing land.</p> <p>These can include PAPs from different social groups, including vulnerable and marginalized people as well as people defined under ESS7</p>	Unknown at this stage.

Sub-Project Activity	Typology of Impact	Potential Displacement Impacts	Categories of displaced persons	Estimated numbers
		<p>temporary loss of access to livelihoods and economic resources, (wage and enterprise based), and access to services.</p> <p>Restrictions on use of residential and commercial property</p> <p>Impacts on natural drainage leading to land use change</p>		
Establishment of an electrical equipment calibration and testing lab at EEP's Center of Excellence premises located at Kotebe	Loss of access to homesteads, livelihoods and economic resources	No land acquisition is required as the premises already belong to EEP. However, construction works could have minor impacts on PAPA's access to homesteads, livelihoods, economic resources. No known encroachers.	PAPA's living or having their livelihood in the vicinity of the premises.	2-3 HH
Establishment of geothermal resources (drilling) at two or more locations.	Restrictions on land use Permanent or temporary physical and economic displacement Loss of agricultural and	Land acquisition for drilling sites leading to restrictions on land use, permanent or	PAPA's living or having their livelihood in the vicinity of the drilling site. These can include PAPA's from different	Unknown at this stage.

Sub-Project Activity	Typology of Impact	Potential Displacement Impacts	Categories of displaced persons	Estimated numbers
	grazing land, loss of livelihoods Loss of land	temporary physical and economic displacement, loss of agricultural and grazing land, loss of livelihoods. Drilling works may lead to temporary loss of access to livelihoods and economic resources. Construction of access roads of other ancillary facilities may require land acquisition	social groups, including vulnerable and marginalized people as well as people defined under ESS7, requiring FPIC	
Technical studies and capacity building activities for scaling-up geothermal and other renewable energy		Potential downstream impacts of TA results on land and resettlement	Unknown at this stage	Unknown at this stage
Technical assistance and capacity strengthening		Potential downstream impacts of TA results on land and resettlement	Unknown at this stage	Unknown at this stage

Potential displacement impacts under Component 1 are limited to places where public land or existing ROW has been encroached upon by PAPs through physical settlements or agricultural land use or use of pasture, fruit trees, as well as restrictions to residential and commercial use of property, etc. It is expected that Component 1 activities will not require formal acquisition of new land, but the impacts of physical and economic encroachment and the resulting displacement will need to be handled as per national legislation and ESS5. Under ESS5 people without formal land ownership have a right to compensation and assistance. Component 1 activities may also result in temporary loss of access to homes or resources due to the rehabilitation works, which will need to be mitigated and compensated.

Component 2 will require the acquisition of new land. This may include privately or communally held land used for settlements, agricultural activities, or pastureland and result in permanent losses. Construction works can also have a temporary impact on PAPs, where they lose access to their homesteads, services, agricultural land, fruit trees or pasture, and restrictions on use of residential and commercial property. The establishment of a testing lab on existing premises is likely to only result in minor temporary loss of access to homesteads, services, livelihoods, due to ongoing construction works.

The drilling works under Component 3 will likely be conducted on existing premises that are under governmental control and ownership. However, since the sites have not yet been selected, it is possible that land acquisition will be required for these works, leading to potential losses of privately or communally held land used for settlements, agricultural activities, or pastureland and results in permanent losses. Construction works block different types of access temporarily, as in Component 1 and Component 2 activities.

Recognizing risks upfront and their financial implications is often a powerful stimulus to search for an alternative that eliminates the need for displacement or cuts down its impact. Thus, during implementation of the proposed project, the findings of the social impact assessment will be operationalized to identify the areas or sites likely to have resettlement impacts due to land acquisition or restriction of access to resources and to consider site and technology alternatives to minimize or avoid resettlement and other impacts.

If the impact is unavoidable, ESS5 stipulates the preparation of RPs/LRPs, consistent with the guidelines provided in this RF which is mainly focusing on:

- Selection of project-specific installation/implementation sites with minimum effect on the biophysical and socioeconomic environment will be done during feasibility studies and FPIC process.
- Preparation of sub-project specific RP/LRP, as necessary.
- Project affected persons should be consulted and be involved in decision-making at different stages of the program.
- Compensation for properties and land replacement should be implemented as per national legislation (Proclamation No. 1161/2019) and ESS5.
- Compensation shall be paid prior to the start of the respective construction works; and

Other risks include that the implementation of the Project and this RF could result in significant land grabbing, where land holders claim they are unable to develop the land as planned. The Social Development Plans (SDPs), potential Strategic Environmental and Social Assessments (SESA) or Cumulative Impact Assessments (CIA) shall include this issue as relevant. These instruments will propose site-specific mitigation measures to prevent such impacts. They will be applied jointly with site-specific RPs/RPFs.

Historically Underserved and Vulnerable Groups: Historically underserved people under ESS7 and vulnerable and marginalized groups identified in project area include women-headed households, child-headed households, households made up of the aged or handicapped and whose members are socially stigmatized (because of traditional or cultural bias) and economically disadvantaged or marginal social status. These groups of people may be more adversely affected by land and resettlement impacts than others. They may also be limited in their ability to claim or take advantage of resettlement compensation, assistance, and related development benefits. Vulnerable people will be eligible for special assistance under this RF.

Income restoration measures will apply to all PAPs but will also specifically target vulnerable and marginalized persons to ensure that they are assisted to overcome potential economic shocks from the project, and maintain the quality of life not less than their pre-project state, as they are at higher risk than

others. As minimum indicator to be considered, PAP's level of education, age and present means of livelihood will be assessed.

While the Project is expected to have a positive impact on the vulnerable people and women by providing access to electricity, impacts related to gender, and other sources of vulnerability require the development of appropriate approaches. Thus, the following actions will be considered for livelihood promotion:

- Include women and create employment opportunity.
- Ensure the existence of joint property titles for spouse and husband during resettlement compensation settlement.
- Deposit women's cash compensation in individual bank accounts in their names during resettlement planning and in joint accounts with their husbands where applicable.
- Provide livelihood trainings to women groups organized in Medium Small Enterprise's with special attention to female headed households.
- Give special attention will be given to the impact of resettlement on women and other vulnerable groups during monitoring and evaluation of the RP.

The identification of vulnerable people, the cause and impacts of their vulnerability is important. The identification mechanism will be devised and implemented by the beneficiary community. This step is critical because often vulnerable people do not participate in community meetings, and their disability/vulnerability may remain unknown. Assistance may take the following forms, depending upon requests and needs:

- Assistance in the compensation payment procedure (e.g., specifically explain the process and procedures, make sure that documents are well understood, assist in obtaining documents).
- Assistance in moving that include providing vehicle, driver or other appropriate transportation facility and assistance at the moving stage, assist the person in identifying his/her resettlement plot.
- Assistance in building: providing materials, workforce, or building houses.
- Assistance during the post-resettlement period to assess assistance and social programs, and achieve livelihood restoration, particularly if the solidarity networks that the vulnerable person was relying on have been affected.

In addition, a Social Assessment (SA) and SEP are prepared for this Project, which will outline vulnerable and marginalized groups and their special needs. The SA also assesses potential historically underserved people as per ESS7.

In relation to land and resettlement needs of the Project, people under ESS7 may require specific recognition and inclusion in all information dissemination and consultation measures undertaken for land and resettlement purposes, including the provision of Free, Prior and Informed Consent (FPIC). The SEP sets out an FPIC procedure which will be used in RP preparation where applicable.

4. Eligibility Criteria

This section lays out eligibility categories for displaced persons to ensure that PAPs experiencing a complete or partial loss of land, crops, trees, and properties or access to livelihoods are specifically identified and recognized as eligible for compensation and assistance regardless of their legal land rights. ESS5 stipulates that tenant, squatters (for example those encroaching on the ROW) and land users also need to be provided with compensation or assistance. To determine eligibility, this RF takes into account national Proclamation and Regulations as well as ESS5. Eligibility is not always easy to determine in areas where informal

occupants have no documents establishing their land use rights. However, eligibility for compensation is presented in Article 44(2) of the 1995 FDRE Constitution and Proclamation No 1161/2019. While the proclamation excludes those without legal titles, ESS5 stipulates that they must be included (see below).

Definition of Project Affected Persons (PAPs): According to ESS5, PAPs are persons a) who have formal legal rights to land or assets; b) who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under national law; or c) who have no recognizable legal right or claim to the land or assets they occupy or use.

Accordingly, this RF considers PAPs those stand to lose all or part of their physical and non-physical assets, including loss of productive lands, homes, other structures and assets, resources such as annual and perennial crops, grazing land and forests, commercial properties, and income-earning opportunities. Such impacts may be permanent or temporary. This might occur through land expropriation and restricted or reduced access to important livelihood resources.

Hence, those covered under (a) and (b) will be provided compensation for the land they lose, and other assistance in accordance with the ESS5 provisions. Persons covered under (c) will be provided with resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in ESS5, if they occupy the project area prior to a cut-off date established by the PIU/Woreda in close consultation with the potential PAPs and local officials for each sub-project.

The RF applies to all economically and/or physically displaced persons regardless of the total number of affected PAPs or the severity of the impact. Particular attention will be paid to the needs of vulnerable groups or Indigenous Populations / Sub-Saharan African Historically Underserved Traditional Local Communities (IPSAHUTLC) among those economically and/or physically displaced, especially the poor, the landless, the elderly, women and children or other economically and/or physically displaced persons who are limited in their capacity to claim or take advantage of resettlement compensation, assistance and related development benefits.

Categories of PAPs: The likely displaced (economically or physically) persons can be categorized into three groups namely:

Affected individuals: Individuals who lose assets, buildings and structures, land, property and/or access to natural and/or economic resources as a result of a sub-project.

Project-affected households: Groups of PAPs in one household where one or more members are directly affected by the project. These include the head of household, male and female family members, dependent relatives, tenants, workers, etc.

Project affected communal land users: The project may potentially acquire communal lands, which will be addressed based on the regional communal tenure systems for setting out entitlements and compensation payment.

Vulnerable groups of people: These are project-affected individuals or households that are particularly vulnerable or marginalized. These usually include poor people, elders, female-headed households, children including orphans, persons with disabilities (PWD), unemployed youth, etc.

IPSAHUTLC: Individuals or households from historically underserved groups, who may be systematically excluded from land ownership or decision-making processes.

Eligibility Criteria: The purpose of deciding on eligibility requirements in the RF is to ensure that PAPs experiencing a complete or partial loss of land, structures and other assets, crops, trees, and properties or access to income earning resources are specifically identified and recognized as eligible for compensation and assistance whether or not they hold legal land rights. The eligibility criteria are based on the National Proclamation No 1161/2019 and ESS 5. The *FDRE Constitution (1995), Article 44 sub-article 2* and *Proclamation No 1161/2019* present the national legal framework for eligibility for compensation. Meaningful consultations with the affected persons, local authorities and community leaders will inform the establishment of criteria by which affected persons will be deemed eligible for compensation and other resettlement assistance under national law and ESS5.

It is important to note that the eligibility may also be claimed collectively, for example, as a community or religious group, where the assets lost are communal property or use. Communities on communal land that permanently lose land and/or access to assets and/or resources under legal or customary rights will be eligible for compensation. The rationale for this is to ensure that their socio-economic status is not impacted as a result of project intervention or, if impact is unavoidable, should be restored.

ESS 5 stipulates that persons with no recognizable legal right or claim are not entitled to compensation for land, but they must be compensated for the structures or assets that they own and occupy (such as dwellings, crops, irrigation infrastructure, etc.), and for any other improvements to land at full replacement cost. In addition, they must be offered resettlement assistance sufficient to restore their standards of living at a suitable alternative site. Options for resettlement assistance should be generated through consultation with such displaced persons to reflect their priorities and preferences. Eligibility criteria are listed in the Table below, as per types of impact.

Determination of Cut-Off Date: No person will be eligible for houses built and crops sown in the project area after the census and assets inventory has been undertaken. For this reason, a cut-off date is set to avoid opportunistic settlers who invade the project area after the cut-off date, when the land acquisition has already been made public. This RF defines a cut-off-date procedure, which is the date of completion of the census and asset inventory of PAPs at each sub-project site. Once the sub-project has been legally approved and clearance has been issued, a RP will be prepared for the sub-project. As part of the RP, a census will be conducted (see Annex 4). To record the cut-off date used, the site-specific RP is required. It is therefore critical that this date is clearly communicated to all potential PAPs in the project area. Upon completion of the census, the woreda or city administration will set the cut-off date. The potential PAPs will be informed through a formal written notification and through verbal notification in the presence of the community leaders or representatives. ESS5 requires individuals or groups not present at the time of registration, but with a legitimate claim, to be accommodated. These may include absentee owners, absent members of the family engaged in migrant wage labor, or pastoralists or others who use seasonal local resources. The RP will include procedures to disseminate and enforce the cut-off date.

Project Entitlement matrix: Based on the national laws and ESS5, an entitlement matrix has been prepared and presented in the Table 3 below. Any missing values in the entitlement matrix will be determined at the time the preparation of a RP. Individual RPs must adhere to this matrix.

Table 4 Entitlement Matrix

Land & Assets	Types of Impact	Eligible Persons of Groups	Compensation/Entitlement/Benefits
Agricultural land	Partial loss of agricultural land (less than 20 percent of total landholding affected and land remains economically viable.	Farmer/ land title holder	<ul style="list-style-type: none"> • Land for land compensation is priority when preferred by PAPs and feasible in the local context. • Cash compensation for the harvest or product from the affected land or asset, equivalent to 15 times (fifteen years) the highest annual income generated during the last 3 years preceding the expropriation of the land. Depreciation and salvage value is not deducted, PAPs are allowed to salvage materials and all cash compensation is based on prevailing/current market rates (any applicable transaction cost shall be covered). However, the Project will include a flexible (committee-based) valuation methodology that includes agreement with the PAPs. It will provide flexibility for value reviews (not limited by the multiples prescribed in the Proclamation) through the GRM or a similar process when there are significant gaps and disagreements arise.
		Tenant/ lease holder (1 and above years duration of lease)	<ul style="list-style-type: none"> • Cash compensation for the harvest or product from the affected land or asset, equivalent to 15 times (fifteen years) the highest annual income generated during the last 3 years preceding the expropriation of the land. Depreciation and salvage value is not deducted, PAPs are allowed to salvage materials and all cash compensation is based on prevailing/current market rates for the duration of the lease with the balance going to the owner.
	Loss of agricultural land (greater than 20 percent of total landholding)	Farmer/ land title holder	<ul style="list-style-type: none"> • Cash compensation for the harvest or product from the affected land or asset, equivalent to 15 times (fifteen years) the highest annual income generated during the last 3 years preceding the expropriation of the land where equivalent substitute land is not available. Depreciation and salvage value will not be deducted, PAPs will be allowed to salvage materials and all cash compensation will be at prevailing/current market rates. However, the Project will include a flexible (committee-based) valuation methodology that includes agreement with the PAPs. It will provide flexibility for value reviews (not limited by the multiples prescribed in the Proclamation) through the GRM or a similar process when there are significant gaps and disagreements. • Land for land compensation is priority when preferred by PAPs and feasible in the local context. • Land for land replacement will be in terms of a new parcel of land of

			<p>equivalent size and productivity with a secure tenure status at areas/ location acceptable to PAPs. Transfer of the land to PAPs shall be free of taxes, registration, and other costs. Where equivalent substitute land is given, the landholder shall be paid a one-year compensation equivalent to the highest income he annually used to generate in the last 3 years preceding the expropriation of the land.</p> <ul style="list-style-type: none"> • Transfer of the land to the PAP shall be free of taxes, registration, and other costs. • Relocation assistance (costs of shifting + assistance in reestablishing economic trees + allowance up to a maximum of 12 months while short- term crops mature).
		Tenant/Lease holder/customary land holder	<ul style="list-style-type: none"> • Cash compensation equivalent to 15 times (fifteen years) the highest annual income generated during the last 3 years preceding the expropriation of the land (with 1 and above years of lessee). However, the Project will include a flexible (committee-based) valuation methodology that includes agreement with the PAPs. It will provide flexibility for value reviews (not limited by the multiples prescribed in the Proclamation) through the GRM or a similar process when there are significant gaps and disagreements arise. • Relocation assistance (costs of shifting + assistance in reestablishing economic trees + allowance up to a maximum of 12 months while short- term crops mature)
Grazing land	Land used for grazing partially affected; remaining area sufficient for continued use (20 percent and 0.5 ha threshold)	Land title holder/farmer/customary land holder	<ul style="list-style-type: none"> • Cash compensation for protected grass on affected land for 15 years. The amount of compensation for protected grass shall be determined based on the productivity of the land and the current market price of the grass per square meter as outlined in the Council of Ministers Regulation No. 472/2020. However, the Project will include a flexible (committee-based) valuation methodology that includes agreement with the PAPs. It will provide flexibility for value reviews (not limited by the multiples prescribed in the Proclamation) through the GRM or a similar process when there are significant gaps and disagreements arise.
		Renter/Lease holder	<ul style="list-style-type: none"> • Cash compensation for protected grass on affected land. The amount of compensation for protected grass shall be determined on the basis of the productivity of the land and the current market price of the grass per square meter

	Land used for grazing severely affected, remaining area insufficient for use	Land title holder/ holder/farmer/customary land holder	<ul style="list-style-type: none"> • Cash compensation for protected grass on affected land for 15 years. The amount of compensation for protected grass shall be determined on the basis of the productivity of the land and the current market price of the grass per square meter. However, the Project will include a flexible (committee-based) valuation methodology that includes agreement with the PAPs. It will provide flexibility for value reviews (not limited by the multiples prescribed in the Proclamation) through the GRM or a similar process when there are significant gaps and disagreements arise. • Replacement land of same value of land lost and at location acceptable to PAPs where feasible. Land for land replacement will be provided in terms of a new parcel of land of equivalent size and market potential with a secured tenure status at an available location that is acceptable to the PAP. • Transfer of the land to the PAP shall be free of taxes, registration, and other costs. • Relocation assistance (costs of shifting + assistance in reestablishing economic trees + allowance up to a maximum of 12 months while short-term crops mature).
		Tenant/Lease holder	<ul style="list-style-type: none"> • Cash compensation for protected grasses on affected land. The amount of compensation for protected grass shall be determined on the basis of the productivity of the land and the current market price of the grass per square meter.
Commercial Land	Land used for business partially affected; remaining land viable for business purpose	Land title holder/ business owner	<ul style="list-style-type: none"> • Land for land replacement could be the best option where feasible or cash compensation for affected land, taking into account replacement cost for the lost property and viable business. • For cash compensation, the Project will include a flexible (committee-based) valuation methodology that includes agreement with the PAPs. It will provide flexibility for value reviews (based on full replacement value and not limited by the respective Proclamation) through the GRM or a similar process when there are significant gaps and disagreements. • Opportunity cost compensation equivalent to land plus 5 percent of net annual income based on tax records for previous year (or tax records from comparable business, or estimates where such records do not exist). • Income loss compensation consistent with the actual loss period with a minimum allowance of 3-6 months depending on intensity of impact.

		Business owner is lease holder	<ul style="list-style-type: none"> • Opportunity cost compensation equivalent to 10 percent of net annual income based on tax records for previous year (or tax records from comparable business, or estimates where such records do not exist). • Relocation assistance (costs of moving). • Assistance in rental/ lease of alternative land/ property to reestablish the business. • Offering of alternative income earning opportunities. • Income loss compensation consistent with the actual loss period with a minimum allowance of 3-6 months depending on intensity of impact.
	Assets used for business severely affected; remaining assets insufficient for business purposes	Land title holder/business owner	<ul style="list-style-type: none"> • Land for land replacement or compensation in cash according to PAPs choice; cash compensation to take into account replacement values. Land for land replacement will be provided in terms of a new parcel of land of equivalent size and market potential with a secured tenure status at an available location, which is acceptable to the PAP. • For cash compensation, the Project will include a flexible (committee-based) valuation methodology that includes agreement with the PAPs. It will provide flexibility for value reviews (based on full replacement value and not limited by the respective Proclamation) through the GRM or a similar process when there are significant gaps and disagreements. • Transfer of the land to the PAP shall be free of taxes, registration, and other costs. • Relocation assistance (costs of shifting + allowance) • Opportunity cost compensation equivalent to the actual loss based on tax records for previous year (or tax records from comparable business, or estimates) • Income loss compensation consistent with the actual loss period with a minimum allowance of 3-6 months depending on intensity of impact
		Businessperson is lease holder	<ul style="list-style-type: none"> • Opportunity cost compensation equivalent to 2 months net income based on tax records for previous year (or tax records from comparable business, or estimates), whichever is higher. • Relocation assistance (costs of moving). • Income loss compensation consistent with the actual loss period with a minimum allowance of 3-6 months depending on intensity of impact

Residential Land	Land used for residence partially affected; remaining land viable for present use	Land title holder /customary land holder	Cash compensation at full replacement cost for affected assets situated on land without factoring depreciation
		Tenant/lease holder/	Cash compensation equivalent to 10 percent or affected percentage of lease/ rental fee for the remaining period of rental/ lease agreement (written or otherwise verified).
	Land used for residence severely affected; remaining land insufficient for use	Title holder/customary land holder	<ul style="list-style-type: none"> • Cash compensation at full replacement cost without factoring depreciation or replacement land of same value of land lost and at location acceptable to PAPs where feasible. • For cash compensation, the Project will include a flexible (committee-based) valuation methodology that includes agreement with the PAPs. It will provide flexibility for value reviews (based on full replacement value and not limited by the respective Proclamation) through the GRM or a similar process when there are significant gaps and disagreements. • Land for land replacement shall be of minimum plot of acceptable size under the zoning laws or a plot of equivalent size, whichever is larger, in either the community or a nearby resettlement area (which is acceptable by the PAPs) with adequate physical and social infrastructure systems as well as secured tenure status. • When the affected holding is larger than the relocation plot, cash compensation to cover the difference in value will be provided. • Transfer of the land by government to the PAP shall be free of taxes, registration, and other costs. • Relocation assistance (costs of moving + assistance in reestablishing economic trees + allowance up to a maximum of 12 months while short- term crops mature)
			Tenant/lease holder

			<p>alternative land/ property equivalent to the expropriated land in standard and size.</p> <ul style="list-style-type: none"> • Compensation for the breakup of their social ties and moral damage they suffer as result of the expropriation. • Relocation assistance (where the property on the land can be relocated and continue its service as before, the cost of removing, transporting, and erecting the property shall be paid as compensation). • Relocation assistance (costs of moving + assistance in reestablishing economic trees + allowance up to a maximum of 12 months while short- term crops mature)
Public Land	Affected public land	Government, squatters	<ul style="list-style-type: none"> • Cash compensation for affected structures without consideration of depreciation costs, taking into account replacement cost of the lost structure. • Right to salvage materials without deduction from compensation. • Relocation assistance (costs of moving + assistance to find alternative secure accommodation preferably in the community of residence through involvement of the program). • Assistance in lieu of land compensation sufficient to provide such persons with an opportunity to reestablish their livelihood at an acceptable location. • Rehabilitation assistance if required assistance with job placement, skills training. • Occupants also eligible for compensation for crops, income loss (income loss compensation to be consistent in applying to the loss period with a minimum allowance of 3-6 months depending on intensity of impact), etc. per provisions of this matrix. • Additional assistance if meeting vulnerability criteria.
Buildings and structures	Structures are partially affected; remaining structures viable for continued use	Owner	<ul style="list-style-type: none"> • Cash compensation for affected building and other fixed assets, taking into account Replacement costs of structures and materials. In addition, Cash assistance to cover costs of restoration of the remaining structure
		Rental/lease holder	<ul style="list-style-type: none"> • Cash compensation for affected assets, taking into account replacement costs for assets and materials (verifiable improvements to the property by the tenant). • Disturbance compensation equivalent to two months rental costs
	Structures severely	Owner	<ul style="list-style-type: none"> • Cash compensation, taking into account replacement costs for structures and materials, for entire structure and other fixed assets without consideration

	affected; remaining structures not suitable for continued use		<p>of the depreciation costs, or alternative structure of equal or better size and quality in an available location, which is acceptable to the PAP.</p> <ul style="list-style-type: none"> • Right to salvage materials without deduction from compensation • Relocation assistance (costs of moving + allowance) • Rehabilitation assistance if required (assistance with job placement, skills training)
		Rental/lease holder	<ul style="list-style-type: none"> • Cash compensation for affected assets, taking into account at replacement cost for materials (verifiable improvements to the property by the tenant). • Relocation assistance (costs of moving + allowance equivalent to four months rental costs) • Assistance to help find alternative rental arrangements. • Rehabilitation assistance if required (assistance with job placement, skills training)
		Squatter/informal dweller	<ul style="list-style-type: none"> • Cash compensation for affected structures without consideration of depreciation costs, taking into account replacement cost of the lost structure. • Right to salvage materials without deduction from compensation. • Relocation assistance (costs of moving + assistance to find alternative secure accommodation preferably in the community of residence through involvement of the program). • Assistance in lieu of land compensation sufficient to provide such persons with an opportunity to reestablish their livelihood elsewhere. • Rehabilitation assistance if required assistance with job placement, skills training.
		Street vendor (informal without title or lease to the stall or shop)	<ul style="list-style-type: none"> • Opportunity cost compensation equivalent to 2 months net income based on tax records for previous year (or tax records from comparable business, or estimates) whichever is higher. • Relocation assistance (costs of moving). • Assistance to obtain alternative site to re- establish the business. • Rehabilitation assistance if required assistance with job placement, skills training.
Standing crops	Crops affected by land acquisition or temporary	PAP (owner, tenant, or squatter)/customary land holder	<ul style="list-style-type: none"> • If the crop is not harvested, the compensation payable will be based on the amount of produce available and/or the amount of produce that the crop could produce if the crop had arrived. The cost of the property owner's

	usage		<p>deduction will count until the crop or vegetable is harvested.</p> <ul style="list-style-type: none"> • Revenue from crop surplus will be determined based on current market prices of the leftover produce. • If one crop is produced more than once in a year, the amount of the crop per year will be the sum of the produce produced during the year. • Crop Revenue = (area of the land per hectare x current market price of crop per Quintal x yield from 1hectare per Quintal). • Revenue from surplus crop product = (area of the land per hectare x yield from 1hectare per Quintal x current market price)
Trees	Trees lost	Land title holder/farmer/rental	<ul style="list-style-type: none"> • Cash compensation at full replacement cost based on type, age and productive value of affected trees
Temporary land acquisition	Temporary acquisition	PAP (whether owner, renters, or squatter)/customary land holder	<ul style="list-style-type: none"> • Cash compensation at full replacement cost for any affected assets for that temporal time period plus compensation for loss of income during the period (similar for renters). • Land to be restored and returned to prior user. • Compensation equivalent to lost income required for the duration of impact. • Compensation equivalent to lost income required for loss of access. • physical restoration of assets (or access) required prior to return.
Communal land	Lost benefits and livelihood from use of communal land	Community member using communal land	<ul style="list-style-type: none"> • Cash compensation based on the use of the communal land; or the lost benefits and livelihoods of displaced people as well as its benefit to the community. • Members of the community using the communal land should be identified and compensated with the lost benefit and livelihoods, which were originally obtained from the communal land. • Private and communal property on the expropriated communal land shall be identified and included in the compensation package whenever appropriate, subject to community consultations and a joined agreement on the process.
Impacts on Fence	Fence	Fence Owner	<ul style="list-style-type: none"> • Fence compensation is calculated by calculating the price of the existing square meter or cubic meter required to build a new fence that is equivalent to the current fence. • If the construction material of the fence cannot be estimated per square

			<p>meter or cubic meter, it can be calculated at a single price.</p> <ul style="list-style-type: none"> • Based on the above, it is possible that the reimbursement shall be made as the property to be relocated shall be payable. • If there are walls and fences with better technology and the owner wishes to take them, the compensation will be reimbursed based on the compensation calculation of the property. • Fence Compensation = amount of fence in square/cubic meter x single price of fence per square/cubic meter
Graveyards	Relocation of graveyard	PAPs (HH) of the deceased family members	<ul style="list-style-type: none"> • Compensate fully for the relocation of the graveyard that covers all the expenses of removal of the gravestones, preparing another burial ground, relocation/reburial and all the religious or cultural ceremonial expenses. • The owner of the burial ground shall be clearly notified on the prescribed time to vacate the burial ground. • There shall be no compensation for psychological damage in respect of the cemetery. But need process of agreement to move through and respectful process with family, witness participation. • Cemetery compensation= cost of corpse pick up+ burial ground preparation cost+ cost of corpse transfer and relocation+ cost of religious and cultural ceremonies.
Assistance for vulnerable Groups	Disproportional impact due to age, sex, disability, etc.	Vulnerable people to be screened from the PAPs	<ul style="list-style-type: none"> • Special measures for effective participation, compensation, assistance and livelihood restoration will be defined in the RP. This is to ensure food security during this transitional period. Additional assistance will also be offered to particularly vulnerable individuals and households during and after relocation to meet the livelihood restoration requirement of ESS5. • Additional support (in addition to the entitled compensation and relocation allowance) during relocation and restoration of livelihood. Such support could be in terms of labour during the reconstruction of affected houses, or in terms of money to cover expenses associated to failure of using his/her labour to rehabilitate or adjust at the relocated area. Furthermore, they should be linked to assistance programs and networks.
Utilities	Relocation of utilities	Those accessing the services of the utilities (water, electric etc.)	<ul style="list-style-type: none"> • Utilities to be reestablished in the affected area; provision of similar temporary services until full resumption (especially water service) under the new arrangement. • In-kind land replacement to have similar services or better.

Impacts on breakup of social ties and moral damage	Breakup of social ties and moral damage	All PAPs (Individual/HH/ Group) regardless of tenure status	<ul style="list-style-type: none"> • Compensation for termination of social ties and compensation for psychological damage will be paid only once. • Compensation for termination of social networking and compensation for psychological damage may be paid from a sum of 25,000 to 60,000 ETB/birr. • Discontinuation of social ties and compensation for psychological damage is paid to displaced and vulnerable relocating PAPs who are settling 5 km or more away from their original place of residence. • If the survivors of a neighborhood are excluded from their possession, they may be compensated for by the disruption of social ties and psychological compensation if approved by concerned government bodies. • The Directives of the psychology shall determine the time and place for the formation of social networks.
Livelihood	Loss of livelihood	Screened Households for LR support	<ul style="list-style-type: none"> • Livelihood restoration measures will be provided supplementary to the compensation paid for lost assets. To restore or improve PAPs' income level and livelihood; and ensure an improved standard of living or foster development benefits. • Taking into account that nature, severity and duration of impact on the livelihoods of the affected PAP, livelihood restoration interventions will be designed to ensure that the PAPs are not worse off, and if possible have improved livelihoods and standards of living. Measures will be designed in close consultation with PAPs and stakeholders. The RP will provide further details on the planned livelihood restoration measures once the impacts on livelihoods are assessed and appropriate support measures identified. The Project will assist in the provision of materials, training for alternative livelihood options, provision of crop seeds and seedlings for economic trees, etc. The LRP will be fully integrated in and implemented as part of the RP. • The alleviation of economic displacement will be considered complete when affected persons or communities have received compensation and other assistance as per the requirements of ESS5, and can be shown to have been provided with adequate opportunity to reestablish their livelihoods. Thus, for better management and positive comprehensive outcome; LRP will be integrated with RP during its preparation and implementation when economic impacts occur. If displacement is exclusively economic a stand-alone LRP may be prepared for a Sub-project.

			<ul style="list-style-type: none"> • Compensation equivalent to lost income required for loss of access. • Physical restoration of assets (or access) required prior to return.
Sources of Income	Sources of Income	All PAPs	<ul style="list-style-type: none"> • Compensation equivalent to lost income required for the duration of impact. • Compensation equivalent to lost income required for loss of access.
Impact on Grass	Loss of grasses	Owners or users of grass	<ul style="list-style-type: none"> • If the grass on the land being cleared is ready to be harvested, it may be collected at the time specified by the developer. The cost of picking up the grass should be covered. • If the site is urgently needed and there is not enough time to harvest the grass, the estimate of the grass is calculated at the current local market price and compensation. • Compensation of Grass = area coverage of the grass with meter square x the yield of grass with current local price per meter square.
Impact on pastoralists	Discrimination and disaster vulnerability, etc.	Vulnerable pastoral and agro-pastoral individuals and groups	<ul style="list-style-type: none"> • Special measures for effective participation, compensation, assistance and livelihood restoration will be defined in the RP. This is to ensure food security during this transitional period. Additional assistance will also be offered to particularly vulnerable individuals and households during and after relocation. • Additional support (in addition to the entitled compensation and relocation allowance) during relocation and restoration of livelihood. Such support could be in terms of labour during the reconstruction of affected houses, or in terms of money to cover expenses associated to failure of using his/her labour to rehabilitate or adjust at the relocated area. Furthermore, they should be linked to assistance programs and networks. • Assistance in the compensation payment procedure (e.g. specifically explain the process and procedures, ensure documents are well understood). • Assistance in the post payment period to secure the compensation money and reduce risks of misuse/robbery. • Assistance in moving: providing vehicle, driver and assistance at the moving stage, assist the person in identifying his/her resettlement plot. • Assistance in building: providing materials, workforce, or building houses. • Assistance during the post-resettlement period, particularly if the solidarity

			<p>networks that the vulnerable person was relying on have been affected: food support, health monitoring, etc.</p> <ul style="list-style-type: none"> • Health care if required at critical periods, particularly the moving and transition periods. • FPIC (per SEP) requirements and cultural considerations will also be addressed in the RP and its screening and consultation processes.
Relocation and shifting	Forced to relocate or shift	All Affected Households	<ul style="list-style-type: none"> • Relocation allowance includes cost associated with re –establishing residential houses, mobility costs and other ancillary costs (labor, transport, land clearing and labeling and other relevant costs etc.). • Compensation of lost income for workdays lost because of moving and disruptions.

5. Valuation of Affected Assets

Valuation Procedures: According to Proclamation No 1161/2019 Article 17 sub articles (1-3), compensation for the property situated on land to be expropriated shall be evaluated by a Certified Private Institution or individual consultant valuers on the basis of a nationally approved valuation method (to be declared in the RP); or by an Autonomous Government Organization established for that purpose where there is no private certified property valuation organization or individual consultant; or it shall be evaluated by a Compensation and Resettlement Committee (CRC) established by the relevant urban or woreda administrations comprising professionals. The Valuation of Affected Persons shall be done in accordance with the entitlement matrix above to ensure full replacement cost for the PAPs.

The Project will use either of the described options whereby a CRC is more applicable for small-scale impacts on land and asset losses. According to the same Proclamation, the working procedures of the valuation committee established shall be determined by the Directive issued by Regional State, Addis Ababa and Dire Dawa City Administrations and the unit price of compensation valuation shall be revised at most every two years. The Project will include a flexible (committee-based) valuation methodology that includes agreement with the PAPs. It will provide flexibility for value reviews (not limited by the multiples prescribed in the Proclamation) through the GRM or a similar process when there are significant gaps and disagreements. The CRC will be addressed in these cases.

Method of Asset Valuation: According to Proclamation No. 1161/2019 Article 2(8), “Valuation is defined as a means of a common compensation valuation method used to calculate the value of property on expropriated land.” Land valuations are often done at woreda and urban administration levels. As stated in Proclamation No.1161/2019, permanent improvements made to the land and labor expended on the land will be taken into account in the valuation of land assets. Accordingly, compensation for permanent improvement to land shall be equal to the current value of capital and labor expended on the land as stated in Proclamation No. 1161/2019, Article 12 sub-article 4. Compensation for agricultural land, urban land and houses and other structures will be considered and updated depending on the Regulation and directives that will be published by the regions. A detailed description of valuation and compensation methods for different impacts is provided in Entitlement Matrix (see above). The site-specific RPs will deploy the appropriate methodology for asset evaluation, depending on the local circumstances. While data on markets and qualified evaluators may be available in the urban areas, this may not be the case in the rural areas. The methodology of valuation in the RP needs to fully comply with the entitlement matrix above and meet ESS5 requirement and will therefore need to be approved by the World Bank.

Valuation and compensation for affected buildings and other structures will be done taking into account the replacement costs of the building, structures and materials. In addition, cash assistance is provided to cover costs of restoration of the remaining structure.

The valuation and compensation of agricultural land will be done taking into account the harvest or product from the affected land or asset, equivalent to 15 times (fifteen years) the highest annual income s/he generated during the last three years preceding the expropriation of the land.

The valuation and compensation of urban and residential land will be done taking into account the full replacement costs without factoring in depreciation or by in-kind replacement of land of the same value of as the one lost and at a location acceptable to PAPs. Where feasible, land for land replacement shall

provide a minimum plot of acceptable size under the zoning law/s or a plot of equivalent size, whichever is larger, in either the community or a nearby resettlement area (which is acceptable by the PAPs) with adequate physical and social infrastructure systems as well as secured tenure status.

Valuation of standing crops: if the crops are not harvested, the compensation payable will be based on the amount of produce available and/or the amount of produce that the produce could produce if the crop had arrived. The cost of the property owner's deduction will be counted until the crop or vegetable is harvested. If one crop is produced more than once in a year, the amount of the crop per year will be the sum of the produce produced during the year. Valuation is made based on the current market price.

The valuation and compensation of trees will be made at full replacement cost based on type, age and productive value of affected trees.

Utilities need to be re-established in the affected area; provision of similar temporary services until full resumption is completed (especially water service) under the new arrangement.

Compensation Approach: Compensation for land, structures, business, fixed improvements and other temporary impacts will be based on, among other aspects, market valuation, productivity valuation, material and labour valuation, disposition of salvage materials and other fees paid. All PAPs regardless whether they possess legal title will receive compensation for the properties situated on the land they occupy at the time of the census. The amount of compensation for a relocated property shall be determined by computing the estimated costs of labour, material and transport to be incurred at market value for removing, transferring and installing the property. In addition, workers losing employment in the process of relocating should get transitional income support.

Compensation for temporary impacts should include but not be limited to the following: (a) compensation equivalent to lost income required for the duration of impact; (b) compensation equivalent to lost income required for loss of access; and, (c) physical restoration of assets (or access) required prior to return.

In addition, PAPs will be entitled to transitional assistance, which includes moving expenses, temporary residence (if necessary), employment training and income support.

Relocation: In the case of physical relocation, PAPs will ideally be moved to areas near the location in which they live. The RP will resolve the residential parcel condition and be enforced with the full involvement of PAPs and the community. ESS5 requires that:

- Displaced persons are given a choice between feasible resettlement options, including adequate replacement housing or cash compensation; and
- Relocation assistance suited to the needs of each group of displaced persons is provided. New resettlement site will offer living conditions at least equivalent to those prevailing standards.

Livelihood Restoration: ESS5 requires that displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher. 'Livelihood' refers to the capacity to gain a sustainable living, flow of income and wealth accumulation from a wide range of natural and social resources. Livelihood improvement, therefore, is not accomplished by compensation for lost assets or lost income. The Project will implement the following strategies to assist PAPs, in addition to compensation for their asset losses, to improve/restore their livelihood because of implementation of sub-projects:

- Capacity building and training on businesses, which they want to engage;
- Technical support in Business Plan Preparation, and implementation of the businesses; and
- Follow up, supervision and monitoring of the implementation of business.

Special Livelihood Restoration for Vulnerable Groups: The income restoration measures will also target the vulnerable persons to ensure that they are reasonably assisted to overcome potential economic shock as a result of the project implementation, and to maintain the quality of life not less than their pre-project state because; they are at higher risk than others based on their vulnerability status. The type of livelihood restoration suitable to each PAP will be identified in consultation with the PAPs.

6. Organizational Procedures

Component-1 will be implemented by Project Implementation Unit (PIU) established at the EEU, which is the nationally designated utility for electricity distribution. EEU is implementing similar distribution expansion and strengthening activities under the Electricity Network Reinforcement and Expansion Project (ENREP) and Access to Distributed Electricity and Lighting in Ethiopia (ADELE) project. EEU is responsible for conducting demand assessments, feasibility studies, preliminary technical design, and procurement for distribution network strengthening, as well as expanding electricity access by providing new connections. To address the geographical spread of the project activities across 72 towns, EEU has organized a two-tier PIU structure. There will be a central team led by a project manager and with members specializing in procurement, distribution planning, electrical engineering, civil design, environment, social, safety, and gender aspects. The PIU may also include regional teams led by sub-project managers and comprising members with relevant expertise. The central team will also be responsible for the modernization activities, as well as hiring and managing all consultancy contracts for project management support, sector reform, and capacity building. While the PIU at the central level will oversee the preparation of RPs/LRPs, the regional teams will be the key actors on the ground, liaising with woreda or urban municipal administrations on the socio-economic surveys and the delivery of compensation and assistance. Consultant specialists will be included in the regional teams to handle land and resettlement related activities or requirements.

Components 2 and 4 and Subcomponents 3.1 and 3.3 will be implemented by the PIU established at the EEP. The Project will build on the PIUs established by World Bank-funded Projects, including the ENREP, the GSDP, and the EEHP. EEP is responsible for least cost planning and identification of generation and transmission Projects, undertaking of respective feasibility studies, technical design, and procurement as well as for meeting the safeguard requirements of transmission and geothermal drilling activities. The PIUs at EEP for Components 2, 3, (excluding 3.2), and 4 will each be led by a Project manager and will comprise relevant experts in the fields of procurement, transmission design, system protection, electrical engineering, civil design, environment, social, safety, and gender aspects.

Therefore, the EEP PIU for Component 2 will be the main responsible actor in the preparation of RPs/LRPs and their implementation, in close coordination with the respective woredas and urban municipal administrations.

In coordination with woreda, region, and urban administrations, the respective PIUs are responsible in the preparation and implementation of specific RPs/LRPs. More importantly as per Proclamation No

1161/2019 Woreda Administration and Urban Administration, including respective Kebele Administrations, are the main responsible government bodies in the implementation of this RF, including in the provision of compensation and other assistance. The PIUs will therefore seek the establishment of a Memorandum of Understanding (MoU) with these institutions.

The PIUs are responsible for technical support and follow up. EEP and EEU have the power to enforce resettlement requirements and thus fulfill their commitments under the ESCP. The regional Environmental Protection Authority (EPA) and its respective woreda level structure are responsible for reviewing, monitoring and auditing the preparation and implementation of this RF in general and specific RP/LRP in particular.

7. Implementation Process

The RP/LRP is the most essential instrument to be prepared for resettlement activities. It first requires the conduction of meaningful community consultation on the benefits of the project, potential adverse effects and procedures followed by awareness and discussions on the land expropriation and resettlement impacts. According to ESS5, the scope of resettlements and details of the RP/LRP vary according to the magnitude and complexity of resettlement. The RP/LRP is based on:

- a. The proposed project and its potential impacts on the displaced persons and other adversely affected groups;
- b. Appropriate and feasible mitigation measures, and
- c. The legal and institutional arrangements required for effective implementation of resettlement measures

A RP/LRP is required if land is to be acquired in such a way that people are displaced from land or productive resources or when a sub-project is expected to cause physical and economic resettlement. Displacement can result in relocation, loss of shelter, loss of assets or access to production-related assets; loss of income or livelihood sources; or loss of access to locations that provide income or lower expenditure for business or individuals. The steps to be undertaken for each individual RP include a screening process followed by a socioeconomic census, land asset inventory of the area and identification of the PAPs. Moreover, it requires the reviewing, approving, implementing and monitoring of the progress and success of the RP implementation. The RP/LRP preparation follows the process for screening (see above, section 1.4.).

RP Implementation Procedure: Prior to sub-project implementation, PAPs that have been identified as eligible for compensation should be compensated in accordance with the Ethiopian Legislation and Proclamation No. 1161/2019, Regulation No 472/2020 and ESS5, as detailed in this RF and the respective RP/LRP.

A cut-off date will be set as the date of completion of the census and asset inventory of PAPs for each sub-project. Individuals who invade the area after the cut-off date have no right to compensation or any other form of resettlement assistance. Affected individuals, households, and communities identified earlier as part of the socio-economic survey will be consulted regarding their preferences for compensation. This will be a continuation of the process that started during the site selection, screening, census and RP development process, and will depend on the extent of the resettlement impact. The community and landholders will be informed and consulted during the RP preparation, will agree upon their compensation

packages and will be informed of the RP approval of and implications for all PAPs in terms of resettlement, expropriation, and compensation.

In the presence of at least one public official, the PAPs must be officially notified in writing or through verbal notification (if PAPs are illiterate), indicating the time when the land has to be vacated and the amount of compensation to be paid. According to Article 8 (6) of Proclamation No. 1161/2019, the period of notification may not, in any way, be less than 120 days. A contract specifying the acquired land plots and/or partially or fully affected structures and the related compensation forms (cash or in kind) must be signed by the PAPs. The signature on the compensation contracts as well as the actual payments and in-kind transfers shall be made in the presence of at least one elected official from the local authorities. Fingerprint stamps can substitute written signatures in the case of illiterate PAPs, and additional witnesses must be present. The contracts will also include contracts for future transitional or developmental assistance and income restoration initiatives that will be provided to the PAPs. Handing over of property, such as land and buildings and compensation payments will be made in the presence of the PAP and the Kebele administration to ensure that development initiatives that are part of the resettlement package are implemented in an inclusive and participatory manner and to the benefit of the affected individuals or households.

To enable the PAPs to voice their concerns, complaints, or dissatisfaction with any part of the resettlement, compensation and assistance process and to seek redress, a GRM will be established in the respective locality. The grievances will be addressed through local mechanisms or grievance committees that will be established as an independent instrument for receiving and responding to grievances in order to ensure that grievances from PAPs are treated fairly and promptly. The special committee should collect and review grievances within the time frame allotted (in coordination with the local public official) and the respective PIU play a role in facilitating the response to those grievances. Vulnerable groups will receive particular attention. It is critical for the grievance committees to ensure that all complaints are adequately reported and addressed within the stipulated timeframe. If it is not possible to resolve grievances through administrative action, the PAPs may initiate legal proceedings in accordance with the law. The grievance committee and process will be described in detail in the RP and the GC will be put in place when the census begins in consultation with the community affected.

The respective PIU, in particular the Social Specialists included in each PIU, together with the woreda/urban and kebele administration are generally responsible for the implementation of the RP and will arrange meetings with affected individuals and/or households to discuss the compensation process. For each individual or household or community affected, a compensation dossier containing the following information will be filled in and documented:

- required personal information of the PAP and those that he/she claims as household members (community information if it is a community land/asset);
- total landholdings of PAPs that will be lost;
- inventory of assets affected;
- the concerns of the PAPs related to the resettlement process; and
- required information for monitoring purposes.

This information should be confirmed and witnessed by the Kebele Administration. Dossiers will be kept and will include documentation of lands surrendered and assets lost. No loss of land should occur prior to compensation. Each concerned PAP will be provided with a copy of the dossier at the time of negotiations. All claims and assets will be documented in writing. This is necessary so that the

resettlement process for each PAP can be monitored over time.

RP Implementation Schedule: It is essential that the timeframe and action plans associated with the RP are linked to the project implementation schedule. In the implementation schedule of each RP, details on resettlement and compensation must be provided. The schedule for the implementation of activities, as agreed between the woreda and kebele Administration, the respective PIU and PAPs must include:

- Target dates for start and completion of sub-project implementation.
- Timetables for transfers of compensation (cash or kind) to PAPs prior to surrendering of assets/land.
- Timetables for start of the development initiative or income generating activity linked to transitional allowance and provided by the RP.
- Dates of possession of land that PAPs are using (this date must be after transfer date payments of all compensation).
- Link between RP activities and to the implementation of the overall sub-project.

The key tasks of the local administrations include facilitating consultations with the PAPs, establishing compensation and GRM committees including ensure their functionalities, undertaking asset evaluation, and allocating land plots for land to land compensation.

Information Disclosure: Public disclosure of the RF and RPs will be made to PAPs and other stakeholders for review and comments on entitlement measures and other issues. The purpose of the disclosure is to receive comments and suggestions from PAPs and incorporate appropriate suggestions. The RPs will be disclosed in a form, manner and language comprehensible to PAPs and at a place accessible to the displaced population and other stakeholders for review and comments on entitlements and measures. The PIUs will disclose the RPs on their websites. Comments on the RPs by PAPs and other stakeholders will be taken into consideration and the respective feedback provided to PAPs and documented in the RP.

The public disclosure of the RP executive summaries will be made in local languages. This could be done posting it in a range of publicly accessible places; such as, woreda offices, farmers training centers, municipalities and kebele administration office, among others. Once it is disclosed, the public has to be notified through administrative, community and clan structures about the availability of the RP documents and requested to make suggestions and comments.

8. Grievance Redress Mechanism

The assigned Project Social Specialists at the respective PIU oversee the management of the environmental and social risks including the management and reporting of the Project GRM. The GRM will also cater for any land-related issues through some additional means for reporting and solving grievances. The complaint to be filed, should be related to the Project components and/or to their implementation and management (for this case, PRIME-1 activities under Components 1&4 for EEU and 2, 3 & 4 for EEP).

In an event of dissatisfaction, the aggrieved party has the right to resort to the court system. Details on PRIME-1 Project GRM are presented in the Stakeholder Engagement Plan (SEP). The grievance resolution process involves the following main steps:

- *Receipt of grievances:* anyone from the affected communities or believing to be affected by the Project can submit a grievance (written, verbal, telephone, etc. as chosen by the complainant).
- *Registering the complaint:* the Project GRM focal point who received the complaint will use the GRM logbook for registering.
- *Referral and examination of complaints:* a grievance Committee shall be established at each PRIME-1 Project implementation site/ Kebele (comprising of members from EEP/ EEU, PAPs, elders, a representative from Woreda Women, Youth and Children Affairs office, etc.) who will examine the complaint, resolve, or refer. In sub-project locations where the initial screening of the activities has shown that land acquisition is necessary or other land and access related issues may occur, the Grievance Committee will be expanded through relevant elders or local authorities that have knowledge in land issues.
- *Notifying the complainant:* the decision/solution/action by the Grievance Committee shall be communicated to the complainant as per the stipulated timeline.
- *Closing the complaint:* where the decision/solution of the complaint is accepted by the complainant, or complaint that is not related to the Project or any of its components, or a complaint that is being heard by the judiciary will be closed following the appropriate procedure.

Table 5 PRIME-1 GRM Management Process

Process	Description	Timeframe	Other Information
Establishment of grievance Committees at Kebele/ Woreda/Town Level	<ul style="list-style-type: none"> ▪ Grievance Committee will be established at the sub-project site/ kebele level, comprising of members from local elders, beneficiaries (women and men), Woreda/ Kebele EEP&EEU representative, Woreda Women Youth and Children Officer, and land actors such as elders or local authorities where relevant. 	Prior to the start of the census at the sites and continued throughout implementation period.	Training will be provided to the Grievance Committee and beneficiaries by EEP&EEU E&S Specialists and other relevant sector staff.
Identification of grievance	<ul style="list-style-type: none"> ▪ Face to face; telephone; letter; mail; e-mail; website; recorded during public/community interaction; others. ▪ The grievance can also be passed through other parties, such as the Regional/Woreda level EEP&EEU offices, if the public is more conversant with this unit. 	1 Day	Contact address of the responsible GRM personnel or committee member will be disclosed to stakeholders, Name, Telephone no., an Email address.
Grievance assessed and logged	<ul style="list-style-type: none"> ▪ Significance assessed and grievance recorded or logged (i.e., in a logbook). ▪ It will be prudent to have a grievance record book where the grievances are recorded for follow up. 	3-6 Days	Proposed significance criteria: Level 1 – one-off event. Level 2 – complaint is widespread or repeated. Level 3- any complaint (one-off or repeated) that

Process	Description	Timeframe	Other Information
			indicates a breach of law/ policy.
Grievance is acknowledged	<ul style="list-style-type: none"> Acknowledgment of grievance through appropriate medium. 	3 Days	
Development of response	<ul style="list-style-type: none"> Grievance assigned to the appropriate party for resolution. Response development with input from Grievance Committee/relevant stakeholders. 	4-8 Days	
Response signed off	<ul style="list-style-type: none"> Redress action approved 	8-15 Days	
Implementation / communication of response	<ul style="list-style-type: none"> Redress action implemented and update of progress on resolution communicated to the complainant. 	5-9 Days	
Report	<ul style="list-style-type: none"> Communicate outcome of the GRM to WB and other relevant parties as part of the Project Progress Report 	As defined in the ESCP and SEP	

9. Funding of Resettlement

Any required physical resettlement will not be covered by the project, it will be covered by targeted woreda administration. At this stage, it is not possible to estimate the exact number of people who will be affected since the sub-project identification, sub-project specific sites and technical designs and details have not yet been decided on. It is therefore not possible to provide an estimated budget for the total cost of resettlement that may be required. However, once the exact locations are known, a detailed budget will be prepared for each RP/LRP. The woreda/city administration is expected to secure RP/LRP implementation costs from government budgets, which is an amount of at least 2% of the total budget approved for infrastructure sub-projects. The EEP/EEU need to ensure that resources (personnel, budget, etc.) and commitments will support implementation of resettlement requirements so that land take does not become a source of conflict and delays.

RF Implementation Budget: Since the specific sub-project sites have not been identified, and the number, it is difficult to know the amount of budget required for RF implementation. However, a rough estimate is that mitigation measures can be estimated to cost between 2 percent and 5 percent of the total project cost, which will not be financed by the project fund, but which will be covered by EEP/EEU.

EEP/EEU will ensure that sufficient budget is allocated for compensation payments for the expropriated property including related costs, which is an amount of at least 2% of the total budget approved for infrastructure sub-projects. The region/city administration together with EEP/EEU will prepare the detailed compensation budget estimate after the specific site and level of impact is identified, in consultation with the Compensation and Resettlement Committee (CRC) that are to be established as per Proclamation No. 1161/2019 and as per the ESS5. Payment of compensation will be finalized before the commencement of project implementation.

Once the budget allocation is finalized, it will be subject to approval by the regional or Woreda/ City Administration in coordination with the respective PIU. Thus, since specific sites, number of sub-projects and number of PAPs are unidentified; it is impossible to state the comprehensive budget for the RP. The following table shows indicative outline of the RP/LRP budget.

Table 6 Indicative Outline of a RP/LRP Budget

Description	Unit	Quantity	Estimated Cost		Agency Responsible
			Unit Cost	Total	
Asset acquisition					
Land					
Structure					
Crops and economic trees					
Community infrastructure					
Land Acquisition					
Relocations					
Transfer of possessions					
Installation costs					
Economic Rehabilitation					
Special measures for vulnerable groups					
Training					
Capital Investments					
Technical Assistance (including preparation of RP, consultants for monitoring, etc..)					
Monitoring					
Contingency					
Number	Item	Costs	Assumptions		
1	Compensation for loss of land	Per hectare	For land acquisition purposes, based on Ethiopian average market cost, or from similar projects		
2	Compensation for loss of crops	Per hectare of farm lost	Includes costs of labor invested and average of highest price of staple food crops and Ethiopian market prices		

3	Compensation for loss of access to pastoralists	If applicable	Those affected would be provided with shared access, or alternate routes (decision agreed through consultation and participation of all)
5	Compensation for buildings and structures	If applicable	This compensation may be in-kind or cash. Costs for basic housing needs should include ventilated pit latrines, outside kitchen, and storage.
6	Compensation for trees	Per year/tree	Includes costs of labor invested and average of highest price of trees (and tree products) and Ethiopian market prices
7	Cost of relocation assistance/expenses	Per household	This cost reflects the moving and transportation allowance
8	Cost of restoration of individual income		These costs reflect the livelihood restoration program of the RP/LRP
9	Cost of restoration of household Income		These costs reflect the livelihood restoration program of the RP/LRP
10	Cost of training farmers, pastoralists and other PAPs		This is a mitigation measure involving capacity building and involves PAPs and affected communities

10. Stakeholder Consultations

The Project team conducted stakeholder consultations for the preparation of this RF and the other E&S instruments. Consultations were held in October and November 2023 and focused on stakeholders at the local level. These included representatives from local government units such as the mayors' offices, different social committees, water and energy bureaus, environmental, education, women and children, and economic development and planning units. The consultations also included historically underserved people and members of NGOs. Consultations were held in the locations for the transmission lines already selected, including Gimbi-Kamashi, Woliso, Arsi-Robe, Yigram-Bensa Daye, and Haromaya-Chelenko.

The Project was broadly welcome by all stakeholders, as it will bring electricity and job opportunities. Provision of electricity is likely to lead to broader development of rural communities. However, some stakeholders expressed their concerns in regards to land acquisition and access issues. The main concerns centered around the timely and fair payment of compensation.

The below Table presents a summary of inputs provided by different stakeholder groups

Table 7 Summary of Stakeholder Inputs

Stakeholder Group	Issues raised
Local Government Representatives	All participants had a positive attitude towards the implementation of the project. They indicated that the electric power shortage will be reduced; the proposed project will solve the recurrent interruption of the electric energy; it will provide access to clean energy; it will create direct or indirect job opportunities and improve access to communication, education and health facilities and generally improving quality of life for communities
Woreda and Kebele Administration Representatives (Gimbi-Kamashi)	<p>Expressed their concern that people may refuse the evacuation order for demolishing compensated houses for transmission line construction.</p> <p>Concerned that there will be delays of compensation payment for the lost asset</p> <p>For land acquisition, the land ownership entitlement and demarcation of compensated land might be the cause for conflict among the community due to absence of legal titles. It could also lead to disputes in and among households.</p> <p>After receiving compensation, people may claim land for which compensation has been paid due to poor management of demarcation. To avoid this, the project must undertake border demarcation in collaboration with Woreda and Kebele administrations.</p>
Community members (Benishangul Gmuz)	<p>Adequate compensation at the appropriate time for the affected property shall be paid. Since land is the main livelihood source for rural communities, delays in compensation payments can interrupt the life of the households and lead to negative project-community relationship.</p> <p>There are <i>historically underserved people</i> around Benishangul Gmuz regional state, Kamashi zone. This means some households have no land ownership certificate but yet the land is their only livelihood source.</p> <p>People may encroach the right of way unless properly managed by the concerned body</p> <p>The Woreda and Kebele administrations are the first places to go for grievance submission arising from project activities. Nevertheless, the project itself can solve their grievance before referring to the local administration. Thus, the project shall have a clear and easy grievance submission system to maintain the social compliance of the project.</p>
Community Members (Woliso)	Elite capture and/or different interest groups including traditional authority structures in influencing community's prioritization and manipulation of support provided as well as lack of transparency during selection of the beneficiaries for the financial and technical assistance that may worsen the situation.

	<p>Weak consultation and participation of the beneficiaries of the conflict-affected communities including communities. This could lead to oversight of appropriate needs, priorities, and skills as per the local context.</p> <p>Risk of land acquisition: this may be worsened if the affected people are not effectively and quickly compensated for the land they lost for the implementation of Project. Hence, those individuals who will lose their land should be properly treated, consulted, compensated, and their livelihood should be restored. However, when compensation is required, there may be disagreements about the amount of reparation and delays in payment, causing the project to be delayed.</p>
Community Representatives (Yigram-Bensa Daye)	<p>The program may dislocate dwelling houses, farmlands, growing perennial crops and grazing areas. Issues related with fair payment of compensation, flood management, priority for job opportunity for local youth, on-time payment of compensation and proper registration of affected property are issues need attention during implementation.</p> <p>Past experience from the Genale Dawa electric transmission construction showed various problems with compensation payment. For instance, the property was not assessed properly, and the payment not made in time.</p>
Community representatives (Loya Kebele of Titecha Woreda)	<p>Delays in compensation payment, in appropriate registration of property affected. The participants confirmed that they accept the project but need fair compensation based on new compensation proclamation and regulation.</p>
Vulnerable groups (elders, women, PWD, women-headed households, and unemployed youth) (Loya Kebele of Titecha Woreda)	<p>Since the project is located within the densely populated agrarian community, conflict on property issues are expected. Hence it is recommended that conflict management mechanisms are put in place and payment of compensation is made before dislocation.</p> <p>The Woreda Women and Youth Office, and Community-based grievance redress Committee should address issues related with vulnerable groups.</p>
Community, Woreda/Town, Kebele Administrations and Vulnerable Groups (Haromaya-Chelenko)	<p>Concerns around compensation for project affected properties along ROW of transmission lines.</p> <p>Avoid cutting of trees, if trees are removed it is better to re-plant instead of the lost one.</p> <p>Payment of compensation for project affected assets should be carried out before construction works of the project.</p>

Consultation Meetings with Community Members (Bure-Injibara)	<p>Land ownership goes beyond the current generation. To ensure a secure future for their children and to avoid potential challenges in managing the compensation cash payment, they suggested that instead of cash compensation, replacement land should be provided.</p> <p>Importance of fair and adequate compensation payments, as well as the need for proper rehabilitation of the households affected by the project.</p> <p>Additionally, they requested to be informed about the compensation payment per hectare/m² beforehand, as they were concerned that the compensation may not be sufficient.</p> <p>Furthermore, they highlighted that the proposed substation area serves as a travel route to the church and graves, and therefore, this should be taken into consideration.</p>
Woreda and City Administrations Officials (Bure-Injibara)	<p>Stakeholders suggested that it would be best to provide replacement land in accordance with existing laws.</p> <p>They stressed the need for fair and adequate compensation if individuals are to be relocated by the project.</p>
Community members in the Afar region (Component 3)	<p>Participants expressed that the Alalobad geothermal Project might affect the vulnerable or underserved groups within the host communities who have had relatively little access to opportunities than other social groups in the country.</p>
Host community and Kebele chairperson in Afar region	<p>Concern that accesses to the geothermal pond, which is a water source and a means for the existence of grazing land, is going to be limited due to the implementation of the project.</p> <p>Requested the proper implementation of compensation and resettlement to restore a better way of the livelihood of project-affected local communities in accordance with the relevant proclamation and regulation of the country.</p> <p>Elders and women believe that the geothermal ponds have a medicinal value for their cattle, and they are worried that access will be limited during the implementation of the project.</p> <p>Ecological disturbance, deprivation of water supplies and other related environmental damage expose the rural women to excessive hard work and destitution. Thus, execution of community development activities suggested by the community should improve their livelihood such as the provision of electric power, alternative grazing land for their cattle and the construction of clinic, irrigation schemes and school for the local community.</p>
Dubti Woreda Administration Officials and Experts	<p>The Land use office pointed out that there would not be any land and property conflicts because the Alalobad project area is isolated from any agricultural land.</p>

11. Monitoring Arrangements

Monitoring and Evaluation (M&E) is a key component of the RP/LRP. The objective of Monitoring and Evaluation is to verify that the standards for Involuntary Resettlement are met and that the project affected people have had their livelihoods restored to levels prior to project implementation.

It has the following specific objectives:

- Monitoring of specific situations or difficulties arising from implementation of the RP/LRP and how it complies with the objectives and methods set out in the RP/LRP;
- Verifying that resettlement activities have been effectively implemented with respect to quantity, quality and time;
- Evaluation of medium and long-term impacts of resettlement on the livelihoods, environment, local capacities and economic development of the affected households.

The vulnerability issues will be considered in carrying out all activities relating to monitoring, evaluation and supervision. During the monitoring process, the vulnerable groups referred to above should be consulted to ensure their concerns are handled fairly. Regular monitoring of the implementation of the RP/LRP will be carried out both internally, by the respective PIU, and externally by an independent monitoring agency.

The indicators that will be used for regular monitoring are as follows:

- Check that the screening activities have been carried out to determine the need for the preparation of a RP/LRP;
- Payment of compensation to PAPs in various categories, according to the compensation standard described in the RP/LRP; with special focus on the vulnerable groups and avoiding discrimination based on gender, ethnic background or any other factors ;
- Delivery of income restoration and social support entitlements;
- Dissemination of public information and consultation procedures;
- Committing to grievance procedures and outstanding issues requiring management's attention and equity of access;
- Attention given to the priorities of PAPs regarding the proposed alternatives;
- Coordination and completion of resettlement activities and award contracts of works.

The M&E procedures for this RF will be designed to establish the effectiveness of all resettlement activities. With this, it is possible to identify challenges and successes as early as possible. Monitoring involves periodic checks to ascertain whether activities are proceeding according to the plan. It provides the feedback necessary for the project management to keep the performance as per the schedule. By contrast, evaluation is essentially a summing up, the end of the project assessment of whether those activities actually achieved their intended objectives.

The purpose of monitoring is to provide project management, and PAPs with timely, concise, indicative information on whether compensation, resettlement and other impact mitigation measures are on track to achieve sustainable restoration and improvement in the welfare of the affected people, or that adjustments are needed.

Monitoring verifies:

- Actions and commitment for compensation, resettlement, land access, and development in the RP are implemented fully and on time.
- Eligible PAPs receive their full compensation on time, prior to the start of the main project activities.
- RP/LRP actions and compensation measures have helped the people who sought cash compensation in restoring their lost incomes and in sustaining/improving pre-project living standards.
- Compensation and livelihood investments are achieving sustainable restoration and improvement in the welfare of the PAPs and communities.
- Non-compliances and grievances are followed up with appropriate corrective action and, where necessary, appropriate corrective actions are taken; if necessary, changes in RP procedure are made to improve delivery of entitlements to project affected people; and
- Vulnerable persons will be identified and assisted as necessary.

The monitoring will be carried out by the respective PIU. While the PIU will have the main monitoring responsibility, it will work closely with the local government in the actual monitoring activities. Monitoring will commence during the census and will be conducted on a regular basis until the RP audit has been completed. Capacity building activities will be implemented for the PIUs and especially for staff who are responsible for E&S risk management. Each PIU will maintain environmental and social specialists. The latter will be responsible for the monitoring of the RP/LRP implementation. The PIUs will appoint consultants to work closely with the PAPs to track the progress of RP/LRP implementation. The consultants will be specialists in land and resettlement issues. They will provide support in the implementation of resettlement programs. The consultants will support the Social Specialists in the PIUs with periodic monitoring, and completion audits for each successive phase of resettlement or compensation.

Further monitoring questions will include:

- Determine compliance of RP/LRP implementation with RP/LRP objectives and procedures.
- Determine compliance of RP/LRP implementation with laws and regulations.
- Determine RP/LRP impacts on standards of living, with a focus on the “no worse-off if not better-off” objective.
- Assess whether the resettlement objectives have been met specifically, whether livelihood program have restored the livelihood of PAPs and their living conditions have improved.
- Assess the resettlement efficiency, effectiveness, impact and sustainability, drawing lessons for future resettlement activities and recommending corrections in the implementation process;
- Ascertain whether the resettlement entitlements are appropriate to meet the objectives, and whether the objectives are suitable to PAPs conditions.
- Assess grievance records, to identify implementation problems and status of grievance resolution.
- Ensure RP/LRP implementation is in compliance with ESS5 and the Ethiopian legislation.
- Impact assessment to be compared with the baseline values for key socioeconomics as given in the RF.
- Assess whether the compensation is adequate to replace the lost assets.
- Assess the level of satisfaction of the various assets provided as part of the RP implementation;
- Based on the impact assessment, suitable remedial measures are to be proposed for any shortcomings; and
- Remedial measures if PAPs/LRPs are not able to improve their living standards.

- Economic status of PAPs: livelihood restoration and enterprise, employment, land holdings, non-agricultural enterprise.

Monitoring Indicators: The below indicators are proposed for the monitoring of RP/LRP implementation.

Table 8 Monitoring Indicators

Thematic Area	Indicator
Consultation and reach out	% of people reached or accessing information, information request, issues raised, etc (Baseline: 0, Target: 20% per community)
Compensation and re-establishment of PAPs	Physical Progress of Compensation and Assistance # of PAPs affected (building, land, trees, crops, etc) % of PAPs compensated by type of loss (Baseline: 0, Target: 100% per community) % of replacement asset recovered (Baseline: 0, Target: 100%)
Socio-economic changes	Level of income and standard of living of the PAPs % of incomes restored, improved or declined from the pre-displacement levels (Baseline: 0, Target: 100%)
Training	% of project implementers trained (Baseline: 0, Target: 100%)
Number of compensation (and valuation) contracts not completed	# of outstanding individual compensation or resettlement contracts. (Baseline: tbd, target: 0) Changes (+/-) in PAPs conditions during transition process
Number of sub-projects unable to settle compensation after 2 years	% of compensations settled (Baseline tbd, Target: 100%)
Pre-project production and income (year before land acquisition) versus present production and income of resettled PAPs who earn income from affected property (e.g., shops, kiosks, market stall, MSEs).	% of affected individuals and/or households compensated or resettled in first year who have maintained their previous standard of living at final evaluation. (Baseline: tbd, Target: 100%) Amount of improved production/household (Baseline: tbd, Target: 50%)
Livelihood restoration projects completed	% of households with changes in affected households income levels (baseline: tbd, target: 50%); % of HH with successful transformation to new sector (Baseline:

GRM	# of cases referred to GRC (Baseline: 0, Target: 0) # of cases settled by GRC (Baseline tbd, Target: all) # of cases pending with GRC (Baseline tbd, Target: 0) Average time taken for resettlement of cases (Target: 5 days) # of GRC meetings (Baseline: 0, Target: 1 per month) # of cases moved to court (Baseline: 0, target: 0)
Overall Management	Effectiveness of compensation delivery system Timely disbursement of compensation Census and asset verification/quantification procedures in place Coordination between local community structures, PAPs, and PCU

Reporting Requirements: Monitoring reports of the RF and RP/LRP implementation will be prepared on a quarterly basis. The PIUs will prepare the report, which will summarize information that is collected and compiled in the quarterly Project Progress Report and highlight key issues. The monitoring of inputs, processes, outputs and outcomes of RP/LRP activities will be used for improvements in the implementation of the RPs/LRPs and RF. The reporting template to be used for the reporting of the RP/LRP implementation will be prepared by PIUs.

Completion Audit: According to ESS5 PRIME 1 will include an evaluation by an independent third party to assess whether the outcome of the RPs/LRPs complies with ESS5. The main objective of this completion audit is to determine whether the project efforts to restore the living standards of the PAPs have been properly conceived and executed and restoration has been achieved. The audit should verify that all physical inputs committed to in the RP/LRP have been delivered and all services provided. Furthermore, the audit should evaluate whether the mitigation actions prescribed in the RP/LRPs have had the desired effect. The socio-economic status of the PAPs, including the host population, should be measured against the baseline conditions of the population before displacement, as established through the census and socioeconomic studies. The timing of the audit thus enables the client to undertake corrective action, if any, as recommended by the auditors before the project is complete. The completion audit should bring to closure the PIU liability for resettlement, compensation, livelihood restoration, and development support.

Table 9 Auditable Criteria for Land Acquisition and Involuntary Resettlement

No.	Items	Auditable Criteria
1	Compensation and benefits for displaced persons	<ul style="list-style-type: none"> Has the Project provided opportunities to displaced persons and communities to derive appropriate development benefits from the project?
2	Consultation and GRM	<ul style="list-style-type: none"> Has the Project disclosed all relevant information, consulted with PAPs and communities and facilitated their informed participation in the decision-making process relating to resettlement?

		<ul style="list-style-type: none"> • Has the Project established an effective and cost effective GRM?
3	Resettlement planning and implementation	<ul style="list-style-type: none"> • Has the Project used screening process to identify adverse project impacts on the community? • Has the Project considered alternative designs to avoid or minimize economic and physical displacement? • Has the Project identified persons to be displaced by the sub-project activity and those eligible for compensation and assistance through a baseline census with appropriate socio-economic baseline data? • Has the census established the status of displaced persons according to their legal rights or claim to land? • Has a cut-off date for eligibility been established or disseminated? • Has the Project prepared a RP/LRP that mitigates negative impacts of displacement, identifies development opportunities and establish entitlement for all affected persons? • Has the Project (if economic but not physical displacement) developed procedures to offer compensation or other assistance that will establish entitlement for affected persons or communities? • Has the Project established accessible and functional GRM • Has the Project established a M&E mechanism?
4	Physical Displacement	<ul style="list-style-type: none"> • Has the Project offered displaced persons choices between resettlement options, relocation assistance, and/or compensation according to their status and entitlements as described by ESS5 and the national legislation? Were agreed compensatory items/measures delivered?
5	Economic Displacement	<ul style="list-style-type: none"> • Has the Project provided compensation for lost income, replacement property, compensation, targeted assistance and/or transitional support in accordance with ESS5 requirements and the national regulation? • Have livelihoods been restored, corrective actions taken if needed?
6	Government-Managed Resettlement	<ul style="list-style-type: none"> • Has the Project supplemented government actions and bridged the gaps (if applicable) between the government-assigned entitlements and procedures and the requirements of ESS5?

Annex 1: PROCLAMATION NO.1161/2019, Expropriation of Land Holdings for Public Purposes, Payments of Compensation and Resettlement of Displaced People

WHERE AS, it is necessary that government needs to use land for development works it carries out for public services;

WHEREAS, land expropriation has become necessary to address the steadily growing urban population which requires more land for building houses, infrastructure; and for redevelopment of the urban slums to invigorate investment and other services; and for development activities in rural areas;

WHEREAS, it is essential to determine the types of compensable properties and lost economic interests and the principles thereof and establish the methods of valuation in order to pay land holders whose landholdings and property are expropriated or damaged or lost their economic interests in the process of expropriation fair and equitable compensation;

WHERE AS, it is necessary to identify and define the powers and responsibilities of authorities which are in charge of property valuation; payment of compensation and resettlement;

WHEREAS, it is necessary to rectify and fill gaps envisaged in the former law and to include other provisions to make the system of expropriation of land holdings and payment of compensation more effective;

WHERE AS, it is necessary to determine the decision making process and grievances procedure related with the expropriation and payment of compensation;

WHEREAS, it is necessary to enact detailed laws to implement the general powers given to the Federal Government under the Constitution of Federal Democratic Republic of Ethiopia to enact laws regarding land use under Article 51(5); and Expropriate of Private property for Public Purposes and payment of fair and equitable compensation to the expropriated land holders under Article 40(8) and provide support to resettle displaced people under Article 44 (2);

NOW, THEREFORE, in accordance with Article 55 (2) (a) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows;

1. Short Title

This Proclamation may be cited as the “Expropriation of Land holdings for Public Purposes, Payments of Compensation and Resettlement Proclamation No. 1161/2019”.

2. Definition

Unless the context requires otherwise, in this Proclamation:

- 1/“Public Purpose” means decision that is made by the cabinet of a Regional State, Addis Ababa, Dire Dawa or the appropriate Federal Authority on basis of approved land use plan or; development plan or; structural plan under the belief that the land use will directly or indirectly bring better economic and social development to the public;
- 2/“Property Compensation” means, payment to be made in cash or in kind or in both to a person for his property or permanent improvements situated on his expropriated landholding;
- 3/ “Displacement Compensation” means payment to be made to a land holder for the loss of his use right on the land as a result of expropriation;
- 4 / Displacement Assistance” means payment to be made, in addition to property and displacement compensations, for a landholder who permanently or temporarily displaced in order to help him adjust to the new place;
- 5/“Economic Loss Compensation” means payment to be made to those who are not

displaced but who suffer loss of employment, trade; or rentals, or similar activities as a consequence of expropriation of land for public purposes;

6/“Social Ties Discontinuance and Moral Damage Compensation” means payment to be made to displaced people for the breakup of their social ties and moral damage suffered;

7/“Resettlement” means support provided to people who are not physically displaced but lost their economic benefit due to expropriation of land for public purposes and so as to enable them generate sustainable income.

8/“Valuation” means a common compensation valuation method used to calculate the value of property on expropriated land;

9/“Permanent Improvement” means improvements made permanently to the land like clearing, leveling and terracing the land, including the costs of water reservoir and other agricultural infrastructure and urban courtyard floors and other decoration works.

10/“Resettlement package” means work program to people whose landholding is expropriated for public purpose so as to enable them generate sustainable income;

11/“Communal landholding” means land which is neither state owned nor individually held; and which is held and used by communities for grazing, forestry, and other social services, etc;

12/ "Region" means any region referred to in Article 47(1) of the Federal Democratic Republic of Ethiopia Constitution;

13/“Urban administration" means an organ to which urban administrative powers and duties have been given by law;

14/“Infrastructure” means road, railway, airport, telecommunication, electric power, irrigation, water supply line or sewerage line found on or below the ground and includes other related constructions.

15/ "Utility line" means water, sewerage, electric or telephone line existing on or under a land to be expropriated for public purpose;

16/“Displaced People” means a person, households, firms, or public or private institutions who has been living in occupied land, including tenants, employed and self-employed persons on the land for public benefit,

17/“ Complaint Hearing Body” means the body that deals with and resolves complaints about the implementation of this Proclamation.

18/“Appeal body” means a body that reviews the decision given by a compliant hearing body and pass its decision. 19/“Recognized Evaluator” means an evaluator that has been accredited by the appropriate body for the estimation of fixed assets.

20/“Urgent Development” means a development which does not be implemented by the normal schedule and which the government ensures it as costly or potentially costly.

21/ “Complex Infrastructure” means infrastructure which cannot be done as usual, cannot be done by the country’s professionals, where goods are not stored, requires purchasing abroad, and a similar act proved by an infrastructure expert and approved by the Head of Infrastructure Institution and is type of infrastructure that needs more time.

22/“Development of National or Regional Significance” means a development that is intended to bring great change on the bases of development projects or create better relations with other countries through development projects or activities to promote change in Ethiopia.

23/“Person” means any natural or legal person.

24/Any expression in the Masculine gender includes the Feminine.

3. Scope of Application

This Proclamation shall apply throughout the country in rural and urban centers in matters relating to land expropriation; payment of compensation; and resettlement of landholders whose land is expropriated for public purpose.

4. Principles

1/ Expropriation of land for public purposes shall be made only on the basis of approved land use plan; urban structural plan; or development master plan.

2/ Compensation and resettlement Assistance Compensation for the expropriated land shall sustainably restore and improve the livelihood of displaced people.

3/ The amount of compensation to be paid at Federal, or Regional or Addis Ababa or DireDawa level for similar properties and economic losses in the same areas shall be similar.

4/ Where land is expropriated for public purpose, the procedure shall be transparent, participatory, fair and accountable.

Part II Procedure to Expropriate Land

5. Decision on Expropriation for Public Purpose

1/ The appropriate Federal Authority, or a Regional, Addis Ababa, Dire Dawa cabinet shall decide on the basis of an approved land use plan; or master plan; or structural plan whether the expropriated land directly or indirectly brings better development and is beneficial to the public.

2/ The Master Plan; referred under sub article 1 of this Article shall have detailed action plan.

3/ The budget necessary to cover the costs of compensation and resettlement and the responsible body that shall cover these costs shall be made clear at the time when expropriation for public purpose is decided.

4/ Land holders may file objections on the public purpose decision where their land is expropriated in the absence of the fulfillment of the requirements provided under sub articles (1) and (2) of this Article.

5/ Notwithstanding to sub article 1 of this Article, a Regional; Addis Ababa, Dire Dawa cabinet may delegate a Woreda or City Administration to decide on land expropriation for public purpose.

6. Powers to Clear Landholdings

The City or Woreda administration has the power to order evacuation and takeover land decided to be expropriated for public purpose under Article 5 of this proclamation.

7. Giving Priority Rights to Develop Land for the Landholders

1/ Landholders whose holdings are within the urban area to be redeveloped shall have priority rights to develop their land according to the plan either individually or in a group.

2/ Rural landholders for Agricultural use shall have priority rights to develop their landholdings according to land use plan either individually or in groups.

3/ Priority Rights to develop Land as per sub Article 1 and 2 of this Article will be preserved for the Landholders, when the capacity to develop the land as per the plan is presented.

4/ The details of the right to develop first and the extent of the capacity to develop, and the time frame shall be determined by a Regulation.

8. Procedure of the Landholding Handover

1/ The City or Woreda Administration shall follow the following orders when land holders hand over their lands:

a) Shall consult land holders who are to be displaced at least one year before they handover their holdings on the type; benefits and general process of the project.

b) notwithstanding to paragraph (a) of this Article, land holders who are to be displaced may be consulted on the type; benefits and general process of the project in less than one year if the concerned Federal or Regional State decides that the land is required urgently for investment.

c) Collect landholding rights and conduct inventory, amount and size of all compensable properties from displaced people or their legal representatives whose landholdings are determined to be expropriated. Properties added after the expropriation notification is given to the land holder are not compensated.

d) Decide the legal rights of the holders by checking the authority of the documents collected as sub article 1 (c) of this article, calculate, determine, and pay the amount of the compensation and other related rights,

e) Notify the land holder or his agent in writing to hand over the land expropriated for public purpose with the description of the amount of compensation the landholder shall be paid; and/or the size and location of the land or house in kind compensation.

f) Where the building is state owned the order for handing over shall be given to the Housing Administration Authority and to the lessee.

g) Pay compensation or provide substitute land before the displacement of people from their landholding.

h) The details of expropriation of landholdings procedure shall be provided in a Regulation to be enacted to implement this Proclamation.

2/ Landholders or their agents whose landholdings are to be expropriated shall submit landholding certificates or other proofs that show their landholding rights over the lands that is decided to be expropriated to the urban or rural land administration office on the time schedule of the office.

3/ As of the date of notification in writing on the amount of compensation, the landholder may: a/ Plant seasonal crops and start other activities on the land other than perennial crops and buildings where the compensation is not paid within three months of the notice on the amount of compensation. b) Begin developing any kind of activity approved by the plan and does not affect the government's ongoing cost of development of the site where compensation is not paid within six months of the notice on the amount of compensation. c) Property developed or any change made under sub articles (a) and (b) of this Article shall be included in the valuation for compensation.

4/ Land holder who is served with notice to hand over his landholding shall take the compensation and replacement plot or house within 30(thirty) days of notice.

5/ Where the land holder who is served with notice fails to comply with the order within the time prescribed under sub article 4 of this Article, the compensation payment shall be deposited in the closed bank account of the city or Woreda Administration.

6/ The land holder may be forced to handover the land within 120 (one hundred and twenty) days of the payment in cash or in kind compensation; or after the cash is deposited in the bank.

7/ Where there is no permanent property or crop on the expropriated land, the land holder shall hand over his landholding within 30 (thirty) days of the payment of compensation to the City or Woreda Administration.

8/ Where the land expropriated is under illegal occupation, the occupant shall evacuate without claim for compensation within 30 (thirty) days of notice.

9/Where the landholder fails without justifiable reason ,to hand over his landholding within the time prescribed under sub articles 6 and 7 of this article, the City; or Woreda Administration can take over the expropriated land directly, and as may be necessary, may ask cooperation of the police force.

9. Responsibilities of the Land Requiring Body

1/ Land Requiring Body shall submit to the City or Woreda Administration the decision that shows the size and exact location of the land to be expropriated at least one year before the commencement of the project.

2/ Pay the money required for compensation and resettlement to the City or Woreda Administration, when it is decided that compensation and resettlement payment shall be made to the displaced people.

3/City or Woreda Administration shall not require handing over of the land until payments are made to landholders who may be displaced as per sub-article 2 this Article.

10. Procedure for Removal of Utility Lines

1/ The City or Woreda Administration shall request in writing utility line owner organizations to reply if they have utility lines over or under ground on the land to be expropriated.

2/ The organization that has utility lines on the expropriated land shall estimate the value of the utility line to be affected and send it with evidence to the City or Woreda Administration that requested it under sub article 1 of this Article within 30 (thirty) days of receiving the request.

3/The city or Woreda Administration shall pay the compensation within 30 (thirty) days of receiving the estimated cost of the utility lines to the owner organization under sub article 2 of this article.

4/ The utility line owner shall remove utility lines and clear the land within 60(sixty) days after the payment has been made.

5/ Notwithstanding to sub Article (4) of this Article, the utility line owner shall remove complex utility lines and clear the land within 120 (one hundred and twenty) days after the payment has been made.

6/ If the development is not cleared with in the time frame set pursuant to sub article 4 and sub article 5 of this Article, it shall be cleared and expropriated as per sub Article 9 of Article 8.The Institution of the Infrastructure that failed to discharge its responsibility shall be liable for the damage incurred due to this. The details shall be determined by a Regulation.

PART III DETERMINATION OF COMPENSATION, SUBSTITUTION AND RESETTLEMENT

11. COMPENSATION TO BE PAID TO LAND HOLDERS WHERE LAND IS EXPROPRIATED FOR PUBLIC PURPOSE

Where land is expropriated for public purposes compensation for the property and displacement shall be paid to the landholders.

12. Property Compensation

1/ The landholder whose land is expropriated shall be paid compensation for the property on the land and the permanent improvement made on the land.

2/The amount of compensation for the property on the land shall cover the cost of replacing the property anew.

3/ Without prejudice to sub article 2 of this Article, the minimum compensation payable to a housing unit, may not, in any way, be less than the current cost of constructing a house per the standard or on the basis of the objective conditions of each Regional State, Addis Ababa and Dire Dawa City Administration.

4/ Compensation for permanent improvement to land shall be equal to the current value of capital and labor expended on the land.

5/ Where the property on the land can be relocated and continue its service as before, the cost of removing, transporting, and erecting the property shall be paid as compensation.

6/ Valuation methods to determine compensation for various properties and detail prescriptions applicable thereto shall be provided for by a Regulation.

13. Displacement Compensation and Land Substitution

1/ Displacement compensation and land substitution for Rural Landholders permanently displaced:

a) A landholder who is to be displaced permanently shall be substitute for a reasonable proportion of the land taken from the area, shall be given a substitute land if it is available.

b) Where equivalent substitute land is given as per paragraph (a) of this sub article, calculated by the current price the land holder shall be paid a one year landholding compensation income which is equal to the highest income he annually used to generate in the last three years preceding the expropriation of the land.

c) Where equivalent substitute land as per paragraph (a) of this sub article is not available, the land holder shall be paid displacement compensation which is equivalent to fifteen times the highest annual income he generated during the last three years preceding the expropriation of the land.

d) Where the landholder is to be displaced from his residence, land for building houses shall be given; and displacement assistance determined by Directives to be issued by Regional States, Addis Ababa and Dire Dawa City Administrations shall be paid.

e) The amount of compensation given to the temporarily displaced people shall not be greater than the amount of compensation given to permanently displaced people.

f) Implementation of this sub article shall be determined by a Regulation to be enacted to implement this Proclamation.

2/ Displacement compensation for temporarily displaced Rural landholders:

a) a rural landholder whose landholding has been provisionally expropriated shall, be paid displacement compensation for lost income based on the highest annual income secured during the last three years preceding the expropriation of the land until repossession of the land.

b) Displacement compensation paid under paragraph (a) of this sub article shall take in to consideration the amount of additional time necessary for the land to regain its productivity which shall be determined by the surrounding Agricultural Institution.

c) If the land fails to serve as before, it shall be consider as expropriated permanently and pursuant to sub article 1 of this article, either a displacement compensation or substitute land shall be given to the land holder.

d) The displacement compensation paid for temporary expropriation under sub-article (1) of this Article, shall be deducted from payment of compensation paid for the land considered as permanently expropriated and the difference shall be paid to the land holder.

e) Displacement compensation for temporary expropriation shall not in any way exceed to the amount of compensation payable to permanent displaced compensation.

f) The detail implementation of this sub-article shall be provided in a regulation to be enacted to implement this Proclamation.

3/Displacement Compensation for Communal Landholding

The valuation method and manner of payment to permanent and temporary expropriation of communal land holdings shall be determined in a directive to be issued by Regional States, Addis Ababa, Dire Dawa City Administrations and shall take the following into consideration:

a) Valuation of displacement compensation for communal landholding shall be based on the use of the communal land; or the lost benefits and livelihood of the displaced People.

b) Members of the community using the communal land shall be clearly identified.

c) Private and communal property on the expropriated communal land shall be identified.

d) The method of allocating the displacement compensation money or the use of it in kind to all members of the communal landholding community shall be clearly determined.

4/ Displacement compensation and substitute land for Urban Landholders Permanently Displaced

Where urban landholders are permanently displaced as a consequence of land expropriation, the valuation of the displacement compensation and substitute land given to them shall be as follows:

a) Landholders permanently displaced shall be provided with substitute land for building houses; or an arrangement shall be made to let them purchase housing units;

b) Where substitute land is provided, a residential house shall be given to the displaced for two years free of charge until he constructs his residential housing or displacement compensation equal to two years housing rentals estimated on the basis of the rental market comparable to the house of the displaced shall be paid;

c) Where a substitute house is provided, the displaced shall be paid a one year displacement compensation equivalent to current rental price of the demolished house;

d) Displacement compensation payable under paragraph (b) and (c) of this sub-article shall not be less than the amount necessary to lease the lower standard housing in the area.

e) Displaced People shall be compensated for the breakup of their social ties and moral damage they suffer as result of the expropriation. The amount of compensation shall be determined by the regulation to be enacted to implement this Proclamation.

f) Where the expropriated land is under leasehold, the substitute land to be given shall be equivalent to the expropriated land in standard and size. If it is not possible to do this, the alternative operating situations shall be determined by a directive depending on the situation of the cities.

g) Provision of substitute land or house, displacement compensation and related matters shall be determined in directives that may be issued by Regional States, Addis Ababa and Dire Dawa City Administrations.

5/Displacement Assistance to Temporarily Displaced Urban Landholders:

a) Urban land holders' temporarily displaced shall be provided with substitute housing or compensation to lease a house equivalent to the current rental market of the expropriated house for the period till they displaced.

b) Urban land holders shall be paid compensation for the economic loss they suffer due to temporary displacement.

c) The details of this sub-article shall be determined by a Directive to be issued by Regional States, Addis Ababa, and Dire Dawa City Administrations.

14. Compensation paid for Economic Loss of Income

1/ a person who lost economic benefit either permanently or temporarily without being displaced as a consequence of land expropriation shall be paid compensation; the person entitled for the compensation, type and amount of compensation shall be determined by the Directives issued by a Regional States.

2/ Incomes generated from employment, rentals, business and the like net annual income except that of the income generated from agriculture may be considered for determination of the type and amount of compensation as per sub article 1 of this Article.

15. Residential Housing for Peri-Urban Landholders Incorporated in to Towns

1/A peri urban rural land holder whose residence is removed shall be entitled to not more than 500 sq. meters of land for building per the standard of the urban as it is decided by cabinet of the Regional State, Addis Ababa and Dire Dawa City Administrations.

2/ Child of the displaced, peri urban landholder the age of 18 and above shall be provided with the minimum size of land per the standard of the town or city provided he lives with his parent.

3/ Notwithstanding to sub article 1 of this article, the total land size that is given to him shall not exceed the total residential area of the displaced landholder.

4/ Residential area under sub article 3 of this Article includes the area within the perimeter fence of the displaced land holder.

5/ The details shall be determined by a Directive to be issued by the Regional State, Addis Ababa and Diredawa City Administrations.

16. Resettlement

1/Regional States, Addis Ababa and Dire Dawa City Administrations shall establish fund for compensation payment and rehabilitation.

2/Regional States, Addis Ababa and Dire Dawa City Administrations shall develop resettlement packages that enable displaced people to sustainably resettle.

3/ Urban or Woreda Administrations shall have the duty to resettle the People displaced on the basis of the resettlement package and allocated budget.

4/ If the land expropriation for public purpose is for investment, the people who are displaced may own shares from the investment.

5/ People who are displaced from urban or rural areas and who lost their income as a consequence of land expropriation for public purpose, and who do not own shares from the investment, economic incentives shall be devised by the beneficiaries, the investor and Administration. The details shall be determined by a Regulation.

6/ The contents and detail implementation of the resettlement package shall be determined by a Regulation.

17. Valuation of Property

1/ Compensation for the Property situated on land to be expropriated shall be evaluated by Certified Private Institution or individual consultant valuers on the basis of a nationally approved valuation method.

2/ It shall be evaluated by an Autonomous Government Organization established for that purpose where there is no private certified property valuation organization or individual consultant.

3/ Where the organizations under sub articles 1 and 2 of this article do not exist, it shall be, considering location of the expropriated land evaluated by valuation committee established by the relevant Urban or Woreda Administrations comprising proper professionals.

4/ The working procedures of the valuation committee established under sub article 3 of this article shall be determined by the Directive issued by Regional State, Addis Ababa and Dire Dawa City Administrations.

5/ Notwithstanding to sub-article 1,2 and 3 of this article, where the property assessed requires special expertise, the valuation may be made by a relevant Government or Private Organization.

6/ Where the property is state owned infrastructure or utility line; the valuation shall be made by the government entity owning it.

7/ The unit price of compensation valuation shall be revised at most every two years.

18. Establishing Complaint Hearing Body and Appeal Council

1/ Regional States, Addis Ababa and Dire Dawa City Administrations shall establish Complaint Hearing Body and Appeal Hearing Council which shall have jurisdiction to entertain grievances arising from decisions under this Proclamation.

2/Regional States, Addis Ababa and Dire Dawa City Administrations may establish Complaint Hearing Body and Appeal Hearing Council in some of their towns as deemed necessary.

3/The structure, powers and duties of the Complaint Hearing Body and Appeal Hearing Council shall be determined in a Regulation that shall be enacted to implement this Proclamation

19. Complaints

1/Any person who received an order of expropriation of his landholding; or who has an interest or claim on the property to be expropriated may file an application within 30 (thirty) days of service of the order to the Complaint Hearing Body which is established as per sub-article 1 of Article 18 of this proclamation.

2/The body mentioned under sub article 1of this article, after investigating the complaint submitted to it; shall make its decisions within 30 (thirty) days of the filing of the application and notify in written to the parties.

20. Appeal

1/ A party who is aggrieved with the decision given under Article 19 sub article 1of this proclamation shall file an appeal to the Appeal Hearing Council within 30 (thirty) days of the receipt of the written notice of the decision thereof.

2/ A party aggrieved with the decision of the Appeal Hearing Council may file an appeal to the Regional High Court in case of Addis Ababa and Dire Dawa city, Federal First Instance Court within 30 (thirty) days of the receipt of the decision in writing. The party who is dissatisfied with the decision has the right to continue his claim, however, for the continuance of the development, he has to surrender his land holdings.

3/If the land holder faces economic loss due to the expropriation and is unable to file an appeal, the government shall arrange for free legal services.

21. Taking Over Land under Complain

1/ If the person who received an order of evacuation of his landholding filed a Complaint application as per this Proclamation, the Woreda or City administration may take over of the land only where:

- a) The appeal is affirmed as per article 19 sub-article 1 of this proclamation and failed to make an appeal on that decision; or
- b) The land holder failed to make an appeal as per Article 20 sub-article 2 of this proclamation.

2/ Notwithstanding to sub-article 1 of this Article where Land under complain is illegally occupied land, the Woreda or Urban Administration may takeover of the land after removing the property, demolishing building on the land.

Part IV Miscellaneous Provisions 22. Powers and Functions of Federal Institutions

Without prejudice to powers and functions given to the Ministry under other Laws:

1/ Ministry of Construction and Urban Development shall:

- a) Ensure and follow up implementation of provisions of this Proclamation pertaining to Urban in Urban Areas;
- b) Support resettlement of displaced people from urban areas;
- c) Provide technical and capacity building support to Regional States, Addis Ababa, and Dire Dawa City Administrations;
- d) Follow up and support the issuance of Directives required for the proper implementation of this Proclamation; and
- e) Asses the living conditions the holders whose land has been expropriated for public purpose for urban development and provide solutions to problems discovered.

2/ Ministry of Agriculture shall

- a) Follow up and ensure implementation of the provisions of this proclamation pertaining to rural areas in the Regions.
- b) Support resettlement of displaced people from rural areas.
- c) Provide technical and capacity building support to Regional States, Addis Ababa and Dire Dawa City Administrations to enable them implement this Proclamation.

23. Powers and Functions of Regional States, Addis Ababa and Dire Dawa City Administrations

- 1/ Follow up and ensure the implementation of this Proclamation and the Regulation and Directive enacted under it in Regional States, Addis Ababa Dire Dawa City Administrations;
- 2/ Develop and implement resettlement packages. An independent entity that implement and govern this framework shall be established or appointed from this institution to bear this responsibility.
- 3/ provide capacity building support to Urban and Woreda Administrations to enable them implement this Proclamation.
- 4/ asses the living conditions of the displaced persons and provide solutions to the identified problems.

25. Responsibility of Woreda and Urban Administrations

Woreda and Urban Administrations shall:

- 1/organize consultative meetings with people that are going to be displaced on the type; benefits; and generally the process of the project;
- 2/Pay or make others pay the compensation to the landholders whose land holdings are expropriated.
- 3/ Implementing the resettlement packages.
- 4/ Maintain record of the property located on the expropriated land.
- 5/ Support and ensure the improvement of the livelihood of displaced farmers and pastoralists.
- 6/Maintain record and evidences relating to the displaced.

25. Accountability

Any person, institution and institution who does not implement the provisions of this proclamation shall be liable under the applicable law.

26. Power to Issue Regulation and Directive

1/ The Council of Ministers shall issue regulation for the implementation of this Proclamation.

2/ Region states or Addis Ababa or Dire Dawa City Administrations may issue Directives necessary for the proper implementation of this Proclamation and Regulation issued per sub article 1 of this Article.

27. Transitional Provision

Cases pending in a court before the coming into force of this Proclamation shall be disposed under the previous Proclamation No. 455/1997.

28. Repealed and Inapplicable Laws

1/ The "Expropriation of Land holdings for Public Purposes and Payment of Compensation Proclamation No. 455/2005 is hereby repealed.

2/ No law, Regulation, Directive or practice shall, in so far as it is inconsistent with this Proclamation, be applicable with respect to matters provided for by this Proclamation.

29. Effective Date This Proclamation shall enter into force as of its publication in the Federal Negarit Gazette.

Annex 2: Elements of a Resettlement Action Plan and Livelihoods Restoration Plan

The scope of requirements and level of detail of the RP/LRP vary with the magnitude and complexity of resettlement. The plan is based on up-to-date and reliable information about (a) the proposed project and its potential impacts on the displaced persons and other adversely affected groups, (b) appropriate and feasible mitigation measures, and (c) the legal and institutional arrangements required for effective implementation of resettlement measures.

Minimum Elements of a Resettlement Action Plan/Livelihood Restoration Plan

Description of the project. General description of the project and identification of the project area.

Potential impacts. Identification of:

- (a) The project components or activities that give rise to displacement, explaining why the selected land must be acquired for use within the time frame of the project;
- (b) The zone of impact of such components or activities;
- (c) The scope and scale of land acquisition and impacts on structures and other fixed assets;
- (d) Any project-imposed restrictions on use of, or access to, land or natural resources;
- (e) Alternatives considered to avoid or minimize displacement and why those were rejected; and
- (f) The mechanisms established to minimize displacement, to the extent possible, during project implementation.

Objectives. The main objectives of the resettlement program.

Census survey and baseline socioeconomic studies. The findings of a household-level census identifying and enumerating affected persons, and, with the involvement of affected persons, surveying land, structures, and other fixed assets to be affected by the project. The census survey also serves other essential functions:

- (a) Identifying characteristics of displaced households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
- (b) Information on vulnerable groups or persons for whom special provisions may have to be made;
- (c) Identifying public or community infrastructure, property or services that may be affected;
- (d) Providing a basis for the design of, and budgeting for, the resettlement program;
- (e) In conjunction with establishment of a cut-off date, providing a basis for excluding ineligible people from compensation and resettlement assistance; and
- (f) Establishing baseline conditions for monitoring and evaluation purposes.

As the Bank may deem relevant, additional studies on the following subjects may be required to supplement or inform the census survey:

- (g) Land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, nontitle-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area;
- (h) The patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project; and

(i) Social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs)) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

Legal framework. The findings of an analysis of the legal framework, covering:

- (a) The scope of the power of compulsory acquisition and imposition of land use restriction and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment;
- (b) The applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal time frame for such procedures, and any available grievance redress mechanisms that may be relevant to the project;
- (c) Laws and regulations relating to the agencies responsible for implementing resettlement activities; and
- (d) Gaps, if any, between local laws and practices covering compulsory acquisition, imposition of land use restrictions and provision of resettlement measures and ESS5, and the mechanisms to bridge such gaps.

Institutional framework. The findings of an analysis of the institutional framework covering:

- (a) The identification of agencies responsible for resettlement activities and NGOs/CSOs that may have a role in project implementation, including providing support for displaced persons;
- (b) An assessment of the institutional capacity of such agencies and NGOs/CSOs; and
- (c) Any steps that are proposed to enhance the institutional capacity of agencies and NGOs/CSOs responsible for resettlement implementation.

Eligibility. Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

Valuation of and compensation for losses. The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation for land, natural resources, and other assets under local law and such supplementary measures as are necessary to achieve replacement cost for them.

Community participation. Involvement of displaced persons (including host communities, where relevant):

- (a) A description of the strategy for consultation with, and participation of, displaced persons in the design and implementation of the resettlement activities;
- (b) A summary of the views expressed and how these views were taken into account in preparing the resettlement plan;
- (c) A review of the resettlement alternatives presented and the choices made by displaced persons regarding options available to them; and
- (d) Institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as Indigenous Peoples, ethnic minorities, the landless, and women are adequately represented.

Implementation schedule. An implementation schedule providing anticipated dates for displacement, and estimated initiation and completion dates for all resettlement plan activities. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.

Costs and budget. Tables showing categorized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.

Grievance redress mechanism. The plan describes affordable and accessible procedures for third party settlement of disputes arising from displacement or resettlement; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.

Monitoring and evaluation. Arrangements for monitoring of displacement and resettlement activities by the implementing agency, supplemented by third-party monitors as considered appropriate by the Bank, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of results for a reasonable period after all resettlement activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.

Arrangements for adaptive management. The plan should include provisions for adapting resettlement implementation in response to unanticipated changes in project conditions, or unanticipated obstacles to achieving satisfactory resettlement outcomes.

Additional Planning Requirements Where Resettlement Involves Physical Displacement

When project circumstances require the physical relocation of residents (or businesses), resettlement plans require additional information and planning elements. Additional requirements include:

Transitional assistance. The plan describes assistance to be provided for relocation of household members and their possessions (or business equipment and inventory). The plan describes any additional assistance to be provided for households choosing cash compensation and securing their own replacement housing, including construction of new housing. If planned relocation sites (for residences or businesses) are not ready for occupancy at the time of physical displacement, the plan establishes a transitional allowance sufficient to meet temporary rental expenses and other costs until occupancy is available.

Site selection, site preparation, and relocation. When planned relocation sites are to be prepared, the resettlement plan describes the alternative relocation sites considered and explains sites selected, covering:

- (a) Institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and other factors is better or at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources;
- (b) Identification and consideration of opportunities to improve local living standards by supplemental investment (or through establishment of project benefit-sharing arrangements) in infrastructure, facilities, or services;
- (c) Any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites;
- (d) Procedures for physical relocation under the project, including timetables for site preparation and transfer; and
- (e) Legal arrangements for regularizing tenure and transferring titles to those resettled, including provision of security of tenure for those previously lacking full legal rights to land or structures.

Housing, infrastructure, and social services. Plans to provide (or to finance local community provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services);

plans to maintain or provide a comparable level of services to host populations; any necessary site development, engineering, and architectural designs for these facilities.

Environmental protection and management. A description of the boundaries of the planned relocation sites; and an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).

Consultation on relocation arrangements. The plan describes methods of consultation with physically displaced persons on their preferences regarding relocation alternatives available to them, including, as relevant, choices related to forms of compensation and transitional assistance, to relocating as individual households, families, or with preexisting communities or kinship groups, to sustaining existing patterns of group organization, and for relocation of, or retaining access to, cultural property (e.g., places of worship, pilgrimage centers, cemeteries).

Integration with host populations. Measures to mitigate the impact of planned relocation sites on any host communities, including:

- (a) Consultations with host communities and local governments;
- (b) Arrangements for prompt tendering of any payment due the hosts for land or other assets provided in support of planned relocation sites;
- (c) Arrangements for identifying and addressing any conflict that may arise between those resettled and host communities; and
- (d) Any measures necessary to augment services (e.g., education, water, health, and production services) in host communities to meet increased demands upon them, or to make them at least comparable to services available within planned relocation sites.

Additional Planning Requirements Where Resettlement Involves Economic Displacement

If land acquisition or restrictions on use of, or access to, land or natural resources may cause significant economic displacement, arrangements to provide displaced persons with sufficient opportunity to improve, or at least restore, their livelihoods are also incorporated into the resettlement plan, or into a separate livelihoods improvement plan. These include:

Direct land replacement. For those with agricultural livelihoods, the resettlement plan provides for an option to receive replacement land of equivalent productive value, or demonstrates that sufficient land of equivalent value is unavailable. Where replacement land is available, the plan describes methods and timing for its allocation to displaced persons.

Loss of access to land or resources. For those whose livelihood is affected by loss of land or resource use or access, including common property resources, the resettlement plan describes means to obtain substitutes or alternative resources, or otherwise provides support for alternative livelihoods.

Support for alternative livelihoods. For all other categories of economically displaced persons, the resettlement plan describes feasible arrangements for obtaining employment or for establishing a business, including provision of relevant supplemental assistance including skills training, credit, licenses or permits, or specialized equipment. As warranted, livelihood planning provides special assistance to women, minorities, or vulnerable groups who may be disadvantaged in securing alternative livelihoods.

Consideration of economic development opportunities. The resettlement plan identifies and assesses any feasible opportunities to promote improved livelihoods as a result of resettlement processes. This may include, for example, preferential project employment arrangements, support for development of specialized products or markets, preferential commercial zoning and trading arrangements, or other measures. Where relevant, the plan should also assess the feasibility of prospects for financial distributions to communities, or directly to displaced persons, through establishment of project-based benefit-sharing arrangements.

Transitional support. The resettlement plan provides transitional support to those whose livelihoods will be disrupted. This may include payment for lost crops and lost natural resources, payment of lost profits for businesses, or payment of lost wages for employees affected by business relocation. The plan provides that the transitional support continues for the duration of the transition period.

Annex 3: Census Survey and Land Asset Inventory

PAPs (Household level) Socio-economic affected by PRIME-1

Names of Interviewer:	Signature	Date
Name of Supervisor		
Name of Head of Extended Family :		
Number of Nuclear Families in Extended Residential Group (including		
Region: _____ ; Zone: _____ ; Woreda: _____ ; Kebele: _____ ; Sub-Kebele: _____ Site/Village: _____		

Land asset inventory for PRIME 1

Survey No.		
HH head Name		
No. of family members in the HH		
Total landholding/occupied area of the HH (m ²)		
Land to be acquired/taken over (m ²)		
Land use type		
Land loss in percent (%)		
Loss of assets	Residential land	
	Agricultural land	
	Permanent structures	
Loss of crops	Lost type of crop and amount	
	Other (specify)	
Loss of other Assets	yards, wells, etc.	
	Residence (rented)	
Other losses	Business loss	
	Income loss	

PAPs (Community level) Socio-economic affected by PRIME-1

Names of Interviewer:	Signature	Date
Name of Supervisor		
Name of Head of Community :		
Number of Families in Community		
Region: _____ ; Zone: _____ ; Woreda: _____ ; Kebele: _____ ; Sub-Kebele: _____ Site/Village: _____		

Land asset inventory for PRIME 1

Survey No.	
Head of Community	
No. of families	

Total landholding/occupied area of the community (m ²)		
Land to be acquired/taken over (m ²)		
Land use type		
Land loss in percent (%)		
Loss of assets	Residential land	
	Agricultural land	
	Permanent structures	
Loss of crops	Lost type of crop and amount	
	Other (specify)	
Loss of other Assets	yards, wells, etc.	
	Residence (rented)	
Other losses	Business loss	
	Income loss	

Entitlement of PRIME 1 sub-project affected people

Region woreda Kebele Sub kebele

Survey no.	Name of head of the HH	Compensation for Land			Compensation for structures			Compensation for crops and trees			Compensation for other assets and losses (e.g., graveyards, wells, businesses, etc)			Lost income	Livelihood restoration and vulnerability allowances	Total (Birr)
		Quantity (m2)	Unit price (Birr) per m2	Entitlement (Birr)	Quantity (m2)	Unit price (Birr) per m2	Entitlement (Birr)	Quantity (m2)	Unit price (Birr) per m2	Entitlement (Birr)	Quantity (m2)	Unit price (Birr) per	Entitlement (Birr)			

Annex 4: Photos Taken During Stakeholder Consultations

Below photos were taken during the stakeholder consultations in preparation for this Project, in October and November 2023.



Figure 1 Representatives from Gambela Region



Figure 2 Consultations with stakeholders from different regions



Figure 3 Consultations with stakeholders from different regions



Figure 4 Community consultations with people along the transmission line route at Oromia and Gumuz regions



Figure 5 Consultations in Woliso Woreda



Figure 6 Consultation meeting in Yigram-Bensa Daye



Figure 7 Consultation meeting with local authorities and community members in Haromaya-Chelenko

Annex 5: Project Locations

This annex will be updated as project locations are selected and decided on.

It presents project locations known to date.

Component 1: Locations are not known yet.

Component 2: 6 transmission lines and substations to strengthen and expand the capacity of the transmission grid will be constructed first, out of a total of 14. These 6 lines have been selected. They are as follows:

1. Ghimbi-Kamashi (132 kV Transmission Line Project)
2. Woliso (230 kV Project)
3. Arsi-Robe 132 kV Power Transmission Project)
4. Yigram-Bensa Daye (132 kV Power Transmission Project)
5. Haromaya-Chelenko (230 kV Power Transmission Project)
6. Bure-Injibara (230 kV Power Transmission Project)

Component 3: for geothermal exploratory activities, the identified candidate sites are:

1. Tendaho and Aluto or more specifically Tendaho-Alalobad
2. Aluto-Adonshe
3. as well as two additional wells in Aluto-Bobessa, if ongoing drilling is successful.