

ETHIOPIA

ENHANCING SHARED PROSPERITY THROUGH EQUITABLE SERVICES (ESPES)

PROGRAM-FOR-RESULTS OPERATION



**Environmental and Social Systems Assessment
(ESSA)**

Final Report

World Bank

March 2015

Abbreviations and Acronyms

ADLI	Agricultural Development-led Industrialization
BoEPLAU	Bureau of Environmental Protection, Land Administration and Use
BoFED	Bureau of Finance and Economic Development
COPCU	Channel One Programs Coordinating Unit
CSE	Conservation Strategy of Ethiopia
DFID	Department for International Development – United Kingdom
DHS	Demographic Health Survey
DLI	Disbursement-linked indicator
DP	Development partner
EIA	Environmental Impact Assessment
EIAPG	Environmental Impact Assessment Procedural Guideline
EISR	Environmental Impact Study Report
EOI	Ethiopian Ombudsman Institute
EPE	Environmental Policy of Ethiopia
ESMC	Environmental and Social Management Capacity
ESMF	Environmental and Social Management Framework
ESPES	Enhancing Shared Prosperity through Equitable Services
ESSA	Environment and Social Systems Assessment
FTA	Financial transparency and accountability
GoE	Government of Ethiopia
GRM	Grievance redress mechanism
IDA	International Development Association
IEE	Initial Environmental Examination
IEG	Independent Evaluation Group
IGFT	Inter-Governmental Fiscal Transfer
JRIS	Joint Review and Implementation Support
LG	Local government
LIG	Local Investment Grant
MDG	Millennium Development Goal
MEF	Ministry of Environment and Forests
MIS	Management information system
NER	Net enrollment rate
OP/BP	Operational Policy/Bank Procedures
PAD	Project Appraisal Document
PBS	Promoting Basic Services
PDO	Project development objective
PFM	Public financial management
PforR	Program-for-Results
PSIA	Poverty and Social Impact Analysis
RPF	Resettlement Policy Framework
RS	Regional state
SA	Social accountability
SBA	Skilled birth attendant
SEUs	Sectoral Environmental Units
SNNPRS	Southern Nations, Nationalities and Peoples’ Regional State
WB	World Bank
WoFED	Woreda Finance and Economic Development

Contents

Executive Summary	1
1. INTRODUCTION.....	6
1.1 Background.....	6
1.2 Program description	7
1.2.1 Program scope.....	7
1.2.2 Program development objective (PDO)	9
1.2.3 Program key results and disbursement-linked indicators	10
1.2.4 Key capacity-building and systems-strengthening activities.....	10
1.2.5 Institutional and implementation arrangements	10
2. METHODOLOGY	12
3. POLICY AND LEGAL FRAMEWORK ON ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS RELEVANT TO THE ESPES-SUPPORTED SECTORS	16
3.1 Environmental and social issues in Ethiopia	16
3.2 Environmental impact assessment and management system	20
3.3 Social impact assessment and management system	24
3.4 Sector-specific policies, laws and guidelines in the ESPES-supported services.....	31
4. FINDINGS: TYPICAL ENVIRONMENTAL & SOCIAL EFFECTS OF ESPES-SUPPORTED SECTORS	34
4.1 General.....	34
4.2 Potential environmental effects.....	34
4.3 Potential social effects	35
5. FINDINGS: CAPACITY ASSESSMENT FOR MANAGING ENVIRONMENTAL AND SOCIAL EFFECTS RELATED TO ESPES-SUPPORTED SECTORS	38
5.1 Regional level organisational arrangements	38
5.2 Woreda level capacity assessment	41
6. COMPARATIVE ANALYSIS: COUNTRY SYSTEMS AND OP/BP 9.00 CORE PRINCIPLES	49
6.1 Core Principle 1: Environmental and Social Management	49
6.2 Core Principle 2: Natural Habitats and Physical Cultural Resources.....	51
6.3 Core Principle 3: Health and Worker Safety.....	52
6.4 Core Principle 4: Land Aquisition	53
6.5 Core Principle 5: Vulnerable Groups	55
6.6 Core Principle 6: Social Conflict.....	57
6.7 Overarching Areas for Systems Strengthening	57
7. CONCLUSIONS.....	67
8. RECOMMENDATIONS.....	69

Figures and Tables

Figure 1: Allocation of Woreda Block Grants by Sector.....	.8
Figure 2: Map of Woredas Consulted for ESPES (PforR) ESSA	14
.....	
Table 1: Woredas Consulted for ESPES (PforR) Environmental and Social Systems Assessment	14
Table 2: Communities Consulted for PBS 3 Enhanced Social Assessment and Consultation	15
Table 3: Eco-Climatic Zone and Potential Environmental Sensitivities.....	17
Table 4: Compensation Committees.....	28
Table 5: Sample List of Key Capacity Areas for Environmental and Social Management... ..	46
Table 6: Country Systems and OP/BP 9.00 Core Principles Comparison.....	60

Annexes

Annex 1: Results Chain.....74
Annex 2: Socioeconomic Profile of Sample Woredas.....78
Annex 3: Action Plan79
Annex 4: Summary of Public Consultation.....80

Executive Summary

Introduction

The World Bank is working with the Government of Ethiopia to prepare the Enhancing Shared Prosperity through Equitable Services (ESPES) Program, which will use the Program-for-Results (PforR) lending instrument, in accordance with Operational Policy/Bank Procedures (OP/BP) 9.00. The PforR instrument uses country systems for environmental and social safeguards, procurement, and financial management.

The Environmental and Social Systems Assessment (ESSA) reviewed the government's existing systems, as they related to the basic sectors supported by ESPES, in terms of their capacity to plan and implement effective measures for environmental and social impact management at federal, regional and woreda levels. More specifically, the ESSA reviewed the government's regulatory and administrative framework and the capacity of the relevant implementing agencies in this area, including consideration of their previous relevant experience, against the environmental and social effects that are likely to be associated with the ESPES-supported basic sectors (education, health, agriculture, water, and rural roads). The aim was to determine whether any measures are required to strengthen the government's environmental or social management system, especially at the woreda level; such measures would be detailed in a mutually agreed Action Plan and considered in the design of the ESPES.

The ESSA was guided by the six core elements for environmental and social impact management incorporated in OP/BP 9.00, *Program-for-Results Financing*: (a) General Principle of Environmental and Social Management; (b) Natural Habitats and Physical Cultural Resources; (c) Public and Workers Safety; (d) Land Acquisition and Loss of Access to Natural Resources; (e) Indigenous Peoples and Vulnerable Groups; and (f) Social Conflict.

Methodology

The ESSA was based on (a) a desk review of government policies and program documents, reviews, and evaluations, and ESSAs for other World Bank-funded projects using the PforR instrument in Ethiopia; (b) interviews with federal-level sector staff; (c) field visits in four regions and woredas (Dera in Amhara Region, Shebidino in SNNPR, Bambasi in Benshangul-Gumuz, and Asayita in Afar) during October – December, 2014; and (d) data collected from some of the most vulnerable and underserved communities in Ethiopia (Medo and Hummadoti communities in Afar, Mao and Komo communities in Benishangul-Gumuz, the Komo community in Gambella, Kayele and Bora communities in SNNPR, and Somali communities in Somali Region) as part of an *Enhanced Social Assessment and Consultation*.¹ In each of the regions and woredas, in-depth interviews were conducted with government officials across environment and basic sectors. Consultations were held on the ESSA with key stakeholders from government, civil society, and development partners (DPs). The findings of the ESSA, including the outcome of the consultations, are detailed below.

Policy Context and Institutional Arrangements

The ESSA confirms that Ethiopia has an adequate institutional and legal framework for environmental and social management, including in the ESPES-supported basic sectors at woreda level. However, the level of

¹ Additional data collected as part of the (2014) *PBS 3 Enhanced Social Assessment and Consultation* focused on an assessment of circumstances that may facilitate or hinder the involvement of the most vulnerable and underserved groups in the five basic service sectors.

implementation of the provisions of the framework varies between regions and sectoral offices within regions, but is generally low.

Findings: Typical Environmental and Social Effects of ESPES-Supported Sectors

The ESPES supports the government’s Inter-Governmental Fiscal Transfer System (IGFT) to woredas, which is Ethiopia’s main instrument for financing decentralized service delivery. Under this program of support, woredas are responsible for the delivery of basic education, primary health care, agriculture extension, water supply, and rural road maintenance. The IGFT or block grant mechanism is primarily focused on recurrent expenditure—that is, salaries and operational and maintenance costs. Approximately 85% of local-level allocations finance recurrent expenditures, the majority of which is for the salaries of front-line service providers—teachers, agricultural development agents, and health extension workers. This activity is not expected to directly create negative environmental and social effects. However, the ESPES provides an opportunity to strengthen environmental and social management systems for managing activities in the ESPES-supported sectors (education, health, agriculture, water, and rural roads) that might generate such effects. Potential environmental and social effects that could arise from a wide range of woreda-level projects and programs in the sectors supported by ESPES include biophysical and social impacts of small-scale irrigation, minor changes in land use, social conflicts as a result of downstream impacts, and impacts on vulnerable people living in remote areas. Other impacts may include any effects on biodiversity and cultural resource areas; natural habitats; physical cultural property; community, individual or worker safety; management of hazardous materials; and land acquisition or resettlement. The environmental and social effects of activities typically implemented by the ESPES-supported sectors at woreda level are generally site-specific and temporary. Experiences from the implementation of the PBS 2 Local Investment Grant (LIG) Pilot indicate that, for the most part, negative environmental and social effects can be prevented or mitigated with standard operational procedures and proper use of the country *EIA Proclamation* procedures and guidelines.

The ESSA covered potential issues related to equitable access to the services delivered by the five basic sectors supported by the ESPES and the ability of these services to meet the needs of the most vulnerable and underserved groups. These issues were assessed by reviewing how vulnerable and underserved groups have a “voice” in, and benefit from, the ESPES-supported sectors—for example, through the citizen engagement activities supported by PBS 3. Issues related to how the sectors affect social conflict were also considered in relation to land acquisition, natural habitats, and environmental impact assessment (EIA).

An assessment of the institutional capacity, guidelines and procedures, and practices in environment and social management in the ESPES-supported sectors at woreda level concludes that *moderate-level environmental and social risks* are associated with the activities. The risks largely emanate from (a) lack of capacity and commitment, (b) wide variation in the level of provision of guidelines and procedures between woredas and regions, (c) inefficient coordination between the different sector offices, and (d) a lack of operational budget dedicated for environment and social management at woreda level.

Findings: Woreda-level Capacity Assessment

Although comprehensive laws are in place, there are implementation shortcomings, particularly at the woreda level, that may affect the sectors’ ability to respond to the potential environmental and social effects. While some woredas have a well-functioning team for environmental and social management that coordinates with different sectors, others have low levels of staff that may lack technical expertise to manage environmental and social effects. Although some woredas have staff who are responsible for environment and social management, overall capacity for preparation of EIA and implementation of ESMPs tends to be very low. This gap is further exacerbated by high staff turnover, which results in a loss of institutional memory. The major findings are as follows.

- *Human Resources.* Shortage of staff and lack of training on environmental and social management. Most of the woreda offices do not have experts assigned for environmental and social management, except EPLUA and Health Offices in some regions. The lack of staff and training is more serious in the developing regional states.
- *Guidelines and Procedures.* Wide variation in level of provision of guidelines and procedures across woredas and regions. While woreda EPLUA offices in some regions have EIA guidelines and checklists, and work closely with sectoral offices on their application, woreda basic sector offices do not have the EIA guidelines and checklists (except for some guidelines on site selection).
- *Environmental and Social Impact Assessment.* EIA is not generally practiced, except in relation to donor-funded projects, in the woredas. The findings suggest that the EIA proclamation is not implemented at woreda level, and project feasibility studies rarely include environmental and social impact assessment. When environmental and social impact assessment is used, it is generally stronger on the biophysical side and much weaker on the social aspects, particularly at the woreda level.
- *Coordination.* Environmental and social management is a cross-cutting issue that depends on coordination among different sectors. In some cases there are no formally established links between environmental protection organs and the other sectors with regard to environment and social management.
- *Community Consultation.* While many projects involve community-level participation, in some cases, such participation does not go beyond attending meetings to be informed about the project to be implemented in the area. In addition, the community is often asked to contribute labor for civil works. Although there is often information sharing, especially related to site selection, community consultation is generally weak.
- *Grievance Redress Mechanism (GRM).* There are wide variations in the availability and application of GRM across regions. The enforcement and oversight of GRM at woreda level is a concern across regions. There is a general lack of confidence in, and knowledge of, GRM. In addition, the GRM procedures are not always adapted to the special needs of the most vulnerable, and there tends to be a general lack of documentation of GRM cases.
- *Social Accountability.* The most vulnerable and underserved citizens tend to feel uncomfortable expressing their individual views directly to service providers or through a GRM. However, through the current PBS 3-supported Ethiopia Social Accountability Program Phase 2 (ESAP 2), it has been found that they can speak out much more effectively. Nonetheless, there are opportunities for strengthening the Social Accountability Program. The participation of the most vulnerable can be made more structured and systematic by including in the guidelines specific prescriptions that are based on emerging lessons.

For many woreda offices, environmental and social management is not a priority. As a result, EIA is not incorporated in the design, implementation, and monitoring and evaluation phases of projects at the woreda level, except for donor-funded projects requiring Environmental and Social Management Frameworks (EMSFs). Thus the ESPES seeks to build overall implementation capacity to strengthen the systems to manage environmental and social effects in the ESPES-supported basic service sectors, particularly at woreda level.

Key Recommendations

To manage potential risks, and to strengthen the country system for environmental and social management, particularly at woreda level, the ESSA suggests the following:

- 1) *Create higher-level awareness* at the regional level as well as for Woreda Councils and Office Heads to develop stronger commitment and buy-in.
- 2) *Strengthen the environmental and social management system at woreda level:* the ESPES-supported sectors need to demonstrate that they have established a functional environmental and social

management system to manage risks in their sectors. In the first year of ESPES, an Environmental and Social Management System Operational Manual will be developed at the federal level by the Ministry of Finance and Economic Development (MoFED), the implementing agency for ESPES, in collaboration with the Ministry of Environment and Forests (MEF), following consultations with stakeholders at different levels. Starting from the second year of ESPES, regions and woredas will adapt the Manual and use it to manage the potential environmental and social effects of projects and programs, especially in the ESPES-supported sectors at woreda level.

- 3) *Training and human resources:* The woredas sampled showed that there is a shortage of staff and lack of training on environmental and social management. Most of the woreda offices do not have experts assigned for environmental and social management, except for the Environmental Protection, Land Administration and Use (EPLUA) and Health offices in some regions. Though these personnel are not adequate to perform the task, both offices have at least one expert assigned for environmental and social management work. The lack of staff and training is more serious in the developing regional states. A capacity-building and training program will be critical to ensure that the minimum number of required staff is available, that they have the required skills and knowledge and understand their roles and responsibilities, and that environmental and social management is included in their performance assessment. Training should also include specialization in how to work with vulnerable and underserved groups.
- 4) *Environmental and Social Management Guidelines and Procedures:* There is a wide disparity in the level of provision of guidelines and procedures between woredas and regions, even in the highland regions. Woreda EPLUA offices in some regions have EIA guidelines and checklists and work closely with sectoral offices on their application. However, few woreda sector offices have the EIA guidelines and checklists except some guidelines on site selection. The EIA guidelines need to be adapted at the regional level, simplified to be understood by woreda staff, and widely distributed. Guidelines should also be strengthened to clarify procedures on mitigating measures related to conflict management and meeting the needs of vulnerable peoples. Community consultation, GRM, and social accountability procedures should also be strengthened.
- 5) *Coordination:* Environmental and social management is a cross-cutting issue, which needs the coordination of different sectors. In some cases, there are no formally established links between environmental protection organs and the other sectors with regard to environment and social management. The environmental and social management system operational manual will elaborate on this and suggest possible coordination mechanism to strengthen horizontal and vertical linkages for improved environmental and social management, particularly at woreda level.
- 6) *Financial Resources:* One of the issues linked to a lack of capacity at woreda level is inadequate operational budget. Allocating a certain percentage of woreda operational budgets to environmental and social management activities may help to address this challenge.

ESPES provides an opportunity to contribute to improved environmental and social management systems by supporting the following capacity-building interventions in the ESPES-supported sectors, particularly at woreda level:

- 1) *Environmental and social management system (ESMS) operational manual:* The ESMS will include procedures for due diligence, identification of potential environmental and social effects, mitigation measures, and an implementation and monitoring plan, including an annual performance assessment, etc. This will help woreda staff screen projects for their environmental and social effects, and monitor the implementation of any mitigation measures.

- 2) *Institutional capacity building*: Key positions, including environmental and social management specialists at different levels, will be filled to ensure adequate capacity to screen environmental and social risks of investments in the ESPES-supported sectors, particularly at woreda level. The staff will be provided proper training to undertake their activities related to environmental and social management.
- 3) *Continue and strengthen the citizen engagement component of PBS 3*:
 - *Financial transparency and accountability (FTA)*: Continue FTA component, strengthen the quality of FTA training, and ensure that more women and physically challenged groups are included in FTA activities (especially budget literacy training).
 - *Grievance redress*: Continue the GRM component of PBS 3 and ensure that GRM officers at woreda level receive training in working with illiterate and vulnerable community members to document and address their grievances, build confidence in the GRM system, and post and publicize examples of successful GRM cases so that citizens become aware that the system is working. Innovative communications approaches, including the use of multimedia, should be used to strengthen awareness about availability of GRM.
 - *Social accountability*: Continue the Ethiopia Social Accountability Program Phase 2 and further strengthen linkages with the PBS FTA component to ensure that the most vulnerable communities have the necessary information to be able to engage in social accountability. The participation of the most vulnerable and underserved groups can be strengthened by including specific steps in the Social Accountability Guidelines and by training Social Accountability Implementing Partners (SAIPs) to ensure that the specific needs of the most vulnerable are accommodated.
- 4) *Recognize and reward*: An annual event will be organized to recognize and reward better-performing regions/woredas whose activities demonstrate sound environmental and social management.

1. INTRODUCTION

1.1 Background

The World Bank is working with the Government of Ethiopia to prepare the Enhancing Shared Prosperity through Equitable Services (ESPES) Program, which will use the Program-for-Results (PforR) lending instrument, in accordance with Operational Policy/Bank Procedures (OP/BP) 9.00. The PforR instrument uses country systems for environmental and social safeguards, procurement, and financial management.

To determine the suitability of the country system for using the PforR instrument, an Environment and Social Systems Assessment (ESSA) was undertaken, which included a comprehensive review of systems and procedures followed by the federal-, regional-, and woreda-level governments to address environmental and social issues associated with the ESPES -supported sectors—education, health, agriculture, water, and rural roads.

The ESSA reviewed the government’s existing systems as they related to the basic sectors supported by ESPES, in terms of their capacity to plan and implement effective measures for environmental and social impact management at the federal, regional and woreda levels. More specifically, the ESSA reviewed the government’s regulatory and administrative framework and the capacity of the relevant implementing agencies in this area, including consideration of their previous relevant experience, against the environmental and social effects that are likely to be associated with the ESPES -supported basic sectors. The aim was to determine whether any measures are required to strengthen the government’s environmental or social management system, especially at woreda level; such measures would be detailed in a mutually agreed Action Plan and considered in the design of the ESPES.

The ESSA was guided by the six core elements for environmental and social impact management incorporated in OP/BP 9.00, *Program-for-Results Financing*: (a) General Principle of Environmental and Social Management; (b) Natural Habitats and Physical Cultural Resources; (c) Public and Workers Safety; (d) Land Acquisition and Loss of Access to Natural Resources; (5) Indigenous Peoples and Vulnerable Groups; and (6) Social Conflict. Because the six core elements go beyond the traditional coverage of EIA, the ESSA covered issues such as conflict resolution and land acquisition, in addition to potential issues related to equitable access to the services delivered by the five basic sectors supported by the ESPES and the ability of these services to meet the needs of the most vulnerable and underserved groups.

The ESPES supports the Government’s Inter-Governmental Fiscal Transfer System (IGFT) to woredas, which is Ethiopia’s main instrument for financing decentralized service delivery. Under this program of support, woredas are responsible for the delivery of basic education, primary health care, agriculture extension, water supply, and rural road maintenance. The IGFT or block grant mechanism is primarily focused on recurrent expenditure—salaries and operational and maintenance costs. Approximately 85% of local-level allocations finance recurrent expenditures, the majority of which is for the salaries of front-line service providers—teachers, agricultural development agents, and health extension workers. These activities are not expected to directly create negative environmental and social effects. However, the ESPES provides an opportunity to strengthen environmental and social management systems for managing possible capital investments, from 10-15 percent of the block grant allocation, in the ESPES -supported sectors (education, health, agriculture, water, and rural roads), which might generate such effects.

Potential environmental and social impacts that could arise from a wide range of woreda-level projects and programs in the sectors supported by the ESPES include biophysical and social impacts of small-scale irrigation, minor changes in land use, social conflicts as a result of downstream impacts, and impacts on vulnerable people living in remote areas. Other impacts may include any effects on biodiversity and

cultural resource areas; natural habitats; physical cultural property; community, individual, or worker safety; management of hazardous materials; and land acquisition or resettlement. The environmental and social effects of activities typically implemented by the ESPES -supported sectors at woreda level are generally site-specific and temporary.

The ESSA reviewed the overall country system for the management of environmental and social effects, specifically related to the basic service sectors supported by the proposed ESPES.

Regarding *environmental management*, broadly the assessment should cover the relevant legal and regulatory framework, the procedures applicable to the program, and the institutional responsibilities—including the division of responsibilities among different levels of government—for implementing environmental management, including carrying out environmental analysis; internal review and clearance procedures; consultation processes; information disclosure; grievance redress mechanisms; and supervision, monitoring, and evaluation.

Regarding *social management*, broadly the assessment includes the relevant legal and regulatory framework, the procedures applicable to the program, and the institutional responsibilities for implementing social management including the roles and responsibilities for undertaking social assessment or social analysis relating to program effects; consultation requirements; stakeholder involvement in planning and implementation; communications and information disclosure strategies; grievance redress mechanisms; and arrangements relating to identification of, consultation with, and measures to assist vulnerable people.

1.2 Program description²

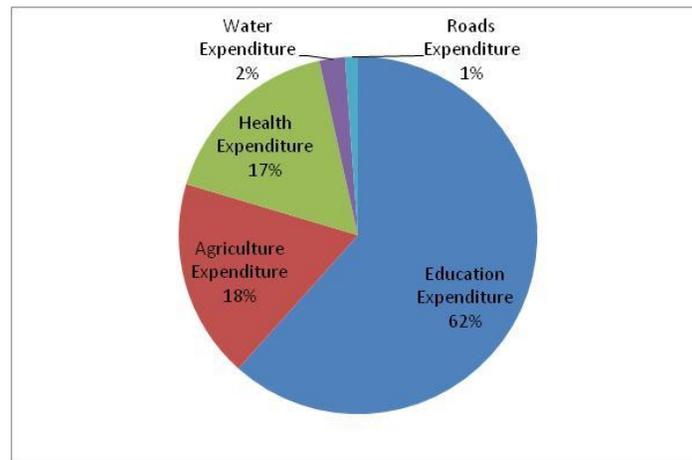
1.2.1 Program scope

Ethiopia uses the Inter-Governmental Fiscal Transfer System (IGFT) to finance services at the woreda level. Woredas are then responsible for basic education, primary health care, agriculture extension, water supply, and rural road maintenance. A World Bank Report (84215-ET) assessed this system to be pro-poor, effective in getting results, and adding a good value for money. The World Bank report also noted the importance of transparency and accountability in driving overall results and ensuring the pro-poor focus. While the assessment provides confidence that supporting woreda-level expenditures will improve results in a pro-poor manner, it is still important to ensure that effective woreda-level financial management, procurement, and safeguards systems are in place to guarantee that funds are spent appropriately.

The government program supported by this operation will be the block grants to woredas, which are responsible for basic service delivery in health, education, agriculture, water and sanitation, and rural road maintenance. The vast majority of woreda-level expenditures are for education, health, and agriculture (see Figure 1).

² This section is taken from the ESPES PAD.

Figure 1. Allocation of woreda block grants by sector



Source Improving Basic Services for the Bottom Forty Percent: Results of the Poverty and Social Impact Assessment of Decentralized Basic Service Delivery in Ethiopia, Report No: 84215-ET

The estimated value of the program, based on the government's medium term expenditure framework, is about \$6.1 billion, and the proposed PforR operation reflects approximately 9.8 percent of the total financing anticipated for woreda-level service delivery from 2015-2018.

The key challenges to maintaining the gains achieved through the three preceding Protection of Basic Services (PBS) operations include maintaining strong fiduciary controls and adequate service delivery staff and ensuring that IGFT grants follow predictable patterns by using regional fiscal distribution formulas. A big challenge for local governments has been the high levels of staff attrition in both service delivery and fiduciary management. There have also been issues with appropriate follow-up of audit recommendations and slow internal audits, which may be related to frequent staff turnover. Demand-side good governance is generally a new phenomenon in Ethiopia; both service providers and citizen have greatly appreciated pilots in this area, but it is still used in less than a quarter of the woredas. There is increasing demand to introduce similar activities in new woredas and kebeles in a more institutionalized and sustainable manner.

The program beneficiaries are the whole population benefiting from these services. The Bank study noted earlier demonstrated that the program not only is pro-poor, but generally benefits women, especially in the areas of health and education, which account for almost 80% of the expenditure.

Specific disbursement-linked indicators (DLIs) will be used to ensure the transparency of IGFT grants, maintenance of front-line service delivery staff, and better audit follow-up and internal audits. The government is also committed to exploring, in a consultative manner, establishing a framework for sustaining implementation of social accountability in the medium term while exploring practical ways for its institutionalization and sustainability in the medium and long run.

The following lessons learned are integrated into program design:

- The IGFT is effective in promoting geographic and wealth equity. Accordingly, a focus on equitable access to basic services is a natural progression of development partners' (DPs') support to decentralized service delivery. In practice, IGFTs have predominantly benefited the education, health, and agricultural sectors. Women have tended to benefit less through agricultural

interventions, suggesting a need to adapt the intervention logic for future service delivery in this sector.

- There is a strong imperative to ensure that the PforR operation adequately addresses any operational interface with GoE financed programs, including the Commune Development Program (CDP). The ESPES may have an operational interface because of commonality of objectives, mutual impacts, geographic overlap, and concurrent implementation. In the context of risks arising from the CDP, the Bank's approach involves continued engagement, along with other DPs, in country-level dialogues with the GoE. Within this engagement framework, policy dialogue at the level of the Development Assistance Group (DAG) remains critical. Specifically, ESPES will support improved management of social and environmental safeguards at the woreda level, where the decisions on implementing decentralized programs are made.
- The continuation of basic service delivery support needs to be associated with a long-term program of enhanced capacity building and management, especially to strengthen the functioning of critical systems for service delivery. In this regard, the DLIs supporting the program have a very strong emphasis on strengthened fiduciary, environmental, and social management. This is predictive of a major expansion of capacity support and expertise at the woreda level during the lifetime of the PforR.
- The scale-up of citizen engagement efforts provides strong opportunities to strengthen service delivery at local levels. Therefore, the PforR has a strong focus on institutionalizing efforts for social accountability, financial transparency, and grievance redress.
- As the IEG noted, the PBS presented an unusual case in which the Bank provides large-scale financial support for expanded service delivery executed by subnational governments. Such an intervention is well suited to a PforR, linking disbursements to defined results.
- A harmonized and coordinated approach among government, DP, and other complementary programs is essential to strengthening decentralized service delivery. The PforR is accordingly oriented itself to complement not only actions under PBS Subprogram B, but also wider sectoral support programs devised to enhance program quality.

1.2.2 Program development objective (PDO)

The objective of the proposed program is to improve equitable access to basic services and strengthen accountability systems at the decentralized level. The project development objective (PDO) monitoring indicators are as follows:

- (a) Per capita increase in federal government block grant transfers to regions, excluding Addis Ababa
- (b) Improved geographic equity in NER outcomes
- (c) Improved geographic equity in Penta3 outcomes³
- (d) Increased women receiving agricultural advisory services
- (e) Improved environmental and social management capacity at the local level
- (f) Increased woredas screening projects for their environmental and social effects
- (g) Increased woredas conducting pre-budget discussions

³ Penta3: Pentavalent vaccine that combines five different vaccines in a single vial to protect against five diseases, namely, diphtheria-pertussis-tetanus, hepatitis B, and Haemophilus influenza type B (Hib), and which is administered in three dose.

- (h) PFM Benchmarking Rating system established in all regions

1.2.3 Program key results and disbursement linked indicators (DLIs)

The program is anchored around four sets of key results:

1. Ensuring equitable access to basic services
2. Enhancing citizen engagement and environmental and social management capacity
3. Deepening fiduciary aspects of basic service delivery
4. Ensuring quality data access and results

These key results are reflected in the PDO as follows: Results area 1 responds to the first part of the PDO, on improving equitable access to basic services, and results areas 2-4 respond to the second part of the PDO, on strengthening accountability systems at the decentralized level. The full results logic supporting each key result area is elaborated in Annex 1, which highlights key inputs, outputs, intermediate outcomes, and outcomes. The DLI for environmental and social management is “Improved environmental and social management capacity (ESMC) at woreda level.”

1.2.4 Key capacity-building and systems-strengthening activities

Capacity-building and system-strengthening activities will be supported through the implementation of PBS 3 Subprogram B, which will continue throughout the PforR. Subprogram B1 supports the rollout and expansion of all citizen engagement activities, including social accountability and financial transparency arrangements. Subprogram B2 continues to support public financial management (PFM) reform efforts. Subprogram B3, Managing for Results, will continue to support the development of regional M&E systems-strengthening measures. An ambitious work program is under way to cost service delivery across each sector, with a view to building knowledge on program sustainability. The PBS Secretariat and the client will continue to play an important role in capacity support.

A common focus underlying the ESPES DLIs is to encourage capacity-support and systems-strengthening efforts, especially at the woreda level. Capacity-building provisions are reflected in increased human resources for social accountability, grievance redress, and financial transparency interventions; support for woreda-based ethics officers to ensure quality oversight; and training of woreda staff in PFM. Of particular note are numerous provisions to promote environmental and social management capacity at woreda level. The DLIs have a strong focus on supporting key institutional bodies at different levels: Woreda Council Budget and Financing Standing Committees, the EOI, regional procurement bodies, and federal-level ministries, especially in the areas of quality data and results.

1.2.5 Institutional and implementation arrangements

This PforR will rely on the institutional structure and implementation arrangements developed for the PBS, including the joint donor management architecture under the PBS Secretariat. While IDA financing for block grants will switch to a PforR mode, other DPs will continue to use current arrangements for their funding to block grants. The African Development Bank (AfDB), Austria, and Italy—disburse directly to the Ministry of Finance and Economic Development (MoFED). Implementation of the PforR will be informed by the PBS six-monthly Joint Review and Implementation Support (JRIS), which will continue to be carried out by DPs supporting federal, regional and woreda governments.

MoFED is the implementing agency for the PBS program, and—given its overall responsibility for supporting financial flows from the federal to more decentralized levels and for ensuring that PFM systems work smoothly—it will play the same role for the PforR. Within MoFED, the Channel One Programs

Coordinating Unit (COPCU) is responsible for coordinating the PforR activities across the basic service ministries, government bodies, and subnational government entities and for ensuring compliance with joint legal agreements. Improvements in COPCU staffing and management have demonstrated the government's willingness to tackle implementation challenges.

At the regional government level, Bureaus of Finance and Economic Development (BoFEDs) will continue to have responsibilities at the regional level similar to MoFED's at the federal level. In late 2011, all BoFEDs created new regional-level positions for Channel One Coordinators. Continuing this structure under the PforR will help to strengthen the overall system's capacity for ESPES implementation and follow-up. BoFED responsibilities include (a) receiving, consolidating, and transferring financial and expenditure reports from the Woreda Finance and Economic Development (WoFED) offices to MoFED; (b) receiving woreda-level plans for the basic service sectors and assisting woredas in reconciling their plans within the agreed budget; (c) allocating budgets to woredas in line with the agreed fiscal transfer formulas; and (d) reviewing and consolidating results reports from woreda governments.

At the local level, WoFEDs and Urban Administration Offices of Finance have responsibilities similar to those of the BoFEDs. Their responsibilities also include (a) undertaking regular M&E and coordination with woreda sector offices; (b) undertaking operational tasks such as planning, supervision, and financial management; (c) submitting to BoFEDs consolidated monthly reports, including monthly reconciliation of expenditures; and (d) reporting each month basis on the actual use of block grants, including basic services subprogram resources at local level and overall performance in relation to service delivery targets.

Councils at the regional, zonal, woreda, and kebele levels (a) provide general oversight of the subnational government institutions involved in implementing the PforR program; (b) review and approve annual development plans and budgets; and (c) facilitate information sharing and involve citizens in planning, budgeting, and managing the delivery of basic services.

To facilitate and coordinate the dialogue on and implementation of the PBS program, in 2006, at the outset of PBS Phase 1, donors established the PBS Secretariat. Its role was further elaborated and formalized with the approval of PBS 2 in 2009 and continued under PBS 3. The Secretariat, which the donors have agreed to continue to support throughout the life of this PforR, is housed at the Ethiopia World Bank Country Office; its staff costs and activities are supported through donor contributions to a multi-donor trust fund. Not an executing or implementing agency, the Secretariat facilitates and coordinates the smooth and efficient implementation of the PBS project, and ensures the appropriate coordination of project activities and dialogue with other related national and sector programs. In that role, the Secretariat provides substantial technical and analytical inputs to the PBS dialogue. It also makes available hands-on training and coaching to help build country systems. Since late 2010, the level and quality of the Secretariat's analytical and logistical support have increased significantly.

2. METHODOLOGY

This ESSA examines existing environmental and social management systems relevant to the ESPES, and recommends actions to address any risks or challenges identified. The exercise considered the appropriateness of the existing country systems in relation to the needs of the proposed ESPES PforR operation, in relation to (a) the environmental and social management systems defined in the country's policies and legal and strategic frameworks; and (b) the capacity of the institutions that apply the environmental and social management systems associated with the program's environmental and social effects.

The ESSA considered the major gaps in the system with respect to the six core principles outlined in the OP/BP 9.00. These principles establish the policy and planning elements that are generally necessary to achieve outcomes consistent with PforR objectives. They are intended to guide the assessment of the borrower's systems and of its capacity to plan and implement effective measures for environmental and social risk management. They also serve as a basis for the provision of World Bank implementation support.

Core Principle 1: General Principle of Environmental and Social Management. This core principle aims at promoting environmental and social sustainability in the program design; avoiding, minimizing, or mitigating adverse impacts; and promoting informed decision-making related to the program's environmental and social impacts.

Core Principle 2: Natural Habitats and Physical Cultural Resources. This core principle aims at avoiding, minimizing, or mitigating adverse impacts on natural habitats and physical cultural resources resulting from the implementation of the program.

Core Principle 3: Public and Worker Safety. This core principle promotes public and worker safety with respect to the potential risks associated with (a) construction and/or operation of facilities or other operational practices; (b) exposure to toxic chemicals, hazardous wastes, and other dangerous materials; and (c) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.

Core Principle 4: Land Acquisition. This core principle aims at managing land acquisition and loss of access to natural resources in a manner that avoids or minimizes displacement and assists affected people in improving, or at the minimum restoring, their livelihoods and living standards.

Core Principle 5: Indigenous Peoples and Vulnerable Groups. This core principle aims at giving due consideration to the cultural appropriateness of, and equitable access to, program benefits, giving due attention to the rights and interests of indigenous peoples and to the needs or concerns of vulnerable groups.

Core Principle 6: Social Conflict. This core principle aims to avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

In analyzing the country systems with regard to the mitigation of environmental and social effects and the principles of OP/BP 9.00, this ESSA is intended to ensure that the ESPES support to basic service sectors will be implemented in a manner that maximizes potential environmental and social benefits and avoids, minimizes, or mitigates adverse environmental and social effects and risks.

This ESSA includes the following: (a) a review of relevant policy, legal, and institutional frameworks to identify the strengths and weakness of the system as related to the six core principles; (b) a description of the potential environmental and social effects associated with the ESPES-supported sectors' activities; (c) an assessment of institutional roles and responsibilities related to ESPES implementation; and (d) a description of current capacity and performance to carry out those roles and responsibilities. More

specifically, the ESSA reviewed the GoE’s regulatory and administrative framework and the capacity of the relevant implementing agencies (with a focus on the woreda level) with respect to previous relevant experience in managing environmental and social effects that are likely to be associated with the ESPES-supported sectors. The assessment also considered systems in place related to issues such as citizen engagement and grievance redress.

On the basis of the findings of the analysis, the ESSA proposes for inclusion in the Project Action Plan a set of actions to strengthen the existing system (see Annex 3). These actions are expected to contribute to achieving the project’s results and to enhance institutional performance.

An in-depth institutional analysis was carried out to identify the roles, responsibilities, and structures of the institutions responsible for implementing the ESPES-supported activities, including coordination between different entities at the national, regional, and woreda levels. In addition to the ESPES-supported basic sectors of education, health, agriculture, water, and rural roads, the assessment included Environmental Protection, Land Administration and Use Agencies; the Ministry of Environment and Forests; the Ministry of Labor and Social Affairs; and the Ministry of Women, Children and Youth (at federal, regional, and woreda levels, where possible).

Desk Review

A desk review of literature related to (a) federal and regional policies and legal requirements related to environmental and social management; (b) ESSAs undertaken for other World Bank-funded projects using the PforR instrument in Ethiopia—the 2014 *Ethiopia Second Urban Local Government Development Program Environmental and Social Systems Assessment* and the 2013 *Health Sector Environmental and Social Systems Assessment*; (c) studies on financial transparency and accountability (FTA), grievance redress mechanisms (GRMs), and social accountability in Ethiopia undertaken as part of the PBS 3 Component B1: Citizen’s Engagement; (d) technical project documents, including reviews and evaluations from previous and ongoing World Bank projects; (e) reports related to the Local Investment Grant (LIG) Pilot; (f) the 2015 *Ministry of Labour and Social Affairs: Institutional Capacity Assessment*; (g) the 2015 *Draft Report: Environmental and Social Impact Assessment (EIA) Capacity Building for Local Governments in Ethiopia*; and (h) other PBS 3-related documents, including the 2014 *PSIA Improving Basic Services for the Bottom Forty Percent: Results of the Poverty and Social Impact Assessment of Decentralized Basic Service Delivery in Ethiopia*.

The findings and data collected as part of the 2014 *PBS 3 Enhanced Social Assessment and Consultation* focused on an assessment of circumstances that may facilitate or hinder the involvement of the most vulnerable and underserved groups in the five basic service sectors, were integrated in this report.⁴ In addition, social assessments undertaken for other World Bank projects by the GoE—for WaSH II, PCDP III, RPLRP, SLM II, GEQUIP II and PSNP 4—were reviewed and used to calibrate field data.

Fieldwork

Field visits in four regions and woredas were undertaken from October to December 2014 (see Table 1 and Figure 2). Two senior local consultants were involved in the field data collection. In selecting the sites, the

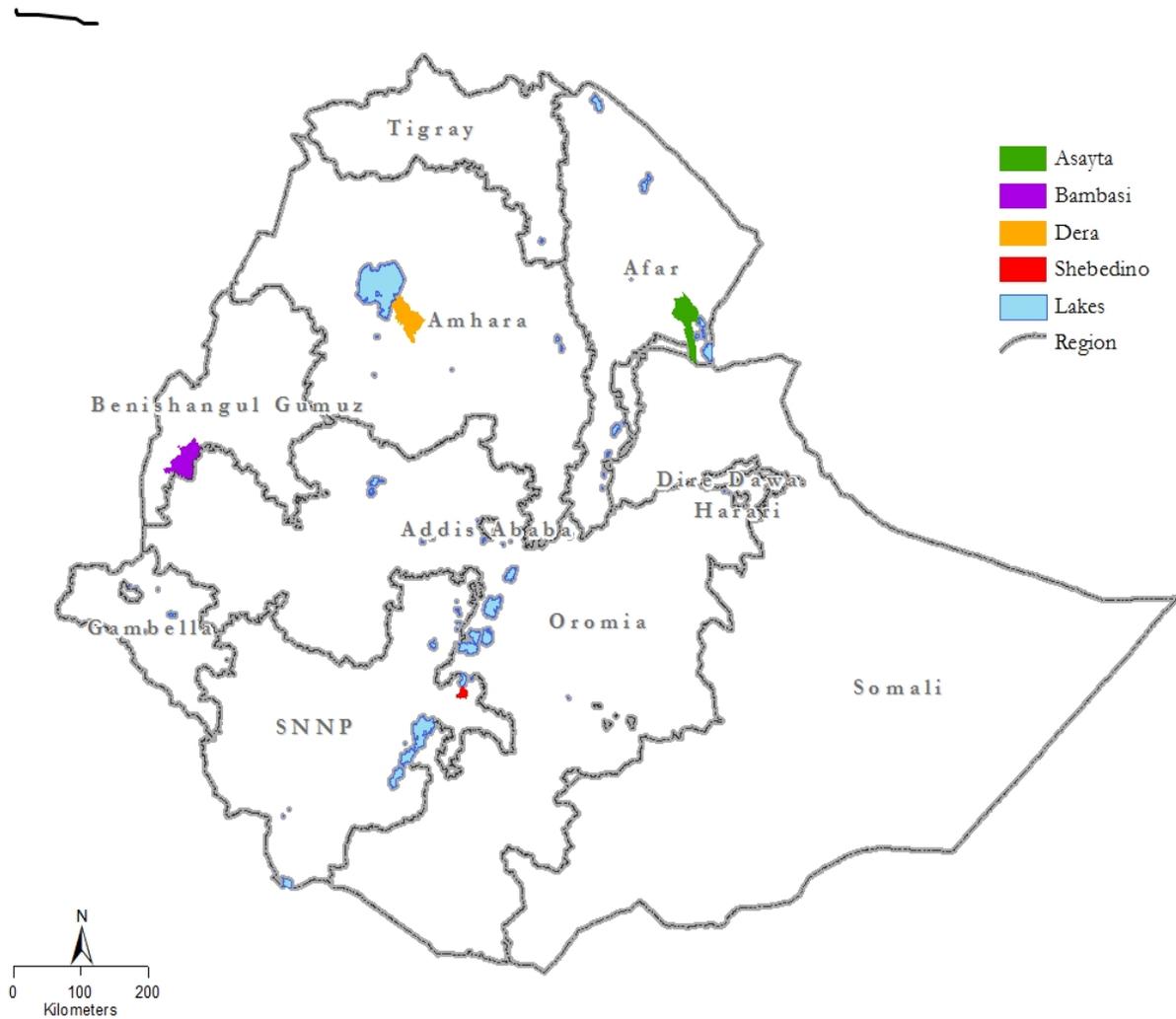
⁴ The objective of the study was to assess any special needs of selected most vulnerable and underserved communities in Ethiopia with a view to ensuring that the design and implementation of PBS 3 reflects the needs of all beneficiaries in the most appropriate manner. It focused on identifying the key most vulnerable and underserved stakeholder groups, including their livelihood, socio-cultural characteristics; recording their opinions and perceptions about the Project; assessing the potential social impacts; determining how relationships between stakeholder groups will affect or be affected by the Project; assessing implications for Project design and implementation; and providing practical recommendations for dealing with the challenges and risks identified.

team attempted to include representative woredas from both “emerging” and “big” regions and to avoid areas that have been evaluated recently as part of other reviews.

Table 1. Woredas assessed for ESPES (PforR) ESSA

<i>Region</i>	<i>Woreda</i>
Afar	Asayita
Benishangul-Gumuz	Bambasi
SNNPR	Shebedino
Amhara	Dera

Figure 2. Map of sample woredas consulted for ESPES (PforR) ESSA



Data collected⁵ as part of the 2014 *PBS 3 Enhanced Social Assessment and Consultation* (ESAC) were also incorporated into the ESSA. Fieldwork for the ESAC focused on some of the most vulnerable and underserved communities in Ethiopia (see Table 2).

Table 2. Communities consulted for PBS 3, Enhanced Social Assessment and Consultation

<i>Region</i>	<i>Zone</i>	<i>Woreda</i>	<i>Kebele</i>	<i>Community</i>
Afar	Zone 1	Afanbo	Mego & Hummadoti	Mego & Hummadoti
Benishangul-Gumuz	Assosa	Mao-Komo	Penshuba & Shoshore Butiji	Mao & Komo
Gambella	Anuwak	Gambella Zuria	Pukong	Komo
SNNPR	Segen	Konso	Gocha	Kayele & Bora
Somali	Jigjiga	Jigjiga Zuria	Haroreys	Somali-Isaaque (Haroreys, Gereb Harir)

Key Informant Interviews

Semi-structured interviews took place with GoE officials and technical experts involved in environmental and social management of the ESPES supported basic sectors, at all levels.

At the federal level, the team interviewed staff of MoFED, the ESPES implementing agency; the five basic sector ministries; the Ministry of Environment and Forests (which has the overall mandate to enforce environmental and social impact assessment and management); MoLSA; MoFA; and the Ministry of Women Affairs.

At the regional level, the team interviewed staff of the BoFEDs; EPLAUs; and the Bureaus of Education, Health, Agriculture, Water and Energy, Rural Roads, Women, Children and Youth Affairs, and Labour and Social Affairs.

At the woreda level, the team interviewed staff of the WoFEDs; EPLAUs; and the offices of the Ministries of Education; Health; Agriculture; Water and Energy; Rural Roads; Women Affairs; and Labour and Social Affairs.

Focus Group Discussions

The team held focus group discussions with both women and men in seven of the most vulnerable communities in Ethiopia. These discussions informed the analysis related to Core Principle 5: Indigenous Peoples and Vulnerable Groups with respect to the cultural appropriateness of, and equitable access to, program benefits, giving due attention to the right and interests of indigenous people and to the needs or concerns of vulnerable groups.

Consultations

Consultations were held on the Draft ESSA on February 16, 2015, with key stakeholders from government, civil society, and DPs. The consultations are summarized in Annex 4.

⁵ Key informant interviews and focus group discussions took place from June to August 2014 in seven of the most vulnerable and underserved communities in Ethiopia. GoE staff who are responsible for the implementation of PBS 3 were also interviewed. Whenever possible, consideration was given during the consultation meetings to the relationships and interactions between front-line service providers (teachers, health extension workers, development agents) and beneficiaries.

3. POLICY AND LEGAL FRAMEWORK ON ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS RELEVANT TO THE ESPES -SUPPORTED SECTORS

OP/BP 9.00 requires that all PforR operations function within a policy and legal framework that is adequate to guide environmental and social management. In this context, ESPES -financed activities are not expected to have any negative environmental and social effects. However, the sectors supported by ESPES are likely to implement projects with environmental and social effects.

This section describes Ethiopia’s relevant policies, laws, and institutions for environmental and social impact assessment and management, along with the roles and responsibilities of the institutions involved in the assessment and management processes. The relevance of these policies is assessed according to the requirements and guidelines of OP/BP 9.00.

This section is divided into two subsections; the first addresses the environmental impact assessment and management system and the second considers the social impact assessment and management system.

3.1 Environmental and Social Issues in Ethiopia

Environmental Issues

Ethiopia depends principally on agriculture for both its economic growth and food security. Of an estimated 91 million people, some 83% live in rural areas with agriculture (crop production and animal husbandry) as the main source of livelihood.

Ethiopia’s development agenda is governed by the Growth and Transformation Plan (GTP), the main goal of which is for Ethiopia to “extricate itself from poverty to reach the level of a middle-income economy by 2025.” To achieve the GTP’s main goal and objectives, the GoE has recognized the climate induced risks and developed its Climate Resilient Green Economy (CRGE) strategy.

Agriculture relies on sustainable management of land and water. However, the country is experiencing low and declining agricultural productivity, persistent food insecurity, and rural poverty that is largely attributed to land degradation. Studies have shown that by the mid-1980s some 27 million ha, or almost 50 percent of the Ethiopian highlands, which makes up about 45 percent of the total land area, was considered to be significantly eroded; 14 million ha was seriously eroded and over 2 million ha beyond reclamation. It is estimated that some 30,000 ha are lost annually to soil erosion, representing over 1.5 billion tons of soil that is removed annually by a variety of land degradation processes.

With its soil fragility, undulating terrain, and highly erosive rainfall, Ethiopia has continually faced challenges in conserving its soil fertility. Coupled with these natural constraints, the environmentally destructive farming methods that many farmers practice make the country highly vulnerable to soil erosion. Moreover, some sources estimate that close to one-third of the agricultural land is moderately to strongly acidic because of long neglect in soil conservation and destructive farming practices.

Ethiopia’s environmental characteristics can be usefully demarcated by altitude, rather than administrative boundaries. They are presented in Table 4, with their height above sea level, which is broadly correlated with temperature.

Table 3. Eco-Climatic Zones and Potential Environmental Sensitivities⁶

<i>Eco-climatic zone</i>	<i>Potential sensitivities</i>
<p>High Dega Wurch Very high elevation areas (>3200 m) principally in Wollo, Gonder, and Gojam in Amhara; dominated by grassland landscapes; rainfall is 1000-1600 mm.</p>	<p>Regeneration of natural resources in the high elevation zones needs to recognize the limited plant species adapted to these highland conditions, slower growth rates, potential for rapid rainfall runoff, and vulnerability to overgrazing and other human uses.</p>
<p>DEGA High elevation areas (2000-3200 m) as in Tigray, Wollo, Gonder and Gojam in Amhara, and Harrege, Arsi and Bale in Oromiya; typically mixed coniferous shrubs and trees; rainfall is 1000-2000 mm.</p>	<p>The elevation changes, the relatively high rainfall, and the potential high soil erosion rates present opportunities and constraints for environmental rehabilitation and management of increasing land use pressures in the Dega zone.</p>
<p>WEYNA DEGA Mid-elevation areas (1500-2400 m) as in the western half of Ethiopia covering Amhara, Oromiya, SNNP, and Tigray; typically mixed temperate forests and shrubs and riparian and other vegetation associated with the Abbay River and Awash River; rainfall is 800-1600 mm.</p>	<p>The relatively high level of ecosystem productivity and biotic diversity provides for significant natural resources and the pressures of human uses, along with the presence of important and sensitive natural habitats but with generally high recovery rates if managed properly.</p>
<p>KOLLA Low-elevation semi-arid areas (500-1500 m) of western Tigray, western Gonder in Amhara, southern Oromiya, and northern Somali; dry savanna landscapes; rainfall is in the range of 200-800 mm.</p>	<p>The semi-arid, dry savanna Kolla landscapes are vulnerable to deforestation and overgrazing, variable rainfall, slower rates of recovery, and wildfire potential; soils are generally nutrient-poor and moderate-high erodability.</p>
<p>BEREHA Low-elevation arid areas in Afar, Somali, Benshangul-Gumuz, and Gambella and the western parts of Tigray and Gonder in Amhara, and eastern Oromiya (Harrerege and Bale); arid and dry savanna landscapes; rainfall is generally less than 200 mm.</p>	<p>Moisture and nutrient limitations, poor water-holding capacity of soils, high livestock grazing pressures, and slow recovery rates present constraints in these mostly arid landscapes that generally have low soil quality and high erosion potential.</p>

Social Issues

Vulnerability in Ethiopia

The 2014 Ethiopia Poverty Assessment⁷ described the main sources of vulnerability reported by households in Ethiopia and their impact on consumption. Findings revealed that unexpected events that cause ill health, a loss of assets, or a loss of income play a large role in determining the fortunes of many people. Findings also revealed that poorer households are less able to use their assets to manage risk, and mutual support also has its limits. Shocks often hit poorer households and disadvantaged individuals harder. Additional findings included the following:

Vulnerability does not have a geographic footprint in Ethiopia. The lowlands are the poorest and most vulnerable places in 2011, followed by drought-prone highlands. However, much vulnerability is not geographically determined, but is instead determined by other factors such as

⁶ FDRE, May 2004, *Emergency Drought Recovery Project: Environmental and Social Management Framework*.

⁷ *Ethiopia Poverty Assessment*. Poverty Global Practice Africa Region. World Bank Group. January 2015.

individual access to assets, or lifecycle events. This causes individuals everywhere, in every woreda of Ethiopia, to be vulnerable.

Rural vulnerability is higher than urban vulnerability. Some predictions of climate change suggest changing weather conditions may bring about improvements in yields and well-being, but variability in yields will also increase.

Although urban vulnerability is much lower than rural vulnerability, one-quarter of urban households are vulnerable. Food price shocks are a major risk, and the types of households that are vulnerable in rural areas are also different in urban areas, where access to labor markets is a primary determinant of vulnerability.

Vulnerability of households with disabled members (those unable to work because of disability or illness) is an issue in both rural and urban areas, slightly more in urban areas. Findings also revealed that those with children under two, and those with out-of-school children and youth are also more vulnerable than the average rural household.

Vulnerable and Historically Underserved Groups

ESPES is a nationwide project, covering all regions and including all citizens of Ethiopia. A number of vulnerable and underserved groups have been identified. It is important to note that individuals may be part of more than one group and experience multiple vulnerabilities (e.g., a pastoralist woman with mobility issues), which compound their difficulties in accessing and using basic services.

Low income and food insecure

People in this group are often geographically remote. In highland areas they are typically subsistence farmers, usually living on less than 0.5 ha of land, and largely dependent on rain-fed agriculture. In lowland areas, they are pastoralists or agro-pastoralists. They are often labor-poor and have little access to credit. This group is often most severely affected by climate change and other shocks.

Their remoteness, socio-economy, and history make them more vulnerable than others: it is not that their needs are different from others', but that *their vulnerabilities are more serious*. They are especially dependent on basic service delivery. Therefore, deficiencies in the system affect them more because they have fewer options.

Geographically remote communities

Ethiopian citizens living in geographically remote and isolated areas often have limited infrastructure such as roads, schools, and markets and thus limited opportunities for livelihood diversification. They need increased basic services and infrastructure to promote market engagement and reduce their vulnerability. Geographically remote communities also have less access to labor markets, a primary determinant of poverty and vulnerability in Ethiopia.

Pastoralists

Pastoral and agro-pastoral groups have historically been among the most underserved communities in Ethiopia, their access to basic services is limited due to various reasons. An estimated 8-10 million people, 10% of the country's total population, practice pastoralism as their predominant mode of livelihood across the lowlands of Ethiopia. The rangelands where pastoral practices are extensively carried out represent two-thirds of the total national land area. Pastoral and agro-pastoral populations belong to some 29 ethno-linguistic groups.

Ex-pastoralists or pastoral “dropouts”

Ex-pastoralists are herding groups who were predominantly involved in pastoral pursuits, and can hence be described as well off by local standards of wealth and social differentiation. However, they have over the years lost their livestock wealth to recurrent droughts, veterinary diseases, and intergroup conflicts to the point of being ejected from the pastoral livelihood system. Impoverished and desperate, the ex-pastoralists move from distant pastoral areas looking for survival alternatives in the surroundings of small woreda towns.

Culturally distinct ethnic groups

There are approximately 80 culturally distinct ethnic groups in Ethiopia. Traditionally, the great Ethiopian famines have occurred in the highlands where the more numerous ethnic groups live, not in the areas which the culturally distinct ethnic groups inhabit. Such groups have often had good environmental practices, leading to a higher survival rate than some of the more dominant highland groups. However, with climate change and the general shortage of land, the situation in some areas is now changing.

Women in male-headed and female-headed households

Experiences of vulnerability in Ethiopia are highly gendered. Women play a significant role in agricultural productivity (carrying out an estimated 40-60% of all agricultural labor) but have unequal access to resources and capacity-building opportunities. Female-headed households are more vulnerable to shocks and face multiple challenges that hinder their productivity, including differences in the levels of productive factors used and the returns that these factors generate.⁸ Household farm labor is less available to female headed-households, and they have competing household responsibilities; poorer-quality land, lower returns from farm inputs, and less knowledge of farming practices.⁹ There are also gender differences in human capital, access to resources, and access to agricultural extension services and inputs.

Unemployed rural youth

Unemployed rural youth includes boys and girls who have dropped out of school for various reasons at secondary or preparatory levels. Others are youths who have returned to live in their natal villages because of not finding work after completing technical and vocational training or university/college education. They live with their parents, mainly assisting in farming activities that no longer fully engage them because of the ever-declining land-to-person ratio. The problems are most evident where land scarcity and land fragmentation are at their highest. In years past when household size was not a concern, father and sons worked and lived together on household plots, which supported the entire family. However, as the size of households grew and the sons old enough to marry left the family, fathers had to share with them parts of the plots. In this process, household plots continued to be divided among a growing number of young household heads, with the result that the piece of land shared out became too small to feed a household. This has led to deepening poverty and food insecurity in the kebele.

Children

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

⁸ *Levelling the Field: Improving Opportunities for Women Farmers in Africa*, Washington, DC: World Bank, 2014.

⁹ *Ibid.*

Disabled

Over 6 million people in Ethiopia—7.6 percent of the total population—are disabled. The underlying causes of physical disability are often misunderstood in rural Ethiopia, often thought of as a curse from God. As a result, disabled people’s access to education is a challenge and rejection by family and society is common. Health care challenges also mean that mobility aids are not widely available; those who are unable to walk unassisted have no choice but to crawl.

Elderly

Elderly people are treated with respect in Ethiopia. Their accumulated knowledge and experience is recognized. In times of need, the elderly receive strong support and assistance from their families and communities. However, when families or communities themselves face problems, it is difficult for older persons to get the support and assistance they need. Some elderly persons who lack a social support network and cannot find work may turn to begging. It is also recognized that the Ethiopia’s long-standing culture of intergenerational solidarity and mutual support may be declining, and a result is increasing vulnerability, particularly among older persons.

Chronically ill and persons living with HIV/AIDS

Chronic illness and HIV/AIDS cause labor shortages in resource-poor households, preventing them from diversifying income activities. These people endure extended periods of pain and suffering and face high costs for treatment and medication, which may erode savings and make them dependent on family and friends. The chronic illness leads to the loss of their ability to earn a livelihood and support themselves. High levels of shame and fear may force some people into self-created isolation. In addition, the stigma associated with HIV/AIDS may leave such persons alienated in their household, community, and workplace.

3.2 Environmental Impact Assessment and Management System

3.2.1 Applicable policies, laws, and guidelines

The *1995 Constitution* of the Federal Democratic Republic of Ethiopia (FDRE) provides a framework for environmental protection and management. It deals with cultural rights, workers’ rights, sustainable development, environmental rights and obligations, and the rights of the people to be consulted on policies and projects that affect their communities.

- *Article 42*: Recognizes the rights of workers to reasonable limitation of working hours, to rest, to leisure, to periodic leaves with pay, to remuneration for public holidays, and to a healthy and safe work environment.
- *Article 43*: The right to development considers citizens’ rights to improved living standards and sustainable development and the right to participate in national development and to be consulted with respect to policies and projects affecting their community.
- *Article 44*: Environmental rights stipulations that all citizens have the right to a clean and healthy environment, and that those who have been displaced or whose livelihoods have been adversely affected as a result of state programs have a right to commensurate monetary or alternative means of compensation, including relocation with adequate state assistance.
- *Article 89*: Imposes obligations on the government to promote the participation of the people in the formulation of national development policies and programs, to support the initiatives of the people in their development endeavors and to ensure the participation of women in equality with men in all economic and social development endeavors. The general understanding on the people’s participation is that the people engage in the participation with decision-making powers.
- *Article 92*: Environmental objectives are identified as government’s endeavors to ensure that all Ethiopians live in a clean and healthy environment. The objectives also set out that the design and

implementation of programs should not damage or destroy the environment. Citizens have a right to full consultation and to expression of their views in the planning and implementation of environmental policies and projects that directly affect them. Government and citizens have the duty to protect the environment.

These constitutional provisions are highly related and are congruent with core principles 1-5 of OP/BP 9.00. They lay down general rules that could be further detailed in subsidiary legislation. It should be noted that the participation of people with decision-making right involves their sovereign capacity as set out in Article 8 (3) of the Constitution. This provision of the Constitution shows that one of the ways the people express sovereignty is through their direct democratic participation.

The *Conservation Strategy of Ethiopia* (CSE), adopted in 1996, takes a holistic view of natural and cultural resources and seeks to present a coherent framework of plans, policies, and investments related to environmental sustainability. The strategy consists of five volumes. Volume I evaluates the state of the natural resources, environment, and development in Ethiopia. Volume II presents a policy and strategy framework aimed at ensuring the sustainable use and management of natural resources. Volume III deals with institutional questions related to the implementation of the strategies defined in Volume II. Volume IV presents a plan of prioritized actions in a framework of 11 cross-sectoral and 11 sectoral programs. Volume V lists projects, some funded and being implemented, and others only proposed, with estimated costs. As the CSE contains strategies for the effective protection of the environment and social well-being and for the facilitation of environmental and social assessment and management systems, it goes hand in hand with the core principles of OP/BP 9.00.

The *Environmental Policy of Ethiopia* (EPE), adopted in 1997, covers biophysical, socioeconomic, and cultural heritage aspects of the environment, and is one of the most comprehensive environmental policies in the world. The overall policy goal of the EPE is to improve and enhance the health and quality of life of all Ethiopians and to promote sustainable social and economic development through sound management of the environment and use of resources so as to meet the needs of the present generation without compromising the ability of future generations to meet their own needs. In short, the main direction is toward ensuring sustainable development through sound social and environmental management. The policy provides a number of key guiding principles that are geared toward environmental and social well-being: recognition of the environmental rights of all persons; empowering communities so that they engage in decision-making; adoption of the precautionary principle; and ensuring public participation, especially that of women, in the development endeavors of the country through effective environmental management schemes.

This policy also incorporates 10 sectoral and 10 cross-sectoral policy components. The sectoral policies include the activities of the existing line ministries or departments, which include the providers of basic services. The cross-sectoral policies incorporate issues like environmental impact assessment, social and gender issues, community participation, and tenure and access rights to land and natural resources. In particular, the need to ensure environmental impact assessment considers impacts on human and natural environments; provides for early consideration of environmental impacts in project and program design; recognizes public consultation processes as essential to effective environmental management; includes mitigation and contingency plans; and provides for auditing and monitoring.

Forest Development, Conservation and Utilization Policy and Strategy (2007). The general objective of this policy and strategy is to meet public demand for forest products and foster the contribution of forests to enhancing the country's economy by appropriately conserving and developing forest resources. In addition to the general objective of the policy, which focuses on the economic relevance of forests, specific objectives of the policy underline the ecological function of forests.

National Energy Policy (1994). One of the policy objectives of the National Energy Policy is ensuring that the development and use of energy is benign to the environment. The policy states that ensuring the compatibility of energy resources development and use with ecologically and environmentally sound practices as one of its policy objectives. Paying close attention to ecological and environmental issues during the development of energy projects is one of the policy's priority areas.

3.2.2 Proclamations, regulations, and guidelines

Proclamation No. 295/2002: Establishment of Environmental Protection Organ includes the following objectives: (a) avoiding possible conflicts of interests and duplication of efforts by assigning responsibilities to separate organizations for environmental development and management activities on the one hand, and environmental protection, regulations, and monitoring on the other; and (b) establishing a system that fosters coordinated but differentiated responsibilities among environmental protection agencies at federal and regional levels. These objectives conform to the general policy and strategic guidance of the EPE and the CSE, as the Proclamation strives for decentralized institutional arrangements, and coordinated but differentiated responsibilities of all the concerned organs at federal and regional levels. The Proclamation seems to exhaustively list the environmental protection organs of the public sector: the federal Environmental Protection Authority (EPA),¹⁰ the Environmental Council, Sectoral Environmental Units (SEUs), and Regional Environmental Agencies. The Proclamation conforms to the core principles in that it organizes the environmental protection institutions in a manner that their functions should not interfere with that of sectoral organs. It gives power to these organs to formulate policies, strategies, laws, and standards that foster social and economic development in a manner that enhances the welfare of humans and the safety of the environment, and to ensure effective implementation. Although the Proclamation specifically rules that the environmental management and regulatory functions should be separate, since 2009, the former EPA delegated its major environmental regulatory functions—reviewing and approving Environmental Impact Study Reports (EISRs)—to line ministries such as the Ministry of Agriculture and the Ministry of Mines.

Proclamation No. 299/2002: Environmental Impact Assessment (EIA). The Proclamation requires assessment of possible impacts on the environment before the approval of a public instrument, with a view to providing an effective means of harmonizing and integrating environmental, economic, cultural, and social considerations into a decision-making process that promotes sustainable development. Under the Proclamation, development projects and programs that are likely to have negative environmental and social impacts are subject to an EIA process. With regard to development projects, Article 3(1) of the Proclamation stipulates that no person shall commence implementing proposed projects that are identified by a directive as requiring EIA, without first passing through an EIA process and obtaining authorization from the competent environmental agency. In line with this, Article 7 of the Proclamation requires project proponents to carry out EIA on them and submit the report to the concerned environmental organ, and, when implementing the project, fulfill the terms and conditions of the EIA authorization given to them.

Furthermore, Article 3 of the Proclamation obliges licensing institutions, before issuing investment permits or operation licenses to projects, to ensure that the relevant environmental bodies have authorized the implementation of the projects. In addition, Article 12 requires such licensing institutions to suspend or cancel the permit or license they have issued for projects if the concerned environmental body suspends or cancels the authorization given for the implementation of the project. These provisions are important to ensure that project owners comply with the EIA requirements. The Proclamation also provides for public participation in the EIA process. Article 15 requires environmental bodies to ensure that the comments

¹⁰ Since July 29, 2009, the rights and obligations of the federal EPA are transferred to the Ministry of Environment and Forest (MEF) by Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia (Amendment) Proclamation No. 803/2013.

made by the public, in particular the comments by the communities likely to be affected by the implementation of a project, are incorporated into the EIA study report as well as in its evaluation. To this effect, it further requires environmental bodies to make any EIA study report accessible to the public and solicit comments on it.

Environmental Impact Assessment Procedural Guideline (2003) aims to ensure the implementation of the EPE and compliance with EIA-related legal and technical requirements; assist interested and affected parties, especially communities, in realizing their environmental rights and roles; assist environmental protection organs and licensing agencies in discharging their roles and responsibilities; and establish partnership and networking among and between key stakeholders in EIA administration. It includes details about EIA processes and requirements and the roles and responsibilities of key actors in the EIA processes, including affected and interested parties.

Guidelines for Social, Environmental and Ecological Impact Assessment and Environmental Hygiene in Settlement Areas (2004) aim to strengthen the positive impacts and reducing or eliminate the negative impacts of social and economic activities on environmental well-being and human health in settlement areas. Carrying out voluntary and informed consultation, improving life sustainably, and improving environmental sustainability are three of the six principles of the guidelines. The guidelines require project proponents to describe the main negative environmental and social impacts anticipated from the implementation of project activities; devise mitigation plans for the negative impacts; and ensure that all phases of environmental and resource development and management, from project conception to planning and implementation to monitoring and evaluation are based on the decisions of the local people. They promote the perception of heritage conservation as part of, and integrated with, Ethiopia's general social and economic development.

Proclamation No. 209/2000: Research and Conservation of Cultural Heritage. Cultural heritage plays a major role in enabling generations to acquire profound and extensive awareness about their culture, knowledge systems, and history, which are expressions of their identity. An Authority for Research and Conservation of Cultural Heritage (ARCCCH) was established by Proclamation No. 209/2000. Its responsibilities include (a) carrying out scientific registration and supervision of cultural heritage so that cultural heritage would be handed down from generation to generation; (b) protecting cultural heritage against man-made and natural disasters; (c) enabling the benefits of cultural heritage to assist in the economic and social development of the country; and (d) discover additional cultural heritages and conduct in-depth study of all cultural heritages.

3.2.3 Institutional Roles and Responsibilities

The GoE is organized into a federal structure, comprising the federal government, nine regional states, and two chartered cities. The administration of EIA is shared between the federal government and regional states. The Environmental Protection Organs Establishment Proclamation No. 295/2002 established the institutions responsible for the regulation of EIA: the EPA (currently MEF), Regional Environmental Agencies, and the SEUs.

Ministry of Environment and Forests (MEF)

The MEF is the lead agency responsible for formulating policies, strategies, laws, and standards to ensure that social and economic development activities sustainably enhance human welfare and the safety of the environment as per Article 6 of Proclamation No. 295/2002. The regulation of EIA is one of the key responsibilities entrusted to MEF. MEF is responsible for establishing a system for undertaking EIA in public and private sector projects, developing a directive that identifies categories of projects likely to generate adverse impacts and require a full EIA, and issuing guidelines for the preparation and evaluation of Environmental Impact Study Reports as per Proclamation No. 299/2002, Articles 5 and 8.

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

Regional Environmental Protection Organs

Proclamation No. 295/2002 requires regional states to establish or designate their own regional environmental agencies. With regard to EIA, Proclamation No. 299/2002 gives such agencies the responsibility to review and approve EIA reports of projects that are licensed, executed, or supervised by regional states and that are not likely to generate interregional impacts. Regional environmental agencies are also responsible for monitoring, auditing and regulating the implementation of such projects. The institutional setup of regional environmental agencies varies between regions. In some regions (e.g., Amhara), they are established as separate bureaus accountable to the regional council, while in others (e.g., SNNP) they are an agency within the Bureau of Agriculture.

Sectoral Environment Units (SEUs)

The other environmental organs stipulated in Proclamation No. 295/2002 are SEUs, established in some of the line ministries at the federal level (Agriculture, Water and Roads); such structures are not yet in place at the regional level. SEUs have the responsibility of coordinating and implementing activities in line with environmental protection laws and requirements, as per Article 14, Proclamation No. 295/2002, in their sectors. SEUs play an important role in ensuring that EIA is carried out on projects initiated by their respective sectoral institutions.

The Proclamation, besides requiring the establishment of these environmental protection organs, has not indicated how the SEUs shall cooperate and functionally link to the MEF and the regional environmental protection agencies. In addition, no elaborated mandates have been vested in them by the Proclamation. The absence of such clear and elaborated mandates for the SEUs could be one of the reasons for the failure of the actual establishment of these organs in most of the sector ministries.

3.3 Social Impact Assessment and Management System

Although environmental management, as the term is used in Ethiopia, covers social issues, there are specific social issues of concern that justify particular attention.

3.3.1 Health and Worker Safety

Policies

Article 42(2) of the FDRE Constitution states that “workers have the right to a healthy and safe work environment,” signifying the fundamental obligations of an employer/government to take all necessary measures to ensure that workplaces are safe, healthy, and free of any danger to the well-being of workers.

One of the priority areas considered by the **Health Policy/1993** is the promotion of occupational health and safety. It also deals with the inter-sectoral collaboration scheme with the view to developing facilities for workers’ health and safety in production sectors.

Proclamations, Regulations, and Guidelines

The ***Labor Proclamation No. 377/2003***. The Proclamation underlines the importance of inspecting labor administration, particularly labor conditions, occupational safety and health, and work environment. It prescribes the obligations of employers in relation to workers' safety, ranging from taking appropriate steps to ensure that workers are properly instructed and notified about the hazards of their occupations and the precautions necessary to avoid accident and injury, to ensuring that work processes shall not be a source or cause of physical, chemical, biological, ergonomic, and psychological hazards to the health and safety of the workers. The Proclamation also imposes obligations on workers, such as obeying all health and safety instructions issued by the employer or by the competent authority.

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

The ***Public Health Proclamation No. 200/2000*** also provides for occupational health care to protect and control workers' health by preventing or reducing risks that may occur within working areas or related to occupation due to chemical, physical or biological agents.

The ***Radiation Protection Proclamation No. 571/2008*** aims to protect individuals, the society, its property, and the environment, in current and future generations, from radiation hazards emitted from radiation sources and related practices including X-ray machines above the exempted level of radiation.

The ***Environmental Impact Assessment Guideline on Pesticides*** sets rules and standards on the use of pesticides and on the mechanisms of reducing impacts on the safety of those who are dealing with it and on the environment.

The ***Environmental Pollution Control Proclamation No. 300/2002*** deals with the management of pollutants, including hazardous wastes deleterious to human safety or health or the environment.

Institutional Roles and Responsibilities

Ministry of Labour and Social Affairs (MoLSA)

MoLSA plays an overarching role and the sectors also take responsibility for health and safety issues in their specific areas.

Implementing Sectors

Implementing sectors such as Agriculture and Health are responsible for ensuring implementation of the Occupational Health and Safety Guideline.

3.3.2 Land Acquisition

Policies

According to ***Article 40(4) of the FDRE Constitution***, land acquisition, especially of individual holdings, is usually the last option when land is required for public purposes. Ethiopian peasants and pastoralists have the right not to be evicted from their landholdings. This constitutional guarantee can only be overridden for public purpose upon payment of commensurate compensation. Land is owned by the state in Ethiopia, and citizens are given only a usufruct right over their landholding.

Proclamations, Regulations, and Guidelines

The ***Rural Lands Proclamation No. 31/1975*** and the ***Government Ownership of Urban Lands and Extra Houses Proclamation No. 47/1975*** abolished private ownership of land. The FDRE Constitution provides (in Article 40 (3)) that land is the property of Nations, Nationalities, and Peoples of Ethiopia and cannot be subject to sale or other means of transfer or exchange. However, Article 40 recognizes the right of farmers to land and the right of pastoralists to free land for grazing and cultivation. The Constitution states that the state has the power to expropriate land in the interest of the public by paying compensation in advance commensurate to the value of the expropriated property. Article 44 of the Constitution states the right of displaced persons to financial or alternative means of compensation, including relocation with adequate state assistance.

On the basis of the framework provided by the Constitution, the GOE issued two proclamations: Expropriation of Land Holdings for Public Purposes and Payment of Compensation, Proclamation No. 455/2005 (Compensation Proclamation), and Rural Land Administration and Land Use, Proclamation No. 456/2005 (Land Proclamation).

The ***2005 Compensation Proclamation*** defines the basic principles that have to be taken into consideration in determining compensation to a person whose landholding is going to be expropriated. The Proclamation is applicable to both rural and urban lands. Land and property can be expropriated for a public purpose. The basis and amount of compensation payment is prescribed under Article 7 of the Compensation Proclamation:

- (a) A landholder whose holding has been expropriated shall be entitled to payment of compensation for his property situated on the land and for permanent improvements s/he made to such land.
- (b) The amount of compensation for property situated on the expropriated land shall be determined on the basis of replacement cost of the property.
- (c) Compensation for permanent improvement to land shall be equal to the value of capital and labor expended on the land.

Priority to land-for-land compensation

According to the 2005 Compensation Proclamation, a landholder is an individual, government, or private organization or any other organ that has legal personality and in lawful possession of the land to be expropriated and owns property situated thereon. Article 2 (3) notes that compensation is paid to those who have legally occupied the land and those who have property on such land developed through their labor and capital. Lawful occupants are expected to produce evidence of their legal landholding. The most important evidence for this is the landholding certificate; however, not all rural landholders may be able to produce landholding certificates, as the issuance of such certificate has not yet covered all rural landholders in the country. It was observed during the field trips that, in the regional states where landholding certificates have not been issued for all of the rural landholders (e.g., Benishangul-Gumuz), those who occupied land customarily or through other legal means were eligible for compensation payments.

Land Asset Classification, Valuation, and Compensation

A rural landholder whose landholding has been permanently expropriated (where substitute land is not available) shall be paid displacement compensation, in addition to compensation payable for property situated on the land and for permanent improvements made to such land, which shall be equivalent to ten times the average annual income s/he secured during the five years preceding expropriation of the land.

On the basis of Proclamation No. 455/2005 Article 7 for expropriation of landholdings for public purposes, compensation will be made at replacement cost. With this method of valuation, depreciation of structures

and assets is not taken into consideration. Compensation rates and valuation of properties are based on a nationally set formula based on data collected from local market assessments.

Valuation of property is done by certified institutions or individual consultants on basis of a valuation formula determined at the national level or, where such capacity does not exist, by a committee composed of five persons (in rural areas) designated by the woreda or city administration. Procedures for valuation are to be determined by specific regulations or directives. To this end, the Council of Ministers issued ***Regulation No. 135/2007 Payment of Compensation for Property Situated on Landholding Expropriated for Public Purposes***. Some regional states also issued further details through directives.

Procedures for Expropriation

The law requires that the expropriation order has to be given before relocation, and not less than 90 days before relocation; however, if there is no crop or perennial plant, farmland could be expropriated within 30 days of receipt of the expropriation order. The law regulates that compensation has to be paid before relocation.

Grievance Redress

Complaints are addressed by a grievance committee established by a woreda or city administration. The second level of grievance is a woreda or municipal appellate court, and the decision of the court will be final. According to the law, execution of an expropriation order will not be delayed by a complaint about compensation payments.

The ***(2005) Rural Land Administration and Land Use Proclamation No. 456/2005***, in addition to providing detailed rights and duties of landholders on rural lands, also regulates compensation payment in some of its Articles. For instance, Article 7 (3) provides that:

Holder of rural land who is evicted for purpose of public use shall be given compensation proportional to the development he has made on the land and the property acquired, or shall be given substitute land thereon. Where the rural landholder is evicted by federal government, the rate of compensation would be determined based on the federal land administration law. Where the rural landholder is evicted by regional governments, the rate of compensation would be determined based on the rural land administration laws of regions.

The basics of the rules related to compensation payment provided by the ***Land Proclamation*** are not different from those of the Compensation Proclamation. The Land Proclamation regulates the administration and use of rural land and recognizes farm, pastoral, semi-pastoral, and communal landholdings. It outlines a grievance redress and dispute resolution system. It requires that all landholding individuals be issued a certificate.

Institutional Roles and Responsibilities

The **Ministry of Agriculture** is responsible for implementing the Rural Land Administration and Land Use Proclamation (456/2005). The Ministry is also responsible for developing new policies and amendments to existing ones, and for establishing an information exchange on rural land use and administration issues.

The **Ministry of Urban Development and Construction** is responsible for resettlement planning in Ethiopia. This responsibility was transferred from the Ministry of Federal Affairs (MFA) according to the Proclamation on Revitalization of Federal Bodies/2006.

Regional states have the responsibility to enact rural land administration and land use laws with detailed provisions on implementation and to establish institutions to support implementation of these laws. Following establishment of the federal EPA, regional governments established the **Environmental Protection, Land Administration and Use Authority (EPLAU)**, responsible for administering rural land. Most EPLAUs are independent bureaus accountable to Regional Councils; however, a few are embedded in the Bureau of Agriculture and are responsible for providing technical and administrative support as well as carrying out a review and monitoring function for the implementation of regulations related to land acquisition.

Kebele, woreda, and city administrations are key players in implementing the land acquisition regulation and related guidelines. The woreda administration in rural areas and the city administrations in urban areas have the power to expropriate rural or urban holdings for public purposes. They are responsible for setting up resettlement and valuation committees and effecting compensation payments. The woreda administration is also responsible for establishing kebele-level implementation committees; clarifying the policies and operational guidelines of kebele compensation committees; establishing standards for unit rates, coordinating and supervising implementation by kebele compensation committee,s and ensuring that appropriate compensation procedures are followed (see Table 4).

Table 4. Compensation Committees

<i>Committee</i>	<i>Representatives</i>
<i>Woreda Resettlement and Compensation Committee</i>	<ul style="list-style-type: none"> • <i>Woreda Administrator or Deputy (Chair)</i> • <i>Head of Woreda Office of Finance and Economic Development</i> • <i>Head of Woreda Office for Pastoral Development</i> • <i>Head of Woreda Office for Women, Children and Youth</i> • <i>Head of Woreda Office/Desk for Environmental Protection and Land Use Administration (if structure available at woreda)</i> • <i>Representative from KDC and community leadership (traditional)</i>
<i>Kebele Compensation Implementing Committee</i>	<ul style="list-style-type: none"> • <i>Kebele Administrator (Chairperson);</i> • <i>The Development Agent (DA) (usually NRM DA);</i> • <i>Representative of Project-affected people</i> • <i>Village elder or clan leader (rotating position, with one leader representing a number of villages and attending in accordance with the village and affected party being dealt with)</i> • <i>Chairperson of Community Project Management Committee</i>

3.3.3 Vulnerable Groups

Policies

The **EIA Proclamation** is holistic in that it encompasses human/social as well as biophysical aspects. It provides an effective means of harmonizing and integrating environmental, economic, cultural, and social considerations into a decision-making process that promotes sustainable development. It also defines *impact* to include any change to the environment or to its component that may affect human health or

safety, flora, fauna, soil, air, water, climate, natural or cultural heritage, or other physical infrastructure, or in general subsequently alter environmental, social, economic, or cultural conditions.

Article 39 of the Constitution of Ethiopia recognizes the rights of groups identified as “Nations, Nationalities and Peoples,” defined as “a group of people who have or share a large measure of common culture or similar customs, mutual intelligibility of language, belief in a common or related identities, a common psychological make-up, and who inhabit an identifiable, predominantly contiguous territory.” The Constitution recognizes their right to self-determination, including the right to secede; speak, write and develop their own languages; express, develop, and promote their cultures; and preserve their history; and their right to self-government (including the right to establish institutions of government in the territory that they inhabit and equitable representation in state and federal governments). The Ethiopian Constitution also recognizes the rights of pastoral groups inhabiting the lowland areas of the country. Article 40 (4) states, “Ethiopian pastoralists have a right to free land for grazing and cultivation as well as a right not to be displaced from their own lands.” Article 41 (8) also affirms, “Ethiopian...pastoralists have the right to receive fair prices for their products, that would lead to improvement in their conditions of life and enable them to obtain an equitable share of the national wealth commensurate with their contribution.” This objective guides the State in the formulation of economic, social, and development policies.

The GoE has designated four of the country’s regions—Afar, Somali, Benishangul-Gumuz, and Gambella, which have limited access to socioeconomic development and historic underserved status—as **Developing Regional States**. In this respect, Article 89 (2) states, “The Government has the obligation to ensure that all Ethiopians get equal opportunity to improve their economic situations and to promote equitable distribution of wealth among them.” Article 89 (4) states: “Nations, Nationalities and Peoples least advantaged in economic and social development shall receive special assistance.”

One of the objectives of the **1997 Cultural Policy of Ethiopia** is to enable the languages, heritage, history, handicraft, fine arts, oral literature, traditional lore, beliefs, and other cultural features of the various nations, nationalities, and peoples of Ethiopia to receive equal recognition and respect; and to preserve and conserve them and pass them on to future generations.

In November 2014, the GoE approved a **Social Protection Policy** that lays out a vision for social protection in Ethiopia. The policy identifies five key strategic focus areas: (a) social safety nets; (b) livelihood and employment promotion; (c) social insurance; (d) access to health, education, and other social services; and (e) addressing violence, abuse, and neglect and providing legal protection and support. Overall, the policy commits the government to move beyond the partial, and fragmented, provision of social protection to establish a social protection system. The policy also provides a framework for the coordination and provision of social protection services in Ethiopia. It defines the roles and responsibilities of the government at the federal, regional, and local levels in managing the social protection system to progressively fulfill the constitutional rights of citizens. The policy defines the vulnerable as children, older people, people with disabilities, and the chronically ill.

The **National Policy on Ethiopian Women (1993)** underlines key issues like improving working and health conditions for women; protecting women from harmful traditional practices; empowering women in education and property rights, especially land rights; and engaging them in decision-making. It also underlines the need to draw on women’s knowledge, skills, and labor for the overall development of the country.

Institutional Roles and Responsibilities

The Directorate of Equitable Development within the **Ministry of Federal Affairs (MoFA)** is responsible for coordinating multi-sectoral support to promote equitable development, with emphasis on delivering

special support to the developing regions. The Directorate is also replicated at the regional and woreda levels in the four developing regions.

The **Ministry of Labor and Social Affairs (MoLSA)** is responsible for coordination and implementation of the 2014 Social Protection Policy. Given the multidimensional nature of the policy implementation, a Federal Social Protection Council (FSPC) will be established, with members drawn from the relevant federal offices and other stakeholders. To implement the Policy, as per the federal structure, similar institutional arrangements and accountability mechanisms will also be established at the regional, zonal, woreda, and kebele levels.

The **Ministry of Women Affairs (MoWA)** is responsible for following up on the implementation of international conventions and national laws pertinent to women, children, and youth; conducting research and preparing policies and guidelines; collaborating with organizations working on women's, youth, and children's issues; and performing capacity-building activities to ensure the equal participation of and benefit by women and youth in the political, economic, and social spheres and the protection of children's rights and security. MoWA also has regional bureaus in all eight regions of Ethiopia.

3.3.4 Grievance Redress and Social Accountability

Policies

The Constitution provides a broad framework for systematizing the grievance redress mechanism (GRM) concept, with its emphasis on respect for human rights and fundamental freedoms, especially the right of access to justice, rule of law, and democratic governance. The ***Civil Service Reform Program (CSRP)*** (1996) influenced reforms to the federal and regional state administrative systems, providing the stimulus for the GRMs that are being implemented in various jurisdictions, particularly in the regional states. Subsequently, the GoE pushed the GRM concept even further toward sustainability by making grievance redress a key goal of the ***Business Process Reengineering (BPR)*** initiative. The handling of citizens' grievances was given an important place in the BPR package that was distributed to regional and woreda governments, and a draft grievance handling guideline was circulated as part of the BPR package. Thus, the BPR provided the impetus and the initial template for the establishment of GRMs in a number of regional states and municipalities, most notably Tigray, SNNPRS, Benishanghul-Gumuz, and Addis Ababa. The GRM covers a wide range of sector-specific grievances across national and subnational governments.

Proclamations, Regulations, and Guidelines

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

A number of regional states (most notably Amhara and Tigray) have begun creating grievance procedures approximating international standards, provide citizens with a forum to complain about governmental maladministration and seek redress for any harm done them. Amhara has grounded its grievance redress mechanism in legislation approved by the regional cabinet council. Tigray used Amhara's GRM procedures as a benchmark for its draft regulation and procedures manual. Other regional states—SNNPR, Benishanghul-Gumuz, and Oromia—used the GRM from the two regional states as a template for strengthening their existing GRMs by introducing new work processes through business process re-engineering or by enacting regulations that provide strong legal underpinnings for new GRMs. ***ANS Directive No. 7/2002*** provides for an expeditious decision-making system with regard to expropriation of urban land. It sets out the composition of the jury members: a justice officer as chairperson, two residents of the town where the land is located, and two representatives of government offices. The decision of the

Appeals Court regarding basic land expropriation issues is final; however, an appellant could take the cases related to the amount of compensation, delays in payment, or similar cases all the way up to the High Court.

Institutional Roles and Responsibilities

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

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

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

Sector-Specific Handling and Voicing Mechanisms

Every institution in the health sector, including the FMOH, has established “complaints handling committees” that are accountable to the head of the concerned institution, and led by the top official of the institution assigned by the head of the concerned agency. The Water and Roads service delivery agencies have also established mechanisms through which community members express their concerns and complaints.

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

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

The **Ministry of Finance and Economic Development** oversees the *Ethiopia Social Accountability Program Phase 2* through a Steering Committee, chaired by a State Minister.

3.4 Sector-specific policies, laws, and guidelines in the ESPES -supported sectors

Agriculture Sector

Under the *Agriculture Development-Led Industrialization (ADLI) Policy* (1993), the sector effectively functions to fulfill national food security needs, absorb the majority of unskilled or semi-skilled labor, and produce raw materials for industry and export items to secure foreign currency while paying special attention to supporting smallholder and vulnerable communities and protecting the natural environmental

resource base. The policy focuses on female farmers, vulnerable groups, and pastoralists as well as those living in arid and underserved pastoralist areas where pasture and water are in scarce supply. The *Agricultural and Rural Development Strategy (2003)* is complementary to ADLI and emphasizes different strategies for different agro-ecological zones, provides for improved access to domestic and export markets, and promotes rural infrastructure in all the sectors that the ESPES is supporting to create better accessibility to services for communities living in remote areas.

The *Food Security Program (2010)* is focused on providing predictable food and cash transfers to chronically food-insecure households in return for labor on public works projects, in particular community-based watershed rehabilitation. The program has been protecting and building the assets and productive base of food-insecure households in underserved and vulnerable communities, enabling them to have better access to services such as education and agricultural inputs, in addition to crop specialization and diversification

Education Sector

The *Education and Training Policy (2014)* and its current Education Sector Development Program (ESDP) are embedded in equity and inclusion in fulfillment of constitutional obligations. The policy has introduced the right to free primary school education and has placed emphasis on reaching children who are not in school, reducing gender disparity in educational opportunities, and targeting enrollment gaps between regions and populations in the country. Quality, equity, and access have been promoted as additional targets of the past and current ESDPs, as a result of which many vulnerable and underserved communities have primary schools, alternative basic education centers, and functional adult learning centers.

The *National Strategy for Alternative Basic Education (2006)* developed a well-planned, -organized, and -coordinated alternative basic education system (targeting children aged 7-14) to provide opportunities for out-of-school children in vulnerable and disadvantaged communities while also addressing such issues as cultural barriers, child labor, and the protection of the rights of the child.

The *National Special Needs Education Program Strategy (2006)* aims to provide inclusive education to vulnerable children with disabilities. It helps to support the estimated 90% of children with disabilities who are not receiving full-time education, identifying and removing the barriers that hinder learning and participation in schools, promoting better teacher education and educational management in general, and creating positive perception about disability. The *Guideline on Mobile Education (2008)* provides for basic education to communities that are mobile for more than 4 months in a year, targeting children 7- 14 in disadvantaged and underserved population groups in pastoralist communities and Emerging Regions. The opportunity for educational development in the country is further supported by the *National Girls Education and Training Strategy (2010)*, which focuses on increasing the enrollment, retention, and achievement of female students from primary to graduate school and also targeting girls and women in the teaching profession. It addresses both demand- and supply-side constraints—developing and implementing gender-sensitive curricula, improving the ratio of women in leadership and teaching positions, strengthening capacities for gender-sensitive M&E, and promoting community and school-based mechanisms to increase girls’ participation.

Water Sector

Federal Water Policy (1999). The Federal Water Resource Policy, formulated by the then-Ministry of Water Resources,¹¹ aims to enhance and promote all national efforts toward efficient, optimum, and

¹¹ Now renamed the Ministry of Water and Energy, in accordance with the Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 691/2010.

sustainable use of the country's water resources for socioeconomic development. A Water Sector Strategy, developed to translate the Water Resources Management Policy into action, has the following guiding principles:

- Water resources development shall be underpinned by a rural-centered, decentralized management, and participatory approach.
- Management of water resources shall ensure social equity, economic efficiency, systems reliability, and sustainability norms.
- Promotion of community participation, particularly women's participation in the relevant aspects of water resources management.

Health Sector

The ***National Health Policy*** (1993) provides for quality primary health care services for all segments of the population, with a focus on poor and disadvantaged groups, including women, children, pastoralist communities, and the urban poor. The current health sector development plan, based on the principle of social equity in health provision, is still used as the policy's major implementation instrument. With the support of the Health Extension Program, 16 Health Extension Packages are being implemented in both rural and urban areas of the country. The hygiene and sanitation component of the policy is further complemented by the ***National Hygiene and Sanitation Strategy*** (2005), which, among other things, addresses the needs of vulnerable groups, including people living with HIV/AIDS; it also addresses menstrual hygiene management, which affects girls' enrollment and educational performance. The ***HIV/AIDS Policy*** (1998) presents a structured sets of ideas to address the AIDS pandemic from different directions (health, social, economic, political), focusing on the people directly affected by the virus, orphaned children, and the public at large. Similarly, the ***National Plan of Action on Disability*** (2012) is focused on equal opportunities for people with disabilities to access basic social services, creating a legal instrument that the PBS 3 could use in its advocacy, planning, and execution.

Rural Roads Sector

The Rural Roads Sector is guided by Road Sector Development Plans that aim to provide access to previously neglected food-deficit rural areas to support efficient production, exchange, and distribution throughout the country. Rural roads provide access to the other basic social services the PBS 3 project is working on, despite the fact that much more must be done to construct rural highways and access roads across rural communities in the country, particularly in the Emerging Regions. In this regard, the Universal Rural Roads Access Programme (URRAP) was initiated in 2011, in line with the GTP. The GTP is directed toward achieving Ethiopia's long-term vision of sustaining rapid and broad-based economic growth, transforming the country's economy from a subsistence-based agrarian economy into a modern, industrialized economy underpinned by the agricultural sector. In line with the strategic objectives for Ethiopia's economic development, the Road Sector Development Program (RSDP-IV) is closely aligned to the objectives of GTP. The roads subsector has targets for the improvement and expansion of the country's road network, and these targets have been influenced by the needs assessment of the required road infrastructure with respect to the Millennium Development Goals.

4. FINDINGS: TYPICAL ENVIRONMENTAL AND SOCIAL EFFECTS OF ESPES - SUPPORTED SECTORS

4.1 General

The IGFT or block grant mechanism is primarily focused on recurrent expenditure—salaries and operational and maintenance costs. Approximately 85% of local-level allocations finance recurrent expenditures, the majority of which is for the salaries of front-line service providers (teachers, agricultural development agents, and health extension workers). These activities are not expected to directly create negative environmental and social effects. However, the ESPES provides an opportunity to strengthen environmental and social management systems for managing possible capital investments, from 10-15 percent of the block grant allocation, in the ESPES-supported sectors (education, health, agriculture, water, and rural roads), which might generate such effects.

Potential environmental and social impacts that could arise from a wide range of woreda-level projects and programs developed by sectors supported by ESPES include biophysical and social impacts of small-scale irrigation, minor changes in land use, social conflicts as a result of downstream impacts, and impacts on vulnerable people living in remote areas. Other impacts may include any effects on biodiversity and cultural resource areas; natural habitats; physical cultural property; community, individual, or worker safety; management of hazardous materials; and land acquisition or resettlement. The environmental and social effects of activities typically implemented by the ESPES-supported sectors at the woreda level are generally site-specific and temporary. Experiences from the implementation of the PBS 2 Local Investment Grant (LIG) pilot indicate that, for the most part, negative environmental and social effects can be prevented or mitigated with standard operational procedures and proper use of the country EIA Proclamation, procedures, and guidelines.

Because the six core principles that are incorporated in OP/BP 9.00 go beyond the traditional coverage of EIA, the ESSA covered issues such as conflict resolution and worker safety, in addition to potential issues related to the equitable access to the services delivered by the five basic services supported by the ESPES and the ability of these services to meet the needs of the most vulnerable and underserved groups.

Environmental and Social Impact Assessment during PBS 2 Local Investment Grant (LIG) Pilot

The PBS 2 Local Investment Grant pilot subprojects were implemented in 99 woredas, in all regions (excluding Addis Ababa), between 2009 and 2011. Because of the small capital investment and civil works financed under the LIG, some World Bank safeguard policies were triggered: OP 4.01, *Environmental Assessment*; OP 4.09, *Pest Management*; and OP 4.12, *Involuntary Resettlement*. An Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) were developed to manage the environmental and social effects of the LIG subprojects. More than 400 regional and woreda officials were trained in the application of these instruments. However, the capacity built during the LIG pilot implementation was not adequately transferred to regular government programming. Uneven institutional capacity, particularly at woreda level, in applying the instruments was observed during the field visits.

4.2 Potential environmental effects

The environmental effects of the activities of the sectors supported by ESPES at the woreda level are assumed not to be significant, since most of the works are relatively small and confined to limited geographical areas. However, where there are environmental risks, (a) mitigation works can effectively reverse the potential negative environmental and social effects; and (b) consultation and public participation, with the possibly using local knowledge, could help reduce or avoid negative effects.

Environmental Implications of Construction Activities

Some activities, such as sourcing of construction materials (gravel, quarry, sand etc.) from borrow pits and gravel pits, can potentially result in the complete removal of vegetation and could negatively affect the fauna and flora of the area. In addition to the potential minor displacement of people, some activities of the sectors supported by the ESPES program at woreda level could lead to the loss of important ecological resources for local people, vegetation that provides watershed protection, and the depletion of biodiversity of national or international importance.

Implications for Physical Cultural Resources

The physical cultural resources aspect of the EIA is frequently not given due attention, despite the fact that Ethiopia is particularly rich in tangible cultural heritage. To ensure that impacts are not overlooked, it is important to screen all woreda-level projects for possible impacts on physical cultural resources, and to be alert to the possibility of chance finds.

Potential for Soil Erosion

Soil erosion could result around infrastructure developments, undermining the foundation of the infrastructure itself and reducing its operational life span. Soil erosion, especially alongside roads, can also result in the loss of productive farmland or forests, as well as the silting of nearby watercourses, unless the engineering design specifications include the mitigation of negative consequences.

Potential for Depletion and Pollution of Surface and Groundwater Resources

Water required for construction purposes could potentially place greater demand on both surface and groundwater resources. If discharges from structures like health institutions are released into nearby water systems, they could have an adverse impact on water quality, resulting in pollution with solid waste debris, wastewater, and silt. The risk that the woreda-level of activities in the sectors supported by the ESPES will over-extract groundwater remains very low.

Cumulative Impacts

ESPES-supported sector activities may not necessarily cause adverse environmental and social impacts individually. However, that does not mean that they will not cause adverse environmental and social impacts in combination with other government or private sector interventions. Therefore, their potential to cause cumulative impact could be significant.

Cumulative impacts can be significant even when the principles of prevention and mitigation of impacts of individual projects are properly worked on with careful planning, based on sound technical knowledge of the location, size, and material requirements of project activities. Therefore, Strategic Environmental Assessment (SEA) of programs could be considered to address cumulative impacts, and training on SEA may be built into the capacity-building efforts.

4.3 Potential Social Effects

Although the ESPES will not fund any activities with negative social impacts, sectors supported by ESPES are likely to implement projects that may require the implementation of mitigating measures related to loss of assets, and so on. To this end, the findings of the recent (2015) PBS 3 Enhanced Social Assessment and Consultation have been integrated to address Core Principle 5: Vulnerable Groups, which goes beyond the traditional coverage of EIA, in Ethiopia.

Land acquisition

Each sector requires land for the construction of social infrastructure. However, land acquisition impacts are not expected to be significant. The ability of those responsible for land acquisition to ensure proper consultation and compensation is a concern.

Social conflict

Pastoralist and agro-pastoral communities are known to have complex social relations, and to be prone to conflicts. This increases the social risks associated with ESPES-supported sectors. Sectors may develop social infrastructure subprojects that may require acquisition of land and reduce access to natural resources and thereby potentially result in loss of livelihoods. Downstream riparian impacts related to the water sector are particularly important to consider.

Worker health and safety

Unless both employers and workers observe the necessary safety precautions and accident prevention rules prescribed by Labor Proclamation No. 377/2003, serious negative health and safety impacts on workers may occur. The negative impacts in relation to the sectors supported by the ESPES at woreda level are not pronounced, because of the type and scale of activities. Nonetheless, the ESPES -supported sectors could undertake some activities at the woreda level that may pose health and safety concerns to workers. For example, the use of agrochemicals may put the health and safety of the workers (or even the community) using these chemicals at risk, unless the labor laws are properly applied. Health and safety is also an important issue for the roads sector.

Cultural inappropriateness

The ability of ESPES -supported sectors to deliver culturally appropriate services is a concern. The (2015) PBS 3 Enhanced Social Assessment and Consultation found that this is particularly important for pastoral groups and those with distinct cultures.

Pastoral

Community consultations revealed the need for strengthening pastoralist-adapted basic services—for example, providing health and school services that are adapted to the livelihood challenges, patterns, and way of life of pastoralists. Consultations also revealed the need for appropriate communications materials and increased awareness-raising that take the community culture and traditional institutions into account. In relation to the citizen engagement component, innovative approaches should be encouraged.

Gender

The (2015) PBS 3 Enhanced Social Assessment and Consultation revealed that many women are not comfortable interacting with male health professionals. For cultural reasons, women often avoid using health services offered by male professionals, preferring to seek the service from a female professional. It is therefore more appropriate to have female HEWs in such community contexts. It was also recommended that more steps be taken to ensure that female HEWs are hired in pastoral communities where there are gaps, as in such communities it is often against cultural norms for women to interact with male HEWs.

Culturally distinct ethnic groups

It is important to recognize and build on the strengths of individual community cultures. Basic service delivery should ensure that positive images in relation to unique community cultures are incorporated. Strengthening linkages with communities is important in this regard, and the assessment revealed how strong relationships between service user and service provider open pathways to incorporating innovations into the delivery of basic services that result in better delivery for the most vulnerable underserved populations.

Many communities are especially attached to and dependent on land and water resources, and they see these resources as having to be equitably shared. Therefore, their participation and inclusion in annual planning processes is particularly important to ensure that their community cultural values related to the environment, in particular, are incorporated into their community development plans. The use of good demand-driven technical advice in the right context can be successful; the standard way of doing things does not always work for these groups, and they may require special concessions.

Vulnerable Groups

In accordance with Core Principle 5: Vulnerable Groups, the issues of equitable access are addressed under the following headings:

Equitable access to services delivered by five ESPES-supported sectors

Experience suggests that woreda-level spending on education is particularly pro-poor: 58 percent goes to the two bottom wealth quintiles.¹² Experience also finds that spending on basic services—and especially on education—is reaching females. Regarding the health sector, there is evidence of positive effects of HEWs on the bottom two wealth quintiles across six health indicators: measles vaccination, ANC, delivery, contraceptive prevalence rate, child mortality and under-five mortality. For measles vaccination rates, ANC, and delivery attended by a skilled birth attendant, households in the poorest quintile are actually showing the largest improvements.¹³ In agriculture, woreda-level spending (primarily for agricultural extension workers) drives increases in output and the adoption of new, improved methods across all asset quintiles, although the magnitude was smaller for the bottom quintile, perhaps because of a lack of financing to purchase productivity-enhancing inputs.

While the decentralized nature of the ESPES is in line with the needs of the most vulnerable and underserved groups in Ethiopia—it lends itself to the management of the service delivery closer to communities—there may be deficiencies in woreda-level capacity to ensure good management.

Ability of five basic service sectors to meet needs of most vulnerable and underserved groups

The (2014) PBS 3 Enhanced Social Assessment and Consultation discussed a wide range of topics related to the ability of the five basic service sectors to meet the needs of most vulnerable and underserved groups. Vulnerability makes it more important for these groups to receive services, because they have no alternatives. For that reason, the quality of the services delivered matters even more than for the other beneficiary groups. A number of issues were common to all communities consulted:

- The nature of the interactions between front-line workers and beneficiaries is critical to the provision of services to the most vulnerable and underserved groups.
- Technical orientation among front-line staff is not sufficient; there is a need to strengthen the social orientation of front-line staff working in these most vulnerable and underserved communities.
- Vulnerability limits the ability to create the necessary demand for services.

¹² Khan, *et al.* (2014) *Improving Basic Services for the Bottom Forty Percent: Lessons from Ethiopia*, Washington, DC: World Bank Group (p.30).

¹³ Khan, *et al.*, *op. cit.*

5. FINDINGS: CAPACITY ASSESSMENT FOR MANAGING ENVIRONMENTAL AND SOCIAL EFFECTS RELATED TO ESPES-SUPPORTED SECTORS

This PforR will rely on the institutional structure and implementation arrangements developed for PBS, including the joint DP management architecture under the PBS Secretariat.

ESPES support goes largely to the woreda level. Therefore, the capacity assessment for environmental and social management principally focused on the *woreda level*. The following sections describe the regional-level organizational arrangements and present the main findings of the woreda capacity assessment. Note that Federal level roles and responsibilities are covered in Chapter 3.

5.1 Regional Level Organizational Arrangements

Oversight Bodies

Bureaus of Environmental Protection, Land Administration and Use (EPLAU)

Regional-level EPLAUs are mandated to coordinate and oversee environmental and social impact assessment and management issues. However, the institutional setup for environmental and social assessment and management varies between regions. For example, in SNNP it is organized as a Natural Resources and Environmental Protection Authority under the Agriculture Bureau.

Insufficient Monitoring/Auditing

Most bureaus do not check if investments are complying with the environment and social requirements set out in the Federal EIA Procedural Guidelines. Overall, the implementation of mitigating measures is not regularly monitored or evaluated. This appears to be mainly due to capacity challenges—a limited number of experienced staff in addition to frequent staff turnover, excessive workload, and limited transportation and other facilities.

Review of Environmental Impact Study Reports

Some regions have started to require EIA for projects for both private and public sector investments. For example, EPLAUs in some regions are enforcing the EIA requirement and actively engage in the review and approval of EIA Study Reports. However, the majority of regions require EIA only for large-scale projects. Nonetheless, EPLAUs may face capacity challenges that prevent their reviewing all EIA documents submitted on time. As a result, some projects are approved without completing the EIA.

Coordination between Implementing Sectors and Oversight Body

In most regions, it was observed that there is little coordination and communication between implementing sectors and the main oversight body (EPLAU). However, some EPLAUs have awareness creation forums and workshops to build the capacities of the sectoral offices on environmental and social assessment and management. Key informant interviews indicated that if budget and other challenges could be resolved, other Regional EPLAUs would be very interested in committing to organizing regular campaigns to improve awareness of environmental and social management issues at both woreda (i.e. ESPES implementing sector offices) and community levels.

Regional Adaptation of Federal Guidelines

Most regions are using the Federal EIA Procedural Guidelines, but many have not yet adapted them to their specific contexts.

Bureaus of Labor and Social Affairs (BoLSA)

Bureaus (agencies in some regions) have been established in all regions visited to coordinate the implementation of the (2014) Social Protection Policy. However, the line structure does not reach the woreda administrative level in all regions (i.e., Amhara, Somali). There are also human resource gaps. The Social Protection Strategy assigns MoLSA the critical role of linking vulnerable groups to the services they need, developing MIS and a registry of most vulnerable households in the country. MoLSA will also set standards for targeting and otherwise provide the platform needed to ensure that all sectors are in line with the policy. For example, MoA and other are part of the platform.

BoLSAs may also implement programs and provide services targeted at vulnerable groups. In practice, however, they engage with sectors on implementation and ensure that the social protection dimension is included in services and programming. MoLSA may also monitor programmes and ensure that appropriate processes are in place.

BoLSAs are also responsible for following up on the implementation of occupational health and safety standards. In cooperation with concerned stakeholders, they undertake and facilitate the implementation of studies on ensuring and improving the social well-being of citizens, particularly related to (a) creating enabling conditions for persons with disabilities to benefit from equal opportunities and full participation, and (b) providing care to the elderly and encouraging their participation.

Bureaus of Women, Children and Youth Affairs (BoWCYA)

BoWCYAs are relatively new to most regions, playing a cross-cutting coordination role to ensure that gender issues, in particular, are mainstreamed into other sectors. Responsibilities include:

- Ensuring that government and nongovernment organizations include the issue of gender in project design and implementation;
- Working toward the economic empowerment of women;
- Ensuring that women are benefiting from social amenities and their rights are protected, and
- Organizing women to exercise their economic, social, and political rights and duties.

ESPES-supported Implementing Sectors

Bureau of Agriculture (BoA)

Bureaus limit environmental and social impact assessment and management issues to investments related to small and micro-irrigation and construction of Farmer Training Centers (FTCs). In addition they carry out the following activities:

- Feasibility studies, including EIA,¹⁴ for small and micro-irrigation projects by commissioning private consultants. However, this is not done comprehensively.
- During site selection and construction of FTCs, efforts are made to engage the community through their elected bodies to avoid evicting farmers from their land-holdings or if displacements occur. Bureaus ensure that proper compensation and grievance redress measures are taken.

In general, the key informant interviews with BoA staff found that there is an understanding of and appreciation for the fact that more should be done regarding environment and social impact assessment and management. However, BoAs have not yet been able to build their capacity to handle this. For example, because all regions lack staff with training on ESA, the sector assigns unqualified staff to handle EIA activities.

¹⁴ EIA is used to describe ESIA throughout this report (i.e., EIA includes SIA).

Regarding social management in relation to vulnerable groups, there is a general lack of knowledge and awareness about mechanisms for addressing social issues. The 2014 PBS 3 Enhanced Social Assessment and Consultation found that there is a need to review the training of DAs and to strengthen their recognition of the opportunities for agricultural activities on the part of women, in terms of communication, social sensitivity, appropriate packaging of agricultural services, and so on. The assessment also noted the importance of developing the extension service to address the special needs of each group and build on and incorporate traditional strengths; packages may have to be modified and training may have to be adapted for culturally distinct ethnic groups to include more intensive capacity-building activities in addition to access to regular packages. The consultation with regional and federal government staff on the draft ESSA noted that there is overall weak accountability within the agriculture sector related to social management in relation to vulnerable groups, especially in special and remote woredas.

Bureau of Education (BoE)

BoEs attempt to take environmental and social assessment and management issues into account in relation to school construction—for example, in such precautions in selecting school construction sites as the following:

- Striving not to displace individual farmers from their landholdings;
- Making efforts not to use communal grazing fields or cultural and spiritual sites for school construction; and
- Avoiding sites with large trees and preventing deforestation during construction.

Fieldwork found that while some good management initiatives are under way in school environmental clubs (e.g., tree planting, nursery development, soil and water conservation) and that to some extent environmental and social issues are on the BoEs' radar screens, proper EIA procedures are not followed while undertaking these activities.

The 2014 PBS 3 Enhanced Social Assessment and Consultation found that the education services provided to pastoral communities generally lack effectiveness, and that pastoral-adapted methods of providing education should be further developed and strengthened wherever appropriate.

The assessment also found that it is not possible to separate education from socioeconomic context. For example, many children cannot be spared by their families to attend school as they have to look after livestock to generate income. In addition, personal items that are necessary for students to attend school are often not available in the poorest, most vulnerable communities. Therefore, awareness is not sufficient in such cases. It was also found that education authorities rely to some extent on communities to maintain education facilities. In the context of the most vulnerable and underserved groups, this is not appropriate.

Bureau of Health (BoH)

The activities carried out by the BoHs that may raise environmental management issues are the construction of health facilities and disposal of solid and liquid waste from health facilities. What is being done currently is related to precautions taken in selecting construction sites for health facilities, and in some cases use of the guidelines developed by the Ministry of Health for proper waste disposal. Though there are sanitation and hygiene experts in many health facilities, vetting projects for their environmental and social effects is not common.

In relation to social management, it is important that BoHs ensure that services are delivered in ways that are culturally appropriate. For example, the 2013 PBS 3 Enhanced Social Assessment and Consultation found that it is difficult in some pastoral areas to recruit qualified local women to fill the HEW positions, and men may have to be recruited. However, in some communities the employment of men as HEWs is incompatible with the cultural tradition for women to interact with female HEWs. It was also noted that

pastoral communities have special needs in relation to their unique livelihood patterns (e.g., mobile health teams).

It is important that BoHs in all regions provide specialized training to health professionals working with the most vulnerable groups, including pastoral communities. Bureaus may also consider innovative solutions to challenges in pastoral areas, where the “last mile” of health care delivery is particularly difficult to achieve.

Bureaus of Water (BoW)

The BoWs are mainly engaged in rural and urban clean water development. In undertaking these activities, Bureaus do not conduct EIA; rather, they include environmental and social issues in project feasibility studies and ensure that the sites for water well construction are not current or previous worship areas or abandoned burial grounds, or exposed to contamination from industrial waste and so forth, and that springs to be developed are economically cost-effective and traditionally acceptable.

Fieldwork found that in recognition of risks (e.g., abandonment of a project because of sociocultural inappropriateness or location) the water sector is increasingly recognizing the importance of community consultation during project design. The 2014 PBS 3 Enhanced Social Assessment and Consultation also found that water staff have insufficient sensitivity to and knowledge of social issues to be able to perform their function satisfactorily in highly vulnerable communities. To this end, there is a need to strengthen the social orientation and social training of front-line staff working in the most vulnerable and underserved communities.

Rural Roads Authority (RRA)

Rural roads are constructed with community participation and supervision by woreda Rural Roads Offices and Desks. Environmental and social issues are included in project feasibility studies. The following precautions are taken to address environmental and social concerns:

- Engaging the community in route selection. Individuals who have better knowledge of the terrain and the whole surrounding area are invited to participate and contribute their knowledge.
- Historical sites and cemeteries are avoided.
- Efforts are made to ensure that proper compensation is provided for displacement and loss of assets.

As in the other sectors, there is a need to contextualize basic services that are provided to the most vulnerable groups. It is also important, if communities are to be involved in the selection of land to be used for roads construction that proper grievance redress systems and compensation committees are functioning.

5.2 Woreda-level Capacity Assessment

The woreda-level capacity assessment is organized into five thematic areas: coordination, human resource capacity for environment and social management, environment and social management guidelines and procedures status of EIA, and community engagement.

In the *oversight offices* visited, staff are available to work on environmental and social management. However, the main shortcomings are related to the fact that there is very little direct involvement in either environmental and social impact assessment or management, although many regions have procedures designed for this purpose.

The *implementing agencies* generally they have very low numbers of staff available to handle environmental and social issues, although projects have the potential for negative environmental and social impacts. In general, developing regions face more capacity challenges.

In general, both oversight bodies and implementing agencies have weaker capacity for social management.

The following text looks at cross-cutting conclusions in terms of woreda-level environmental and social management capacity, distinguishing capacity in the larger regions from that in developing regions. Data for each woreda assessed are shown in Table 6.

Woredas assessed in Large Regions

Capacity assessment was undertaken in Dera Woreda in Amhara and Shebedino Woreda in SNNPR.

Awareness

There is a growing awareness among all stakeholders (officials, experts, and the public) about the importance of EIA. Stakeholders noted that some interventions have not brought about the desired results. For example, fieldwork found that EIA and public consultation are particularly important for the water sector, and lessons have been learned from projects that have failed because they were built on a sacred site as a result of communities not being properly consulted.

Coordination

Inefficient coordination between the various oversight bodies and sector offices was observed.

Human Resources

As the main oversight agency for environmental and social management, EPLUA has experts assigned to work within its environmental protection core process. In the sample of implementing agencies examined, there are generally no experts assigned for EIA-related work, although in some cases there may be one expert assigned for both environmental and social assessment and management work. However, in most woredas, inadequate numbers of staff are assigned to work on environmental and social management issues across the five basic sectors.

Guidelines

Variation in terms of guidelines and procedures was observed among the sample. Most woreda EPLUA offices have EIA guidelines and checklists on hand, which they use to review projects and supervise implementation, but most sector offices lack the relevant EIA guidelines entirely. In some regions, proposed projects are required to obtain an EIA Certificate from the regional EPLUA office before approval. From the sample examined, it was observed that in some woredas, sectoral offices work closely with the woreda EPLUAs and draw on their expertise on issues related to EIA. However, this practice is not uniform across regions.

There are no guidelines for public consultation procedures. Consultation is usually limited to discussions with woreda and kebele officials and does not extend to communities, and there is no attention to gender sensitivity.

Status of EIA

Although the EIA is occasionally implemented, it is not an instrument in common use. In general, in all woredas visited there is very little evidence of the use of EIA, though some attempts to introduce the practice were observed. Efforts to include environmental and social issues in feasibility studies were also observed. Separate documents related to environmental and social impact assessment are not usually produced.

Citizen Engagement

In most cases, community-level participation does not go beyond attending meetings where community members are informed about a project to be implemented in their area (after the decision has already been made).

The Ethiopia Social Accountability Program Phase 2 is being implemented across all regions. Findings from the (2014) PBS 3 Enhanced Social Assessment and Consultation found that the most vulnerable and underserved citizens tend to feel uncomfortable expressing their individual views directly to service providers. However, it has been found that through social accountability, they can speak out much more effectively. Participation of the most vulnerable, which is now happening in an *ad hoc* manner, can be made more structured and systematic by including in the guidelines specific prescriptions based on emerging lessons.

Grievance Redress

Fieldwork found that while there were woreda-level grievance hearing officers, citizens approach grievance in a variety of ways, often going directly to DAs, kebele administrators or sector offices.

It was found that GRM is not generally popular or widely known. Drawing on findings from the (2015) PBS 3 Enhanced Social Assessment and Consultation, most vulnerable communities generally lack confidence in, and knowledge of, GRM. In addition, it was found that the GRM procedures are not always adapted to the special needs of the most vulnerable, and that there tends to be a general lack of documentation of GRM cases.

Fieldwork also found that there is not a strong “culture of complaints” in rural areas, in particular. This may be explained by the fact that communities understand the need for social infrastructure and are willing to donate small pieces of their land in the interest of their community.

Vulnerable Groups

Apart from findings on public consultation and grievance redress, the (2014) PBS 3 Enhanced Social Assessment and Consultation covered the capacity to address the needs of vulnerable groups. Consultations revealed the need to strengthen pastoralist-adapted basic services (e.g., health and school services adapted to their livelihood challenges, patterns, and way of life); provide appropriate communications materials and increased awareness raising; and recognize and build on the strengths of individual communities. Strengthening linkages with communities is important in this regard, and the assessment revealed how strong relationships between service users and providers open pathways to incorporate innovations into the delivery of basic services that result in better service delivery.

Woredas assessed in Emerging Regions

Capacity assessment was undertaken in Asayita Woreda in Afar and Bambasi Woreda in Benishangul-Gumuz.

Awareness

Decision-makers believe in “development before environment”—that is, development regardless of its environmental and social effects—largely because of the lack of awareness on the link between the two, and their urgency for the development of their woredas.

Coordination

There is a general lack of coordination between the various oversight bodies and sector offices.

Institutional Arrangements

In some woredas, EPLAU is organized as an autonomous body, while in others it may be organized as a Desk within the woreda administration. In such cases, experts interviewed expressed concern that the arrangement does not allow effective operation, as the administration will always give priority to activities other than environment and social management. In of Afar, while EPLAU is an autonomous body at regional level, the corresponding line office at woreda level is a Desk in the woreda administration office. In addition, such a woreda desk is not found in all woredas, but only those adjacent to the regional capital.

Human Resources

In both larger regions and emerging regions, it was more common for Health Offices to have staff assigned for environmental and social management than in other sectors. Oversight bodies including EPLUA and Offices of Labor and Social Affairs were also found to have staff assigned. In some woredas where the EPLAU is organized as a Desk in the woreda administration, environmental specialists were lacking; however, there were staff assigned to work on land administration.

Chronic staff turnover is a serious problem across all woredas. In places where there is limited staff available, they tend to be constrained by lack of transportation and budget. In some cases the woreda EPLUA has only one motorbike, however, most offices do not have any motorbikes (Offices of Labor and Social Affairs).

It was observed that contract or project staff hired specifically to work on donor-funded projects were screening the projects in line with Environmental and Social Management Frameworks (ESMF). In all sample areas, woredas were generally doing well and were applying environmental and social management procedures to DP-funded projects.

Guidelines and Procedures

While Guidelines were usually not available at woreda level, it was more common for EPLUA offices to have them on hand in addition to checklists used to monitor environmental impact assessment and management of projects. It was also observed that some Offices of Labor and Social Affairs commonly had social management checklists on-hand.

Status of EIA

Findings ranged between a complete absence of EIA-related work to situations in which EIA procedures were followed to some extent. For example, in some cases feasibility studies captured environmental and social management issues. In some regions, EIA reports are requested for private investments only. However, the capacity for review and approval is often so limited that EIA enforcement is not possible.

Citizen Engagement

In most woredas, community participation is limited to attending sensitization meetings. In some cases, women's groups were considered stakeholders that should participate. However, in some examples participation is understood as being "beyond sensitization," and communities take on a more active role in decision-making regarding the fate of the proposed projects or programs. Therefore, the quality and level of public participation vary across woredas. The participation of women is generally weak, with some notable cultural barriers, including a lack of encouragement to participate in and attend public meetings.

Grievance Redress

Fieldwork findings from the (2014) PBS 3 Enhanced Social Assessment and Consultation suggest that communities would benefit from additional strengthening of the GRM system, especially in relation to awareness-raising so they know exactly how they can access the mechanism, what steps are involved, and so on.

Other fieldwork findings emphasized (a) the need for enhanced accessibility to the GRM system; (b) capacity-building training for EIO and PGHOs; and (c) the importance of having an adequate budget in place to allow for the PGHO to travel to communities to investigate grievances and complaints.

Vulnerable Groups

Some regional states (e.g., Afar) have enacted directives on the issue of land acquisition. For example, the EPLAU of the Afar Regional State issued Directive No. 2/2006 E.C. to prohibit land acquisition for whatever purpose if that piece of land belongs to orphans, disabled persons, elders, or female-headed households.

Consultations on the ESSA with federal and regional government staff and civil society organizations learned that a lack of adequate consultation often results in failure to address the needs of specific groups and weak capacity to identify negative impacts related to vulnerable groups. Additional challenges included a lack of skilled and appropriate staff, lack of training, and a shortage of transport and other logistics that would enable staff to travel to other communities more often.

Table 5. Sample List of Status of Key Capacity Areas for Environmental and Social Management

	<i>Office</i>	<i>Human resources</i>	<i>Guidelines¹⁵</i>	<i>Status of EIA</i>	<i>Citizen engagement</i>	<i>Enabling environment</i>
Dera Woreda, Amhara						
Oversight bodies	EPLAU	Six experts in Environmental Protection Core Process Land administration expert at kebele level No gender or social experts	EIA guidelines and checklist available	Experts review EIA reports Projects require EIA certificate	Participation in project design and compensation issues	Lack of regional directives to implement guidelines Inadequate awareness of the decision-makers
Implementing sectors	Agriculture	No environment experts Overall lack of trained staff	Guideline for selection of construction sites, only	No EIA reports	Participation in planning of environmental protection activities Complaints with compensation amounts	Absence of guideline
	Health	Two environmental health and sanitation experts	No separate guidelines	EIA addressed through feasibility studies No separate environmental and social assessment	Participation in project site selection	Work closely with the woreda EPLAU
	Education	No environmental specialists	No separate guideline	Feasibility study only, no separate EIA	Consultation with the community on project site selection	Coordination with woreda EPLAU for review of education projects
	Roads and transport	No environmental expert	No separate guideline.	Tendency to consider environmental issues. No separate document for EIA.	Involved in site selection	Woreda EPLAU does supervision
	Water	No environmental expert	No separate guideline	No separate EIA	Projects designed and implemented through public participation	Woreda EPLAU reviews projects
Shebedino Woreda, SNNPR						
Implementing sectors	Agriculture (incl. Land Admin, Use + Environ Protection Process)	One expert in environmental protection	No EIA guideline	No EIA outside LIG Only report the environmental impacts of an incident	Community participates in decision-making process	Environmental pollution reports do not get the necessary response Region has not enacted its own EIA law

¹⁵ All offices follow compensation procedures adapted by the woreda from the federal laws.

	Health	Lack of environment specialists	Guideline for selection of construction sites	No separate EIA Feasibility studies only.	Community, including women, participates in decision-making process of site selection	
	Education	No environment specialist	Guideline for selection of construction sites	No separate EIA. Only feasibility study	The public is consulted. Kebele council makes the final decision.	
	Roads and transport	No environment specialist	Guideline with road construction implementation package	No separate EIA. Only feasibility study	Representatives participate on decision of the road route	Guideline not implemented. Safety not included in the package.
	Water	Two experts on water pollution control	Guideline for selection of construction sites	No separate EIA. Only feasibility study	Designed and implemented through public participation	No organized and systematic coordination
Bambasi Woreda, Benishangul-Gumuz						
Oversight bodies	EPLAU	Three staff assigned to work on issues related to environmental and social management Limited staff and transport (only one bike) Staff turnover	Checklist to monitor and follow up environmental and social impact of projects	Some projects submit EIA prepared by consultants Office only conducts monitoring and evaluation	Communities feel they are not involved in compensation decisions	Problem with coordination with sectors Stronger coordination with DP-financed projects
Implementing sectors	Agriculture	No environment expert	Only land acquisition guideline related to construction projects	No EIA done except preliminary feasibility studies	Participation in selection of community watershed management works	No systematic coordination with oversight bodies
	Health	One staff with environmental health education	Only land acquisition guideline related to construction projects	No EIA done except preliminary feasibility studies	Participation in sensitization meetings and site selection through representative	No systematic coordination with oversight bodies
	Education	No environment expert	Only land acquisition guideline related to construction	No EIA done except preliminary feasibility studies	Participation in sensitization meetings and site selection through representative	No systematic coordination with oversight bodies
	Water	No environment expert	Only land acquisition guideline related to construction	No EIA done except preliminary feasibility studies	Participation in sensitization meetings and site selection through representatives	No systematic coordination with oversight bodies
Asayta Woreda, Afar						
Oversight bodies	EPLAU (Desk in President's Office)	One expert for land administration and use but no staff for the environmental case team	No guidelines	Only done for PSNP	Community participation (especially elders) in site selection	Only woredas in the vicinity of the regional capital have desks for EPLAU

						EPLAU accountable to regional-level president
Implementing agencies	Agriculture	No environment experts	No guidelines	No EIA implementation Large projects do not require EIA document	Clan leaders, elders, spiritual leaders, and women's groups play role in decision-making Elders are given prominent role in conflict resolution	Limited awareness among both leaders and implementers
	Health	No environment experts	No guidelines	No EIA implementation	Clan leaders, elders, spiritual leaders, and women's groups play role in decision-making Elders are given prominent role in conflict resolution	
	Education	No environment experts	No guidelines and procedures	EIA is absent	Clan leaders, elders, spiritual leaders, and women's groups play role in decision-making Elders are given prominent role in conflict resolution	
	Roads and transport	No environment experts Insufficient transportation facilities	No guidelines	EIA is absent	Clan leaders, elders, spiritual leaders, and women's groups play role in decision-making Elders are given prominent role in conflict resolution	
	Water	No environment experts	No guidelines	EIA is absent	Clan leaders, elders, spiritual leaders, and women's groups play role in decision-making. Elders are given prominent role in conflict resolution	

6. COMPARATIVE ANALYSIS: COUNTRY SYSTEMS AND OP/BP 9.00 CORE PRINCIPLES

This section presents a comparative analysis of Ethiopia’s country system for environmental and social assessment and management and the institutional context for ESPEs implementation against the six core principles outlined in OP/BP 9.00 (see Table 8 for further details). Specifically, the comparative analysis is based on a review of (a) institutional arrangements at all levels, and their functionality and consistency with OP/BP 9.00; (b) gaps between the principles espoused in OP/BP 9.00 and the capacity of the system, including its operational performance in managing environmental and social risks and impacts; and (c) actions to build on the existing system and strengthen it to achieve the desired results.

6.1 Core Principle 1: Environmental and Social Management

The analysis noted that environmental and social impacts of the previous phases of the PBS program have been adequately managed. PBS 2 introduced a pilot Local Investment Grant (LIG) to increase the quantity and improve the quality of local-level capital investment, protecting and promoting delivery of basic services by subnational governments while deepening transparency and local accountability in service delivery. LIG was an IGFT system that provided capital investment grants to local governments to invest in priority public infrastructure and services in the health, education, water, agriculture, and rural roads sectors. LIG was implemented in 99 woredas in nine regions between 2008 and 2010. The pilot LIG used the Environmental and Social Management Framework (ESMF) to ensure that all environmental and social safeguards were adequately addressed.

The pilot LIG woredas used the ESMF Operational Summary to screen projects, and an independent LIG environmental and social sustainability study has confirmed that the culture of vetting a given project for its environmental and social sustainability is taking root. Even if these processes were slow and operated at different pace in the various woredas, they were effective in managing the environmental and social impacts of the program activities.

Enabling environment

In terms of the enabling environment (the policy and legal provisions and operational guidance), to a large extent Ethiopia’s environmental system meets the core principles of OP/BP 9.00. However, the assessment revealed that the operational effectiveness of implementation of the federal EIA Proclamation No. 299/2002 at woreda level is uneven.

In some regions the EPLAU is an autonomous organization accountable to the Regional Council—for example, in Amhara the EPLAU is organized at regional and woreda levels with relatively good staffing levels. However, in Afar and SNNPR, EPLAUs are organized either as Agencies or Desks within Bureaus of Agriculture or under Offices of Regional Presidents.

The enforcement of the EIA Proclamation is entrusted to the MEF at the federal level and to EPLAU at the regional level.¹⁶ The level of enforcement of the EIA requirement has been uneven, with significant variation among regions.

Implementation

Full EIA is rarely done. There is mixed capacity overall and across regions. Therefore, capacity-building support will need to be geographically widespread.

¹⁶ The organizational structures of regional environmental protection organs vary in different regional states. Many regional states, however, have established Environmental Protection, Land Administration and Use Bureaus.

EIA and environmental screening

According to the EIA Proclamation, all projects are subject to desk environmental screening, to decide whether they require a limited EIA (IEE), a comprehensive EIA, or no environmental assessment. Although operational guidelines require screening to be completed at project identification, in practice, if the environmental screening is done at all, it is left until later stages. According to the EIA Procedural Guidelines, the EIA screening requirements are categorized as follows:

- *Schedule 1* projects may have adverse and significant environmental impacts, and may, therefore, require full EIA.
- *Schedule 2* projects are of a type, scale, or other relevant characteristics that have the potential to cause some environmental impacts but are not likely to warrant a full-fledged environmental impact study. Schedule 2 projects are required to prepare a preliminary environmental impact assessment or Initial Environmental Examination (IEE) report.
- *Schedule 3* projects are considered to have no impact and do not require environmental impact assessment.

Alternative analysis

Only projects subject to an IEE or an EIA would have discussion on alternatives. However, the scope of alternative analysis is commonly limited to the design alternative and the “no project” alternative. Site alternatives are rarely covered. The EIA Guideline includes both scoping and alternative analysis.

Assessment of impacts and identification of mitigation measures

The IEE or EIA of relatively large projects, such as roads, identifies generic potential impacts from the project activities. Identification of impacts is focused mainly on direct impacts; indirect impacts are rarely covered. Induced, cumulative, and transboundary impacts are not usually covered. The mitigation measures recommended by the IEE or EIA are commonly generic, lacking site-specific plans/details for implementation. The Proclamation also provides for consideration of cumulative impacts, although its application on the ground is inadequate.

Implementation of mitigation measures

Despite adequate and clear provisions in both the EIA Proclamation and Guideline, field visits found uneven implementation of environmental and social mitigation measures. Regarding social effects, mitigation measures are implemented indirectly through public participation and conflict resolution processes.

Environmental monitoring and disclosure

Under the PBS 2 Pilot LIG, woredas were monitoring and reporting on the use of the ESMF and screening of projects. While there is a national legal and regulatory framework for environmental monitoring, most woredas do not regularly monitor for environmental and social effects. Lack of budget and insufficiency of staff have been indicated as constraints to environmental monitoring at woreda level. For instance, many woreda environmental protection offices are manned by only a single expert, who may lack training on environmental monitoring.

Coverage of Social Impact Assessment and Management in EIA

The EIA Proclamation No. 299/2002 made impact assessment a legal prerequisite for the implementation of major development projects, programs, and plans. This proclamation is a proactive tool and a backbone to harmonizing and integrating environmental, economic, cultural, and social considerations into a decision-making process in a manner that promotes sustainable development. The EIA Guideline deals with socioeconomic impacts in detail. The EIA Guideline considers issues such as the following:

- Falling living standards, particularly of the poor, which could possibly risk the start of a vicious circle that could produce further environmental degradation while dealing with management of social impacts.

- Living and working conditions that may deteriorate as a result of resettlement, cultural shocks, risks to health and safety, and so on.
- Different impacts on men and women, and also between social groups, especially where rights to land and other natural resources are differentiated.
- In-migration related to project development, which could trigger significant social changes in a community.

While several aspects of the social management system related to land acquisition, compensation, and grievance redress fall under the umbrella of core principles 1 and 4 that are captured by Ethiopia's EIA Proclamation, other core principles—particularly those related to vulnerable peoples—are beyond the EIA in Ethiopia and are addressed in the sections below. The social aspects of EIA generally receive less attention.

Key Areas for Environmental and Social Management Systems Strengthening

Improving quality

The quality of implementation of EIA is poor in many woredas because the implementing agencies lack capacity. Capacity challenges are particularly related to a lack of sufficient knowledge and skills for reviewing EIAs for certain project types. This lack of capacity can result in moderate to severe risks, leaving woredas unable to properly manage mitigation measures. However, these risks can be addressed through capacity building (including training) support.

Awareness

There is inadequate awareness about EIA among all stakeholders, particularly decision makers; there is more focus on the delivery of projects. Continuous awareness-creation and training workshops can address this challenge.

Human Resources

A shortage of both environmental and social development specialists at woreda level requires special attention. In some woredas a single focal person is responsible for EIA implementation in addition to ongoing environmental and social management.

Another factor that needs attention is the high level of staff turnover in bureaus and offices of environmental and social protection and other sectors. To improve EIA implementation, there is a need to (a) build EIA capacities in the woredas, (b) provide training on EIA at all levels, including decision-making officials, (c) improve awareness about EIA, and (d) organize experience-sharing forums on challenges and lessons learned.

6.2 Core Principle 2: Natural Habitats and Physical Cultural Resources

Ethiopia possesses a relatively sufficient legal and policy framework to ensure that natural habitats and physical cultural resources are protected: the FDRE Constitution, 1997 Environmental Policy of Ethiopia, and the Cultural Heritage Proclamation No.209/2000.

Natural Habitats

Natural habitats in the context of the core principles refers to important habitats, flora, and fauna for which conservation has been recognized to be important. It includes critical natural habitats registered with the IUCN. Special measures are usually required to ensure that natural habitats such as game parks are preserved.

Recognized natural habitats often have a buffer zone around them, as one of the conservation measures. However, these buffer zones are frequently not respected, and in many cases are used for cattle grazing and

farming. Many natural habitats in Ethiopia are classified as protected areas and are the responsibility of the regional governments.

Physical Cultural Resources (PCR)

There is an overlap in responsibilities for safeguarding PCR between the MoEF and the Ministry of Culture and Tourism, and coordination between them is weak. Because the Ministry of Culture and Tourism is often left out of the EIA loop, there is a lack of cultural heritage specialists in the EIA domain, and PCR is typically inadequately covered in the EIA process.

The capacity constraints facing EIA implementation apply to PCR. Nonetheless, the environmental and social management frameworks used at woreda level for large programs such as the Productive Safety Net Program (PSNP) do include coverage of PCR, requiring liaison with the woreda cultural office, particularly for reporting chance finds. This is particularly important in Ethiopia, where a great deal of the cultural heritage is not registered, is frequently underground, and will therefore not be identified by the EIA process unless a particular effort is made.

Key Areas for Natural Habitats and Physical Cultural Resources Strengthening

Physical Cultural Resources

Form a joint approach between the Ministry of Culture and Tourism and MoEF to ensure that physical cultural resources are adequately covered in the EIA process.

There is a need to educate and train EIA practitioners on incorporating PCR in EIA.

There is a need to create awareness of the importance of chance finds procedures, particularly for small projects at the woreda level.

Natural Habitats

There is a need to increase awareness among environmentalists and EIA practitioners of known natural Habitats in Ethiopia so that the screening of projects and subprojects for potential impacts on natural habitats can be conducted more systematically.

6.3 Core Principle 3: Health and Worker Safety

Ethiopia has national proclamations and guidelines addressing public and worker safety and covering a range of important aspects, including environmental pollution control, labor laws, occupational health and safety regulations, and standards for workplace environmental emissions and discharges (described in Chapter 3).

Awareness

There is a general lack of awareness about public health and safety issues, particularly in relation to exposure to hazardous chemicals and workplace safety aspects in hazard-prone areas.

Capacity

Implementation and enforcement of health and safety requirements at operational sites is inadequate, primarily because of insufficient capacity at the woreda and regional levels.

Key Areas for Health and Worker Safety Systems Strengthening

Awareness

Awareness creation and practical training for workers and decision makers is needed.

Improve implementation capacity

There is a need to improve the implementation capacity of regulatory agencies for improved standards of worker safety during construction, operation, installation of equipment, maintenance of physical infrastructure, and spraying dangerous chemicals.

There is a need to incorporate health and safety considerations into the site selection and construction practices of proposed construction activities and installation of equipment.

6.4 Core Principle 4: Land Acquisition

Land rights in Ethiopia do not explicitly provide private property rights: ownership of land is vested in the State, and Ethiopian citizens have various forms of use-rights over land and other resources (Chapter 3 describes the relevant Constitutional provisions and Proclamations). In some cases, the user of land has ownership of his/her possessions with the right to benefit from the fruits of his/her labor. This includes crops, perennial crops, trees for timber, and so on, found on the land, or any permanent fixtures such as residential house, business installations, stores, and fences (Proclamations No. 31/1975 and 47/1975). The 1995 Constitution, Article 40 (7) 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.” These rights over “holding land” are open-ended (no time limit on this usufruct), subject to a proof of permanent physical property and to the ability to farm continuously and meet administrative dues and obligations (1995 Constitution Article 40(3)). Furthermore, Proclamation No. 89/1997 confirms and details the Constitutional principle that holding rights on land can be assigned to peasants and pastoralists, who are to be secured from eviction and displacement.

Regional states are responsible for administering land, enacting laws that conform with the provisions on environmental protection and federal utilization policies (Proclamation No. 89/1997 and Proclamation No. 456/2005, Article 17 (1)).

Acquisition and Valuation of Land and Other Assets

Persons who have been displaced or whose livelihoods have been adversely affected by a State program are entitled, under the 1995 Constitution Article 44, to some form of compensation for their loss. This includes relocation expenses.

Land valuations are often done at the woreda and urban administration levels, where valuation committees are established to value private properties (Proclamation No. 455/2005). For publicly owned infrastructure with a designated right-of-way, the owners of the structures within the right-of-way would assess the value of properties to be removed. The law does not take into account depreciation values. The landholder is entitled to be compensated for the property on the basis of replacement cost. Permanent improvements to the land, equal to the value of capital and labor expended (Proclamation No. 455/2005 Article 7), are specified as a valid basis for determining replacement value. Where property is on urban land, the law specifies that compensation “may not be less than constructing a single room in low cost house as per the region in which it is located.” It is also required that the cost of removal, transportation, and erection be paid as compensation for a relocated property, continuing its service as before. Compensation is also based on the current cost of demolishing, lifting, and reinstalling.

For losses that cannot be easily valued or compensated in monetary terms (e.g., access to public services, grazing areas, water points, fishing ponds), an attempt is made to establish access to equivalent and culturally acceptable resources and earning opportunities (Proclamation No. 455/2005 Article 7(2)).

Displaced persons are to receive, in addition to compensation according to Proclamation No. 455/2005 Article 7, displacement compensation equivalent to 10 times the person's average annual income during the five years preceding the expropriation of the land (Proclamation No. 455/2005 Article 8(3)). Compensation is required to be in an amount sufficient to reinstate displaced people to their economic position prior to displacement; the regionally relevant administration is required to give another piece of land to any person who lost land in favor of a public project (Proclamation No. 455/2005). The assessment of compensation does not include the value of the land itself because land is a public property and not subject to sale in Ethiopia.

Those with informal or undocumented rights, and those without titles or use right (e.g., squatters, encroachers) are eligible for specific assistance that recognizes some "typical claim to use rights or even ownership" after occupation of unused or unprotected lands has been established. Under informal use-rights, structures or land improvements are likely to be eligible for compensation under Proclamation No. 455/2005.

The local and federal governments have different roles in compensation. The woreda and urban administrations are responsible for paying compensation and giving rehabilitation support to the extent possible, and for maintain data on properties removed from expropriated landholdings (Proclamation No. 455/2005 Article 13). The Regional authorities have a duty to ensure compliance with Proclamation No. 455/2005 at the regional level, to provide technical and capacity-building support in implementation at the regional level, and to prepare the valuation formulas (Proclamation No. 455/2005 Article 12).

Entitlements and Compensation

The people of Ethiopia have the constitutional right to improved living standards and sustainable development and the right to be consulted on policies and projects affecting their communities (1995 Constitution Articles 43(1) and 43(2)). Additionally, all international agreements and relations by the State must protect and ensure Ethiopia's right to sustainable development (1995 Constitution Article 43(3)). Lastly, the 1995 Constitution Article 44 guarantees the right to a clean and healthy environment.

The 1995 Constitution Article 40(8) provides that "without prejudice to the right to private property, the State may expropriate private property for public use with the prior payment of adequate compensation." The words "prior" and "adequate" are in line with the Universal Declaration of Human Rights, which manifests citizens' rights to basic services and programs, including facilities to guarantee education, health, and housing.

Dispute Resolution and Grievance Redress Procedures

According to ANRS Proclamation No. 133/2006, the kebele (local level of government that is smaller than a woreda) shall discuss and agree to the proposed expropriation. ANS Directive No. 7/2002 provides for expeditious decision-making with regard to the expropriation of urban land. It describes the composition of the jury: a justice officer as chairperson, two residents of the town where the land is located, and two representatives of government offices. The decision of the Appeals Court regarding basic land expropriation issues is final; however, an appellant could take cases related to the amount of compensation, delays in payment, or similar issues all the way up to the High Court.

If misunderstandings and disputes arise between the principal parties (e.g., local government bodies and affected parties) involved in the resettlement and compensation process, the preferred means of settling disputes is through arbitration (*Proclamation No. 455/2005*). The number and composition of the arbitration tribunal may be determined by the concerned parties. Though the Proclamation provides for appeals from a valuation decision, such an action will not delay the transfer of possession of land to the proponent.

A complaint related to the amount of compensation is submitted to the regular court that has jurisdiction (Proclamation No. 455/2005 Article 11(1)) if the administrative body for handling disputes has not yet been established. Appeals for dispute resolution may be referred to the High Court (Regulation No. 51/2007). The regular court that has jurisdiction in the region may also be involved in implementation and compensation of resettlement if the administrative organ to hear land grievances has not yet been established (Proclamation No. 455/2005 Article 11(1)). Similarly, if a landholder is not satisfied with the decision of the compensation grievance review committee, the case may be referred to the High Court (Regulation No. 51/2007).

Key Areas for Land Acquisition Systems Strengthening

It is good practice for compensation to be completed before the start of the project's civil works, construction, or activities; however, no timetables are set out in Ethiopian laws or regulations.

Additionally, Ethiopian law does not make any specific accommodation for squatters or illegal settlers, other than recognition of some use-rights, as when settlers can claim rights to the land. Affected communities should be consulted regarding project implementation and resettlement. Affected communities should also receive the opportunity to participate in, implement, and monitor resettlement. However, Ethiopian law states that, when it is determined that a right-of-way must be established, the State's expropriation rights take precedence, although the Constitution protects the individual's use-rights.

Ethiopian law makes no specific accommodations for potentially vulnerable groups such as women, children, the elderly, ethnic minorities, indigenous people, the landless, and those living under the poverty line. These groups are at highest risk of negative effects due to resettlement, and should receive special consideration to assure that they can maintain at least the same standard of living after displacement takes place.

Finally, there is also no provision in the law that the state should attempt to minimize involuntary resettlement. However, this appears to be implicit in the country's Constitution.

6.5 Core Principle 5: Vulnerable Groups

Chapter 3 outlines the Constitutional provisions on the rights of groups identified as "Nations, Nationalities and Peoples," pastoral groups, and Developing Regional States. It also outlines the 1997 Cultural Policy of Ethiopia; the 2014 Social Protection Policy, which defines the vulnerable as children, older people, people with disabilities, and the chronically ill; and the 1993 National Policy on Ethiopian Women.

Both through the Constitution and through the designation by regional governments of *Special Woredas*, Ethiopia acknowledges ethnic minorities' right to a degree of self-determination. The indications are that these Special Woredas have a greater degree of authority to create their own policies. They are organized around traditional homelands of an ethnic minority, with distinct languages and unique identities, and are outside the usual hierarchy of the region. Special Woredas gained autonomy from multiethnic zones on the basis that inhabitants were culturally and linguistically different from other groups of the zone. They report directly to the region and therefore do not fit within a zone.

Grievance Redress

Pillar 6 of the (2010) Growth and Transformation Plan commits the Government of Ethiopia to enhancing "good governance," hearing and redressing grievances.

The Constitution of the FDRE provides a broad framework for systematizing the GRM concept with its emphasis on respect for human rights and fundamental freedoms, especially the right of access to justice, rule of law, and democratic governance. Chapter 3 describes the evolution of GRM under the 1966 Civil

Service Reform Program and later under the Business Process Reengineering initiative, which provided the impetus for the establishment of GRMs in a number of regional states and municipalities. In reality, however, many Ethiopians, especially those living in rural and remote areas, are not aware of the grievance redress system.

Citizen Engagement

In Article 50(4), the Constitution of Ethiopia provides that “adequate power shall be granted to the lowest units of government to enable the people to participate directly in the administration of such units.” However, the provision is not always implemented consistently.

MoFED oversees a nationwide social accountability program, Ethiopia Social Accountability Program Phase 2, which aims to strengthen accountability systems at the decentralized level, creating more responsive systems. This is particularly important for vulnerable groups with their special needs and for ensuring culturally appropriate service delivery.

Key Areas of Vulnerable Groups Systems Strengthening

There is a need to improve capacity at woreda and regional levels to improve the provision of basic services to vulnerable groups. The ongoing rollout of MoLSA to woreda and kebele levels (including social workers at community level) will be important, as will strengthening the social orientation of front-line staff working in the most vulnerable and underserved communities to help them learn to deal with sociocultural vulnerabilities.

There is a need to improve consultation and social accountability for the most vulnerable groups and in their communities so that they benefit even more from basic services. More effective use can be made of women’s groups and of panel discussions and community conversations targeting women, traditional leaders, and other vulnerable groups. To this end, the continued strengthening of the citizen engagement component of PBS 3 will help to build capacity.

It is also important to strengthen the social side of EIA and ensure capacity-building directed specifically at the management of impacts and effects on vulnerable people and the design of projects to best meet their needs. Better coordination and communications between implementing sectors and Offices of Labor and Social Affairs can help identify vulnerable groups in potential project areas.

Improved communications materials should be aimed specifically at vulnerable and historically underserved groups. This can be done partly through the continuing FTA component of PBS 3.

Key Areas for General Citizen Engagement Strengthening

- Produce Guidelines for Public Consultations, including how to undertake culturally sensitive consultations at various levels (region, woreda, and kebele), and when translators should be used.
- Undertake awareness raising, based on the guidelines, for both decision makers and technical staff across all sectors.
- Explore innovative ways to undertake consultation (e.g., radio) and explore linkages with FTA.

Key Areas for Grievance Redress Systems Strengthening

- Strengthen innovative communications approaches (including use of multimedia).
- Build more awareness, especially among vulnerable groups and those that lack confidence to engage.

- Increase operational costs to equip offices with necessary materials.
- GRM systems should be strengthened with an emphasis on intake, response, and investigation.
- GRM officers at the woreda level should receive training in working with illiterate and vulnerable community members to ensure that their grievances are documented and addressed, to build confidence in the GRM system, and to post and publicize examples of successful GRM cases so that citizens become aware that the system is working.
- Create awareness in the most vulnerable communities about the procedures for accessing GRM, understanding how the GRM functions, timelines, etc., and ensure that communications materials are adapted to meet the needs of the most vulnerable citizens.

Key Areas for Social Accountability Strengthening

- Scale up Ethiopia Social Accountability Program.
- Strengthen linkages with FTA to ensure that the most vulnerable communities have the necessary information to engage in SA.
- There is a need to strengthen the skills of Social Accountability Implementing Partners (SAIPs) to accommodate the specific needs of the most vulnerable.
- There is a need to be more structured and systematic in promoting participation of the most vulnerable (e.g., in Social Accountability Committees).

6.6 Core Principle 6: Social Conflict

The proposed program will not exacerbate social conflict nor will it operate in a fragile state context, a post-conflict area, or areas subject to territorial disputes. The program is designed to yield significant social benefits to all citizens and to improve the distributional equity of urban services. Regarding areas for strengthening and mitigation, gaps listed with respect to distributional equity under Core Principle 5 will apply.

6.7 Overarching Areas for System Strengthening

ESPEs provide the opportunity to work consistently over a number of years to strengthen country systems for environmental and social management.

The laws are generally advanced regarding environment and social management; however, there are weaknesses in the implementation of these laws. The EIA is a holistic policy covering human and social impacts, in addition to biophysical aspects. However, outside of the EIA policy in Ethiopia, other policy frameworks and provisions address social effects, especially those related to vulnerable groups. Beyond general principles, Proclamations and technical guidelines provide limited requirements and guidance on the measuring and addressing social impacts within the EIA process or public consultation.

Implementing Sectors

Environmental and social management is a marginal activity for most sector offices at the woreda level. EIA is frequently not incorporated into projects' design, implementation, and monitoring and evaluation, for the following reasons:

- Absence of dedicated units and experts in sector offices assigned to handle environmental and social management issues;
- In cases where there are experts, they often lack sufficient knowledge, skill, and experience;
- Experts' work may not be supported with the required transport facilities and budget; and
- Lack of proper guidelines and procedures to carry out environmental and social management.

Oversight Bodies

Especially at regional and woreda level, there is limited capacity in the oversight bodies (EPLAUs, Offices of Labor and Social Affairs, Women's Affairs, etc.) and there is a lack of joint coordination with the implementing sectors. There is a need for general capacity strengthening.

Awareness While the laws and procedures are good, implementation remains mixed. In some regions, EIA is required but in others it is not mandatory.

Awareness and education on good environmental and social management and on the relationship between successful development and good environmental and social management will be critical for future sustainability. The need for more awareness is an overarching finding, also related to increased attention to social management through such instruments as community consultation, ensuring cultural appropriateness, grievance redress, social accountability, and communications, for ensuring that negative social impacts are avoided in the interest of successful development.

Institutional Capacity

Capacities in the 1000+ woredas included in the ESPES PforR vary widely. Some have experience with environmental and social management under the LIG and other projects, while others do not. For example, some have well-functioning teams working on environmental and social assessment and management that coordinate with other departments at woreda level and promote overall sustainability in their communities. Others have low levels of staff that may lack technical expertise to manage impacts.

Overall capacity for environmental and social management tends to vary a great deal, and in some cases is very low. This gap is further exacerbated by high staff turnover, which results in a loss of institutional memory among staff members who have undergone training in environmental and social management.

While environment and social management specialists in EPLAUs at woreda/regional level are tasked with reviewing and approving EISRs, most of these specialists are neither appropriately trained nor adequately qualified to handle such tasks. Given the shortage of resources, such responsibilities tend to be seen as additional tasks rather than the principal responsibility of the staff member concerned.

The assessment also found that while some aspects of social management are provided for through the EIA procedures, overall the capacity for social management as it relates to vulnerable groups is particularly weak. It is therefore important to ensure that training and resources related to social management are provided at all levels.

Interagency Coordination (Oversight Bodies and Implementing Sectors)

Coordination among various stakeholders, from federal to local levels, is important to harmonize diverse interests. Moreover, it avoids the risks of interagency conflicts that could hamper the collaborative achievement of environmental and social strategic goals and objectives. It is, therefore, necessary to consider the needs for effective coordination for good environmental and social management.

From Articles 5 and 6 (2) of Proclamation No. 295/2002, it is clear that the Ministry of Environment and Forests is empowered to spearhead and coordinate activities and measures required to realize the environmental and social objectives provided under the Constitution and the basic principles set out in the EPE. The Ministry of Environment and Forests is mandated to coordinate environmental governance. However, for effective coordination, two important measures need to be taken: restructure the federal-level Environmental Council so that it has a coordinating role and corresponding impacts at regional, zonal, and woreda levels; and ensure that environmental agencies are sufficiently empowered for effective cross-sectoral coordination at federal, regional, zonal, and woreda levels.

MoLSA is mandated to promote and coordinate good social management but would also benefit from improved capacity building and more effective coordination structures.

Field visit teams observed that there have been no formally established links between environmental and social protection organs and the implementing sectors with regard to environment and social assessment and management. Coordination happens in an *ad hoc* manner, usually when an issue is raised that demands working together. For example, it might be useful to provide environmental and social management workshops on interagency coordination at all levels, including the policy level; and there is a need to bring tourism and the cultural aspects of environmental management into the EIA process.

Table 6: Country Systems and OP/BP 9.00 Core Principles Comparison

Core Principle 1: General Principle of Environmental and Social Management	
<p><i>OP 9.00:</i> Environmental and social management procedures and processes are designed to (a) promote environmental and social sustainability in Program design; (b) avoid, minimize, or mitigate adverse impacts; and (c) promote informed decision-making relating to a program’s environmental and social effects.</p>	
<p><i>BP 9.00:</i> Program procedures will:</p> <ul style="list-style-type: none"> • Operate within an adequate legal and regulatory framework to guide environmental and social impact assessments at the program level. • Incorporate recognized elements of environmental and social assessment good practice, including (a) early screening of potential effects; (b) consideration of strategic, technical, and site alternatives (including the “no action” alternative); (c) explicit assessment of potential induced, cumulative, and trans-boundary impacts; (d) identification of measures to mitigate adverse environmental or social impacts that cannot be otherwise avoided or minimized; (e) clear articulation of institutional responsibilities and resources to support implementation of plans; and (f) responsiveness and accountability through stakeholder consultation, timely dissemination of program information, and responsive grievance redress measures. 	
<p>Applicability: Applicable</p> <ul style="list-style-type: none"> • The ESPES finances woreda block grants in five basic service sectors. Generally the ESPES-supported sectors entail minimal environmental and social impacts. According to EIA Guideline of 2000, many of the project activities in the ESPES-supported sectors fall under Schedule 3 and do not require EIA. When the track records of the activities in these sectors are scrutinized, only projects that were financed by DPs were subject to EIA procedures within the country’s legal and regulatory framework. These projects have been implemented by fulfilling the legal requirement of EIA as prescribed under the Federal Constitution, the Environmental Policy of Ethiopia, and the EIA Proclamation No. 299/2002. • Some regional states have also enacted their own EIA proclamations (e.g., Amhara, Proclamation No. 181/2011, and Oromia, Proclamation No. 176/2012) by including additional elements in their laws. However, many regional states use the federal EIA guideline as they have not yet adopted their own. • Certain types of activities in the basic service sectors may have potential adverse environmental and social impacts due to activities such as construction of rural roads, health posts, or schools, or spraying of chemicals (agricultural inputs). 	
<p>Current System</p> <ul style="list-style-type: none"> • There is a relatively sufficient legal and policy framework for the effective implementation of an EIA system for environmental and social impact assessment consistent with OP 9.00. • There is also an institutional set-up for the implementation of the policy and legal framework of EIA. <ul style="list-style-type: none"> ○ Federal environmental protection organ (the Ministry of Environment and Forest) and some regional EPLAUs are relatively active in ensuring compliance with EIA policy and legal frameworks. ○ However, in 2009 the federal EPA delegated its EISR review power to sectoral organs; this is believed to have weakened the EIA process. • Awareness of the importance and necessity of EIA systems is growing at the regional and woreda levels, for two major reasons: (a) lessons from donor-financed programs/projects; and (b) problems on projects that have been implemented without going through the EIA procedures. (e.g., discontent among communities related to certain developments, refusal of people to use services from projects). 	<p>Areas for Strengthening and Mitigation/Recommended Actions</p> <p><i>Improving quality</i> The quality of implementation of EIA is poor in many woredas because of lack of capacity in the implementing agencies. Capacity challenges are particularly related to a lack of sufficient knowledge and skills for reviewing EIAs for certain project types. This lack of capacity can result in moderate to severe risks, so that woredas could be unable to properly manage mitigation measures. However, these risks can be addressed through capacity building (including training) support.</p> <p><i>Awareness</i> There is inadequate awareness about EIA among all stakeholders, particularly decision-makers. There is more focus on the delivery of projects. Continuous awareness creation and training workshops can address this challenge.</p> <p><i>Human Resources</i> A shortage of both environmental and social development specialists at woreda level</p>

	<p>requires special attention. In some woredas a single focal person is responsible for EIA implementation as well as environmental and social management. Another factor that needs attention is the high level of staff turnover in bureaus and offices of environmental and social protection and other sectors that could assist the EIA system and the ongoing management of environmental and social issues. To improve EIA implementation, there is a need to (a) build EIA capacities in the woredas, (b) provide training on EIA at all levels, including decision-making officials, (c) improve awareness on EIA, and (d) organize experience-sharing forums on challenges and lessons learned.</p>
<p>Risks: Weak institutional capacity of woredas, especially their inability to enforce the existing environmental laws. The risks are deemed moderate to significant. These risks can be mitigated through capacity building.</p>	
<p>Core Principle 2: Natural Habitats and Physical Cultural Resources</p>	
<p><i>OP 9.00:</i> Environmental and social management procedures and processes are designed to avoid, minimize, and mitigate adverse effects on natural habitats and physical cultural resources resulting from program.</p>	
<p><i>BP 9.00:</i>As relevant, the program to be supported:</p> <ul style="list-style-type: none"> • Includes appropriate measures for early identification and screening of potentially important biodiversity and cultural resource areas. • Supports and promotes the conservation, maintenance, and rehabilitation of natural habitats; avoids the significant conversion or degradation of critical natural habitats, and if avoiding the significant conversion of natural habitats is not technically feasible, includes measures to mitigate or offset impacts or program activities. • Takes into account potential adverse effects on physical cultural property and, as warranted, provides adequate measures to avoid, minimize, or mitigate such effects. 	
<p>Applicability: Limited</p> <ul style="list-style-type: none"> • As it is indicated in the EPE of 1997, Ethiopia’s natural and physical cultural heritage is under threat through neglect, decay, removal, or destruction as well as through the less visible impacts of changing sociocultural values, foreign ideas, and imported technologies. • When seen from the perspective of the ESPES - supported sector investments at woreda level, the negative impacts as a result of their operation on the natural habitat and physical cultural resources is very limited. The program investments are very small—construction of FTCs, or health posts or small schools. The chance that such activities could damage the natural habitat and physical cultural resources is very low. 	
<p>Current System</p> <ul style="list-style-type: none"> • The country has a relatively sufficient legal and policy framework to provide adequate protection for the natural habitats and physical cultural resources: (a) the FDRE Constitution; (b) Environmental Policy of Ethiopia of 1997; and (c) Research and Conservation of Cultural Heritage, Proclamation No. 209/2000. • Screening criteria for projects in national parks and areas containing endangered flora and fauna are not specifically established. • Administrative powers overlap among various government organs, especially between agricultural organs and cultural and tourism organs. • Limited capacity to review EIAs and manage natural habitats due to resource constraints, enforcement issues, inadequate public consultations/participation, and lack of equipment, training, and incentives. 	<p>Areas for Strengthening and Mitigation/Recommended Actions</p> <p><i>Physical Cultural Resources</i></p> <ul style="list-style-type: none"> • Form a joint approach between the Ministry of Culture and Tourism (MoCT) and MoEF to ensure that physical cultural resources are adequately covered within the EIA process. • Train EIA practitioners on incorporating physical cultural resources in EIA. • Create awareness of the importance of chance finds procedures, particularly for small projects at the woreda level. <p><i>Natural Habitats</i></p> <p>Increase awareness among environmentalists and EIA practitioners of known natural habitats in Ethiopia so that the screening of projects and subprojects for potential</p>

	impacts on natural habitats can be conducted more systematically.
<p>Risks: Inability to apply practical and operationally feasible early screening practices for physical cultural resources that have never been identified and registered before. As some of these resources cannot be distinguished by ordinary persons, special training may be needed for the proper handling and preservation of the resources, if they are discovered by chance. However, the risk is deemed to be low if the regional and federal governments adopt simplified screening procedures for known physical cultural resources and develop and apply internationally recognized chance finds procedures in the early screening practices for site selection of proposed infrastructure at woreda level in the five basic sectors.</p>	
<p>Core Principle 3: Public and Worker Safety</p>	
<p><i>OP 9.00:</i> Environmental and social management procedures and processes are designed to protect public and worker safety against the potential risks associated with (a) construction and/or operation of facilities or other operational practices developed or promoted under the program; (b) exposure to toxic chemicals, hazardous wastes, and otherwise dangerous materials; and (c) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.</p>	
<p><i>BP 9.00:</i></p> <ul style="list-style-type: none"> • Promotes community, individual, and worker safety through the safe design, construction, operation, and maintenance of physical infrastructure, or in carrying out activities that may be dependent on such infrastructure with safety measures, inspections, or remedial works incorporated as needed. • Promotes use of recognized good practice in the production, management, storage, transport, and disposal of hazardous materials generated through program construction or operations; promotes use of integrated pest management practices to manage or reduce pests or disease vectors; and provides training for workers involved in the production, procurement, storage, transport, use, and disposal of hazardous chemicals in accordance with international guidelines and conventions. • Includes measures to avoid, minimize, or mitigate community, individual, and worker risks when program activities are located in areas prone to natural hazards such as floods, hurricanes, earthquakes, or other severe weather or climate events. 	
<p>Applicability: Limited</p> <ul style="list-style-type: none"> • Rural road construction, building of health posts, installing equipment, and operation of various infrastructures may expose the general public, as well as construction workers, to risks such as dust, air pollution, noise, water pollution, solid waste, and toxic or hazardous chemicals or radiation at sites during civil works. 	
<p>Current System</p> <p>National proclamations and guidelines address public and worker safety in Ethiopia, covering such aspects as environmental pollution control, labor laws, occupational health and safety regulations, and standards for workplace environmental emissions and discharges: (a) FDRE Constitution Article 42(2), (b) Public Health Proclamation No. 200/2000, (c) Radiation Protection Proclamation No. 571/2008, (d) Environmental Impact Assessment Guideline on Pesticides, (e) Environmental Pollution Control Proclamation No. 300/2002, and (f) the (1993) Health Policy.</p> <p>There is a general lack of awareness on public health and safety issues, particularly in relation to exposure to hazardous chemicals and workplace safety aspects in hazard-prone areas.</p> <p>Implementation and enforcement of health and safety requirements at operational sites are inadequate, primarily because of insufficient capacity at woreda and regional levels.</p>	<p>Areas for Strengthening and Mitigation/Recommended Actions</p> <ul style="list-style-type: none"> • Awareness creation and practical training for workers and decision makers is needed. • Improve regulatory agencies' capacity to implement improved standards of worker safety during construction, operation, installation of equipment, maintenance of physical infrastructure, and spraying of dangerous chemicals. • Incorporate health and safety considerations into the site selection and construction practices of proposed construction activities and installation of equipment. Identified gaps on public and worker safety measures should be addressed in all civil works contracts during construction activities at woreda level.

Risks: Inability to ensure public and worker safety can result in accidents that can lead to injuries and even loss of lives. However, given the limited scope of activities at woreda level, these risks are deemed to be low. Some types of activities, such as health post construction, installation of equipment, and rural roads construction require better attention to implementation of occupation health and safety issues. Such risks could be mitigated through inclusion of appropriate requirements in contracts concluded and guidelines to be adopted at regional and woreda levels. All such measures will need to be monitored by implementing agencies at the woreda and regional levels.

Core Principle 4: Land Acquisition

OP 9.00: Land acquisition and loss of access to natural resources are managed in a way that avoids or minimizes displacement, and affected people are assisted in improving, or at least restoring, their livelihoods and living standards.

BP 9.00: As relevant, the program to be supported:

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

Applicability: Limited

- Land acquisitions for projects or programs are not that pronounced. Efforts have been made to minimize land acquisition of individual holdings, by resorting to communal lands.
- Even if individual holdings are taken, they are taken with the agreement of the landholder, owing to the small size of land required for the projects and the importance of the projects to the people.
- However, it is important to note that the risk of land acquisition and displacement is likely to be slightly higher, rated moderate, in urban areas in some woredas where population density is high. It will be lower in pastoral and agro-pastoral areas, where land is relatively abundant and population density is low. Therefore a risk rating of low to moderate is appropriate in this instance for land acquisition.

Current System

- Land acquisition, especially of individual holdings, is usually the last option when land is required for public purposes. Ethiopian peasants and pastoralists have right not to be evicted from their landholdings. (FDRE Constitution Article 40 (4), (5)). This constitutional guarantee can only be overridden for public purpose upon payment of commensurate compensation.
- Land is state-owned, and citizens have only a usufruct right over their landholding.
- A legal landholder whose holding has been expropriated is entitled to compensation at replacement cost for assets on and any permanent improvements to the land, based on the provisions of Proclamation No. 455/2005 and Regulation No. 135/2007.
- Some regional states (e.g. Amhara and Afar) have issued their own directives to implement these federal laws. However, as there is no sufficient budget allocated

Areas for Strengthening and Mitigation/Recommended Actions

- It is good practice for compensation and the provision of relocation assistance, transitional support, civic infrastructure, etc., to be completed before the start of the project's civil works, construction, or activities.
- Affected communities should be consulted about project implementation and resettlement.
- High-risk groups such as women, children, the elderly, ethnic minorities, indigenous people, the landless, and those living under the poverty line should receive special consideration to ensure that they can maintain at least the same standard of living after displacement takes place.

<p>for the purpose of payment of compensation, there have been complaints about the amount of compensation payments in most of the regional states.</p> <ul style="list-style-type: none"> • Compensation payment includes only lawful occupants of the land, but lawful occupant may not necessarily mean holder of land use right certificate. Those who customarily occupied land are legible to get payment. • Replacement payment (in kind payment, e.g., land-for-land) is conditional on the availability of land in the vicinity. • Provision of livelihood options is also limited. Although the federal Regulation of Compensation Payment (No. 135/2007) provides for assisting displaced persons in restoring livelihoods, such assistance in reality is very limited; compensation is focused on replacement of land and assets, • Payment for denied access is not seen. For instance, when grazing land has been taken away, people who used to depend on the grazing land have been restricted to cut the grass and carry to feed their livestock in some regional states (e.g., Amhara). • There is a dispute resolution and grievance mechanism through compensation review committees, arbitration tribunals, and the court system. • There are no specific provisions for transitional assistance in either the proclamation or the regulation. • Excessive work load and capacity limitations of committees of experts assigned by local authorities (kebeles) for valuation of assets lead to delays. • Inability of woreda and kebele administrations to use the services of independent valuers due to budget constraints lead to weak application of existing acquisition and compensation systems. • Consultations with project-affected people are not conducted systematically, and grievance handling mechanisms are slow to resolve disputes. • It is common to take land without compensation (although this is done voluntarily), under the guise that projects are highly demanded by the people. 	
<p>Risks:</p> <ul style="list-style-type: none"> • Inability to rehabilitate and adequately compensate affected people while acquiring land for projects/programs will adversely affect livelihoods of displaced people. However, given the limited scope of investment in the ESPES -supported sectors at woreda level, these risks are deemed to be low. • People who have lost their livelihoods and have not received replacement land or been appropriately treated to restore their livelihoods are likely to engage activities such as illegal logging, illegally resettling in forests, illegal hunting, or other crimes. • Some investments, such as rural road construction, require better planning to ensure that all affected people, particularly those who may lose their income and livelihoods, are adequately consulted and compensated before displacement. Such risks could be mitigated through definition of appropriate and consistent procedures. 	

Core Principle 5: Vulnerable Groups

OP 9.00: Due consideration is given to the cultural appropriateness of, and equitable access to, program benefits, giving special attention to the rights and interests of indigenous peoples and to the needs or concerns of vulnerable groups.

BP 9.00:

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

Applicability: Overarching

There is a general understanding in Ethiopia that all people in the country are indigenous and there are no groups of people who are specifically considered indigenous. However, there are people who are vulnerable and need special assistance in various regional states.

Current System

- The Constitution recognizes the existence of many ethnic groups, including historically disadvantaged and vulnerable groups, as well as the rights to their identity, culture, language, customary livelihoods, socioeconomic equity, and justice.
- The Constitution also provides in its Article 50(4) that: “adequate power shall be granted to the lowest units of government to enable the people to participate directly in the administration of such units.” Devolution of decision making powers to the lowest units of government (woreda and kebele levels) encourages the management and coordination of provision of basic services in their areas.

Areas for Strengthening and Mitigation/Recommended Actions

Improve capacity at woreda and regional levels to provide basic services to vulnerable groups. The ongoing rollout of MoLSA to woreda and kebele levels (including social workers at the community level) will be important, as will strengthening the social orientation to help front-line staff working in the most vulnerable and underserved communities understand how to deal with their sociocultural vulnerabilities.

Improve consultation and social accountability for the most vulnerable groups and in their communities so that they benefit from the basic services even more. More effective use can be made of women’s groups and of panel discussions and community conversations targeting women, traditional leaders, and other vulnerable groups. The continued strengthening of the citizen engagement component of PBS 3 will help to build capacity.

Strengthen the social side of EIA and build capacity directed specifically at managing impacts and effects on vulnerable people and designing projects to best meet their needs. Better coordination and communications between implementing sectors and Offices of Labor and Social Affairs can help identify vulnerable groups in potential project areas.

Provide improved communications materials aimed specifically at vulnerable and historically underserved groups. This can be done partly through the FTA component of PBS 3.

Key Areas for Grievance Redress Systems Strengthening

→ GRM systems should be strengthened with an emphasis on intake, response, and investigation.

	<p>→ GRM officers at woreda level should receive training in working with illiterate and vulnerable community members to ensure that their grievances are documented and addressed, to build confidence in the GRM system, and to post and publicize examples of successful GRM cases so that citizens become aware that the system is working.</p> <p>→ There is a need to create awareness in the most vulnerable communities about the procedures for accessing GRM, understanding how the GRM functions, timelines, etc., and ensuring that communications materials are adapted to meet the needs of the most vulnerable citizens.</p> <p><i>Key Areas of Citizens Engagement Strengthening</i></p> <ul style="list-style-type: none"> - Produce Guidelines for Public Consultations, including how to undertake culturally sensitive consultations at region, woreda, and kebele levels, and when translators should be used. - Undertake awareness raising, based on Guidelines, for both decision-makers and technical staff across all sectors. - Explore innovative ways to undertake consultation (e.g., radio) and explore linkages with FTA. <p><i>Social Accountability</i></p> <ul style="list-style-type: none"> - Scale up Ethiopia Social Accountability Program - Strengthen linkages with FTA to ensure that the most vulnerable communities have the necessary information to engage in SA. - Strengthen the skills of Social Accountability Implementing Partners (SAIPs) to accommodate the needs of the most vulnerable. - There is a need to be more structured and systematic in promoting participation of the most vulnerable (e.g., in Social Accountability Committees)
<p>Risks: Inability to improve the inclusion of poor and vulnerable groups in delivery of basic services will adversely affect them, especially women and children.</p>	
<p>Core Principle 6: Social Conflict</p>	
<p><i>OP 9.00:</i> Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes</p>	
<p><i>BP 9.00:</i> Considers conflict risks, including distributional equity and cultural sensitivities.</p>	
<p>Applicability: Not Applicable The proposed program will not exacerbate social conflict nor will it operate in a fragile state context, a post-conflict area, or areas subject territorial disputes. The program is designed to yield significant social benefits to all citizens and to improve the distributional equity of urban services</p>	
<p>Current System Strengths listed with respect to distributional equity under Core Principle 5 apply.</p>	<p>Areas for Strengthening and Mitigation/Recommended Actions Gaps listed with respect to distributional equity under Core Principle 5 apply.</p>
<p>Risks: Given the limited likelihood of presence of conflict, significant distributional inequity, and cultural sensitivities in the program areas, these risks are deemed to be low.</p>	

7. CONCLUSIONS

The Environmental and Social Systems Assessment (ESSA) reviewed the existing systems of government, as they relate to the basic sectors (education, health, agriculture, water, and rural roads) supported by ESPES , in terms of their capacity to plan and implement effective measures for environmental and social impact management.

The ESSA was guided by the six core elements for environmental and social impact management incorporated in OP/BP 9.00, *Program-for-Results Financing*: (a) General Principle of Environmental and Social Management; (b) Natural Habitats and Physical Cultural Resources; (c) Public and Workers Safety; (d) Land Acquisition and Loss of Access to Natural Resources; (e) Indigenous Peoples and Vulnerable Groups; and (f) Social Conflict.

Activities to be financed by ESPES are not expected to directly create negative environmental and social effects. However, the ESPESS provides an opportunity to strengthen environmental and social assessment and management systems for managing activities in the ESPES-supported sectors, which might generate such effects. The environmental and social effects of activities typically implemented by the ESPES-supported sectors at woreda level are generally site-specific and temporary. Experiences from the implementation of the PBS 2 Local Investment Grant (LIG) Pilot indicate that, for the most part, negative environmental and social effects can be prevented or mitigated with standard operational procedures and proper use of the country EIA Proclamation, procedures, and guidelines.

The ESSA confirms that Ethiopia has an adequate institutional and legal framework for environmental and social management, including in the ESPES-supported basic sectors at woreda level. However, the level of implementation of the provisions of the framework varies between regions and sectoral offices within regions, and is generally low.

An assessment of the institutional capacity, guidelines and procedures, and practices in environment and social management in the ESPES-supported sectors at woreda level concludes that *medium-level environmental and social risks* are associated with their activities. The risks largely emanate from (a) lack of capacity, (b) wide variation in the level of provision of guidelines and procedures between woredas and regions, (c) inefficient coordination between the different sector offices, and (d) a lack of operational budget dedicated for environment and social management at woreda level.

The ESSA found that social management aspects are particularly weak in both large and developing regions.

Despite Ethiopia's comprehensive laws, there are implementation shortcomings, particularly at woreda level, that may negatively affect the ability of the sectors to respond to the potential environmental and social effects. The major conclusions are:

- *Need for sensitization.* There is generally inadequate awareness of environmental and social management.
- *Human resources.* Shortage of staff and lack of training on environmental and social management. Many woreda offices do not have experts assigned to environmental and social management, with the exception of EPLUA and Health Offices in some regions. The lack of staff and training is more serious in the emerging regions.¹⁷
- *Guidelines and procedures.* Wide variation in level of provision of guidelines and procedures across woredas and regions. With the exception of woreda EPLUA offices in some regions, hardly any of the sector offices have EIA guidelines and checklists.

¹⁷ Afar, Benishangul-Gumuz, Gambella, and Somali.

- *Cultural heritage.* Although Ethiopia is rich in cultural resources, cultural heritage tends to be overlooked, and the Ministry of Culture and Tourism is rarely brought into the EIA loop.
- *Environmental and social impact assessment.* EIA is not generally practiced, except in relation to donor-funded projects, in many woredas. When it is practiced, the assessment is generally stronger on the biophysical side and much weaker on the social side.
- *Coordination.* There is no formal link between environmental protection organs and the sectors with regard to environment and social management, exception in a few woredas.
- *Community consultation.* Although there is often information sharing, especially related to project site selections, community consultation is generally weak.
- *Grievance redress mechanism.* There are wide variations in the availability and application of GRM across regions.
- *Social accountability.* There is a Social Accountability program that people are aware of. The most vulnerable and underserved citizens tend to feel uncomfortable expressing their individual views directly to service providers or through a GRM. The participation of the most vulnerable can be made more structured and systematic by including specific prescriptions in the guidelines based on emerging lessons.

7. RECOMMENDATIONS

To manage the risks, and to strengthen the country system for environmental and social management, particularly at the woreda level, the ESSA suggests the following:

1. *Provide high-level awareness creation and education on the importance of good environmental and social management for the success of development endeavors at regional and woreda levels.*
2. *Strengthen the environmental and social management system at woreda level.* The ESPES-supported sectors need to demonstrate that they have established a functional environmental and social management system to manage risks. In the first year of ESPES, an Environmental and Social Management System Operational Manual will be developed at the federal level by MoFED, in collaboration with MEF, following consultations with stakeholders at different levels. Starting from the second year of ESPES, regions and woredas will adapt the Manual and use it to manage the potential environmental and social effects of projects and programs, especially in the ESPES-supported sectors.
3. *Provide training and develop human resources.* There is a shortage of staff and lack of training on environmental and social management. Most of the woreda offices do not have experts assigned to environmental and social management, although in some regions the EPLUA and Health Offices have at least one expert assigned to this area. The lack of staff and training is more serious in the Developing Regional States.

A capacity building and training program will be critical to ensure that the minimum required staff are available, that they have the required skills and knowledge and understand their roles and responsibilities, and that environmental and social management is included in their performance assessment. To ensure the sustainability of the training, efforts will be made to develop partnerships with regional universities. Training should also include specialization in how to work with vulnerable and underserved groups.

4. *Environmental and social management guidelines.* There is a wide disparity in the level of provision of guidelines and procedures between woredas and regions. The picture is mixed even in the highland regions. Woreda EPLUA offices in some regions have EIA guidelines and checklists, and work closely with sectoral offices on their application. On the other hand, almost no woreda sector offices have EIA guidelines and checklists, except some guidelines on site selection in the sector. The EIA guidelines need to be adapted at regional level, simplified to be understood by woreda staff, and widely distributed. Guidelines should also be strengthened to clarify procedures on mitigating measures related to conflict management and vulnerable peoples. Community consultation, GRM, and social accountability procedures should also be strengthened.
5. *Coordination.* Environmental and social management is a cross-cutting issue that requires coordination among different sectors. In many cases there is no formally established link between environmental protection organs and the other sectors with regard to environment and social management. The environmental and social management system operational manual will elaborate on this and suggest possible coordination mechanisms to strengthen horizontal and vertical linkages for improved environmental and social management, particularly at woreda level.
6. *Financial Resources.* One of the issues linked to a lack of capacity at woreda level is inadequate operational budget. Allocating a certain percentage of woreda operational budgets to environmental and social management activities may help to address this challenge.

ESPES provides an opportunity to contribute to improved environmental and social management systems by addressing the following environmental and social management challenges of the ESPES-supported sectors, particularly at woreda level:

- (a) *Environmental and social management system (ESMS) operational manual*: The ESMS will include procedures for due diligence, identification of potential environmental and social effects, mitigation measures, and implementation and monitoring plan, including an annual performance assessment. This will help woreda staff to screen projects for their environmental and social effects and monitor the implementation of any mitigation measures.
- (b) *Institutional capacity building*: Key positions, including environmental and social management specialists at different levels, will be filled to ensure that there is adequate capacity to screen the environmental and social risks of investments in the ESPES-supported sectors, particularly at woreda level. The staff will be provided proper training to undertake their activities related to environmental and social management.
- (c) *Continue and strengthen the citizen engagement component of PBS 3, which addresses social management aspects related to vulnerable groups and others*:
 - *Financial transparency and accountability (FTA)*: Continue the FTA component, strengthen the quality of FTA training, and ensure that more women and physically challenged groups are included in FTA activities (especially budget literacy training).
 - *Grievance redress*: Continue the GRM component of PBS 3 and ensure that GRM officers at woreda level receive training in working with illiterate and the most vulnerable community members to ensure that their grievances are documented and addressed, to build confidence in the GRM system, and to post and publicize examples of successful GRM cases so that citizens become aware that the system is working. Innovative communications approaches, including use of multimedia, should be used to strengthen awareness about the availability of GRM.
 - *Social accountability*: Continue the Ethiopia Social Accountability Program Phase 2 and further strengthen linkages with the PBS FTA component to ensure that the most vulnerable communities have the necessary information to engage in social accountability. The participation of the most vulnerable and underserved groups can be strengthened by including specific steps in the Social Accountability Guidelines in addition to training for Social Accountability Implementing Partners (SAIPs) to ensure that the needs of the most vulnerable are accommodated.
- (d) *Recognize and reward*: An annual event will be organized to recognize and reward better-performing regions/woredas whose activities demonstrate sound environmental and social management.

References

Afar Regional State Environmental Protection and Land Administration Agency, *Afar National Regional State Payment of Compensation for Property Situated on Landholding Expropriated for Public Purposes Regulation No. 2/2006*, Semera (2006 E.C).

Council of Amhara National Regional State, *Zikre Hig, Environmental Impact Assessment Proclamation No. 181/2011*, 16th Year No. 9, Bahir Dar, 28th March 2012.

EDRE, *Federal Negarit Gazeta, Environmental Impact Assessment Proclamation No. 299/2002*, 9th Year No. 11, Addis Ababa, 3rd December 2002.

FDRE, *Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia (Amendment) Proclamation No. 803/2013*, 19th Year No. 61, Addis Ababa, 29th July 2013.

FDRE, *Federal Negarit Gazeta, Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 691/2010*, 17th Year No. 1, Addis Ababa 27th October, 2010.

FDRE, *Federal Negarit Gazeta, Environmental Pollution Control Proclamation No. 300/2002*, 9th Year No. 12, Addis Ababa, 3rd December 2002.

FDRE, *Federal Negarit Gazeta, Environmental Protection Organs Establishment Proclamation No. 295/2002*, 9th Year No. 7, 31st October 2002.

FDRE, *Federal Negarit Gazeta, Expropriation of Land Holdings for Public Purposes and Payment of Compensation Proclamation No. 455/2005*, 11th Year No. 43. Addis Ababa, 15th July 2005.

FDRE, *Federal Negarit Gazeta, Labor Proclamation No. 377/2003*, 10th Year No. 12. Addis Ababa 26th February 2004.

FDRE, *Federal Negarit Gazeta, Payment of Compensation for Property Situated on Landholding Expropriated for Public Purposes Regulation No. 135/2007*, 13th Year No. 36 Addis Ababa, 18th May 2007.

FDRE, *Federal Negarit Gazeta, Public Health Proclamation No. 200/2000*, 6th Year No. 28 Addis Ababa 9th March 2000.

FDRE, *Federal Negarit Gazeta, Radiation Protection Proclamation No. 571/2008*, 14th Year No. 23 Addis Ababa 22nd April 2008.

FDRE, *Federal Negarit Gazeta, Research and Conservation of Cultural Heritage Proclamation No. 209/2000*, 6th Year No. 39 Addis Ababa 27th June 2000.

FDRE, *Federal Negarit Gazeta, Rural Land Administration and Land Use Proclamation No. 456/2005*, 11th Year No. 44 Addis Ababa, 15th July 2005.

Federal Environmental Protection Authority, *Environmental Impact Assessment Guideline Document*, Addis Ababa (May, 2000).

Federal Environmental Protection Authority, *Environmental Impact Assessment Guideline on Pesticides*, Addis Ababa (May, 2004).

Federal Environmental Protection Authority, *Environmental Impact Assessment Procedural Guideline Series I*, Addis Ababa (May, 2003).

Federal Environmental Protection Authority, *Environmental Policy of Ethiopia*, Addis Ababa, (April, 1997).

Federal Environmental Protection Authority, *Guidelines for Social, Environmental and Ecological Impact Assessment and Environmental Guidelines on Hygiene in Settlement Areas*, (Addis Ababa, 2004).

Ministry of Agriculture and Rural Development, *Forest Development, Conservation and Utilization Policy and Strategy*, (Addis Ababa 2007).

Ministry of Agriculture, *Social Assessment of the Sustainable Land Management Project Phase II (SLM II)*, Addis Ababa. 2013.

Ministry of Agriculture. *Social Assessment of the Productive Safety Net Program (PSNP 4)*. Addis Ababa. 2014.

Ministry of Education. *Social Assessment of the Social Assessment of the General Education Quality Improvement Program Phase II (GEQIP II)*, Addis Ababa. 2014.

Ministry of Finance and Economic Development, Economic Policy and Planning Department, *Agricultural Development Led Industrialization Policy and Strategy*, Addis Ababa (April, 2003).

Ministry of Finance and Economic Development. *PBS 3 Enhanced Social Assessment and Consultation: Draft Report*, December, 2014.

Ministry of Federal Affairs, *Social Assessment of Pastoral Community Development Project Phase III (PCDP III)*, Addis Ababa. 2013.

Ministry of Natural Resources Development and Environmental Protection of the Transitional Government of Ethiopia, *Conservation Strategy of Ethiopia*, Addis Ababa (October, 1994).

Ministry of Water Resources, *Ethiopian Water Resources Management Policy*, (Addis Ababa, 1999).

Ministry of Water Resources, *Social Assessment of Water Supply and Sanitation Program II (WaSH II)*, Addis Ababa, 2013.

Oromia National Regional State, *Environmental Impact Assessment Proclamation No. 176/2012*, 21st Year No. 2/2012, 30th November 2012.

Provisional Military Administration Council, *Government Ownership of Urban Lands and Extra Urban Houses Proclamation No. 47/1975*, Negarit Gazeta No. 41, 26th July 1975.

Provisional Military Administrative Council, *Public Ownership of Rural Lands Proclamation No. 31/1975*, Negarit Gazeta No. 26, 29th April 1975.

Transitional Government of Ethiopia, *National Health Policy*, (Addis Ababa, September 1993)

Transitional Government of Ethiopia, *National Energy Policy*, (Addis Ababa, May 1994).

Transitional Government of Ethiopia, *National Policy on Ethiopian Women*, (Addis Ababa, September 1993).

World Bank, *Health Sector Environmental and Social Systems Assessment*. Addis Ababa. 2013.

World Bank, *Ethiopia Second Urban Local Government Development Program Environmental and Social Systems Assessment*, Addis Ababa, 2014.

Annex 1: Results Chain

Results Chain

1. **Results Chain for Results Area 1 - Ensuring Equitable Access to Basic Services.** The GoE uses a decentralized fiscal structure to meet its ambitious targets for basic service delivery at lower levels. The resources provided through the IGFTs flow to local levels using agreed-upon allocation principles and finance recurrent expenditures mainly in the form of salaries. Program analysis demonstrates that expenditures in recurrent basic service delivery are (a) effective in expanding basic service access and (b) promote both geographic and wealth equality in basic service access. The Technical Assessment further underscores the need to support qualified staffing levels, responsive to the needs of vulnerable groups and women. These intervention logics support the overall outcomes identified in the results chain. Block grant transfers have become increasingly pro-poor; the majority of the benefits of the spending accrue to households with lower incomes. In practice, block grants tend to preferentially benefit less well-off regions and *woredas*. In addition, block grant transfers appear to target less well-off *woredas* within all regions. These trends and findings are reflected in the Results Chain for Area 1.

Results Area 1 – Ensuring equitable access to basic services

	Activities	Intermediate Results	Outcomes
	<ul style="list-style-type: none"> • Per capita increase in block grant transfers to regions • Support to existing dialogue and analyses of IGFT rules and regulations within government • <i>Support to analytical works on the (a) unit cost of basic services; (b) sustainability of the IGFTs; and (c) domestic resource mobilization</i> • <i>Targeted education, health and agricultural awareness campaign</i>¹⁸ 	<ul style="list-style-type: none"> • Increased staffing of qualified civil servants delivering basic services, including HEWs, teachers, and DAs (proportion of which are women) • <i>Increased understanding on the sustainability and poverty impact of the IGFTs</i> • Increased awareness of households in poorly performing <i>woredas</i> on education 	<p>Increased service delivery-related outcomes, including:</p> <ul style="list-style-type: none"> • <u>Number of students in grades 5–8</u> • <u>Women receiving antenatal care</u> • Equitable geographic and wealth distribution in access to education and health services¹⁹ • <u>Women getting agricultural advisory services</u>

Bold Font: DLI Indicator; Regular Font: Program Action Plan, Underlined: Results Framework; *Italics:* Parallel Capacity Support Results Framework

Results Chain for Results Area 2 - Enhancing Citizens Engagement, Environmental and Social Capacity Management: This results chain focuses on the institutionalization of demand-side governance interventions and widening the scope of citizens’ engagement on service delivery. This is foreseen through the formalization of a road map for future SA programming, enhanced support for environmental and social capacity management, and capacity building of ethics staff. Under these interventions, linkages will be fomented with financial transparency and grievance redress procedures.

¹⁸ Within the bottom 20 percent of performing *woredas*.

¹⁹ See DLI 5 for a full description of the outcomes regarding increased equity in basic services access.

Results Area 2 –Enhancing Citizens Engagement, Environmental and Social Capacity Management

	Activities	Intermediate Results	Outcomes
Social accountability	<ul style="list-style-type: none"> • <u>Rollout plan for social accountability activities developed and adopted by the steering committee</u> • <i>Guidelines for implementing FTA-Social Accountability (FTA-SA) linkages developed</i> • <i>Information campaign for beneficiaries</i> 	<ul style="list-style-type: none"> • Expansion of social accountability activities to more woredas/kebeles • Citizens providing more feedback on services delivery • <u>Increase in number of woredas implementing FTA-SA linkages</u> 	<ul style="list-style-type: none"> • <u>Enhanced accountability through citizen engagement</u>
FTA	<ul style="list-style-type: none"> • <i>Inform the public through mass media on complaint handling mechanism</i> • Technical assistance provided for pre-budget discussion and preparation of guidelines • Directive on conducting pre-budget discussion by woredas issued • <u>Posting of standardized service delivery template at basic service units</u> • Training manual for woreda councils' standing committee members on the process of budgeting, expenditure oversight, and audit follow-up prepared and training provided 	<ul style="list-style-type: none"> • Increase in percentage of woredas conducting pre-budget discussions, including percentage of women participating • <u>More citizens aware of their woreda's budget</u> • More woreda councils' standing committees proactive in budgeting, expenditure oversight, and audit follow-up 	<ul style="list-style-type: none"> • <u>More citizens providing feedback about the budget</u> • <u>Enhanced transparency through citizen engagement</u> • <u>Greater incorporation of audit follow-up into woreda councils' activities</u>
Fraud and corruption and GRM	<ul style="list-style-type: none"> • Undertake capacity gap assessment of Regional Ethics and Anticorruption Commissions (REACCs) in developing states • <i>Funds provided to increase number of ethics officers in woredas</i> • <i>GRM structures and standardized regulations developed and adopted by regions</i> • Assignment of woreda-level staff in the GRM 	<ul style="list-style-type: none"> • F&C complaints data disaggregated by sector and type of case • Ethics officers trained and deployed at local levels 	<ul style="list-style-type: none"> • <u>Increased number of woredas with enhanced capacity to identify and prevent F&C activities</u> • <u>Improved ability of citizens to have their grievances heard and acted upon</u>

	Activities	Intermediate Results	Outcomes
Environmental and social issues	<ul style="list-style-type: none"> • Environmental and Social Management System (ESMS) Operational Manual (OM) developed • Environmental and Social Management System (ESMS) Operational Manual (OM) are customized by regions 	<ul style="list-style-type: none"> • Improved implementation of environmental and social management procedures at <i>woreda</i> level • <u>Training of <i>woreda</i>-level staff in ESMS</u> 	<ul style="list-style-type: none"> • <u>Greater awareness of and improved adherence to guidelines in the ESMS OM</u>

Bold Font: DLI Indicator; Regular Font: Program Action Plan, Underlined: Results Framework; *Italics:* Parallel Capacity Support Results Framework

2. Results Chain for Results Area 3 - Deepening Fiduciary Aspects of Basic Service Delivery. This results chain brings into focus the importance of building on existing fiduciary arrangements at the decentralized level, with an emphasis on capacity support, training, and timely follow ups. The results chain supports the roll out of innovative benchmarking and performance and training activities with the view of strengthening the ability of *woredas* to measure PFM performance and respond to fiduciary concerns. It is noted that elements covering F&C are included in Results Area 3.

Results Area 3 – Deepening fiduciary aspects of basic service delivery

	Activities	Intermediate Results	Outcomes
PFM	<ul style="list-style-type: none"> • Analysis of PFM capacity constraints at <i>woreda</i> level undertaken • <u>OM for PFM Benchmarking Rating system developed and agreed</u> • <i>Continued roll-out new version of IBEX to woredas</i> 	<ul style="list-style-type: none"> • Distribution of customized PFM Benchmarking systems to regions • Lowest performing <i>woreda</i> identified and targeted for capacity building efforts • <u>Increased audit coverage of the annual budget at <i>woreda</i> sectoral offices</u> 	<ul style="list-style-type: none"> • Benchmarking Rating System in operation reporting on PFM performance at <i>woreda</i> level • Increased number of <i>woredas</i> with favorable audit findings
Procurement	<ul style="list-style-type: none"> • Assessment of regional procurement bottlenecks • <u>Development of customized procurement performance manuals, including performance indicators and formats</u> • <i>Provide trainings on procurement audit</i> 	<ul style="list-style-type: none"> • Commence data collection based on new formats • <i>Increased number of procurement audits carried out at <i>woreda</i> level</i> • <i>Improved capability of regional procurement bodies to undertake audits</i> 	<ul style="list-style-type: none"> • Function of regional procurement bodies strengthened

Bold Font: DLI Indicator; Regular Font: Program Action Plan, Underlined: Results Framework; *Italics:* Parallel Capacity Support Results Framework

3. **Results Chain for Results Area 4 - Results and Data Quality Assurance.** This results chain promotes data quality attainment and continued analytical support of service sectors.

Results Area 4 – Ensuring quality data access and results

Activities	Intermediate Results	Outcomes
<ul style="list-style-type: none"> • Important statistical surveys completed (HIES and DHS) • Implementation of EDQAF and data quality audit reports produced annually for a number of sectors • <i>TA provided for enhancing CSA and line ministries' capacity on M&E systems and conduct verifications</i> 	<ul style="list-style-type: none"> • Increased access to development data to the public • <u>Increased number of sectors with operational MIS and trained staff</u> • Improve development information and data for service delivery 	<ul style="list-style-type: none"> • Increased citizens' and stakeholder utilization of development data for planning, policy, and decision making • Increased utilization of development information by the public to improve effectiveness of service delivery

Bold Font: DLI Indicator; Regular Font: Program Action Plan, Underlined: Results Framework; *Italics:* Parallel Capacity Support Results Framework

4. **To achieve the four Results Areas, the activities and results chain are designed to be executed through a system of four main mechanisms: DLIs, results framework, program action plan and a parallel capacity support agenda.** Given the complexity of these mechanisms, emphasis will be placed on effective coordination measures to coherence and synergies. To a large extent the program will rely strongly on established institutional structures to ensure this coherence, in the form of the COPCU implementation unit as well as the new PBS Secretariat entity. Priority will be placed on ensuring coordination also with parallel programs of support. In this sense, the results of the ESPES will rely on effective implementation especially under PBS Subprogram B and ESAP. In this respect a range of measures will be set in place as follows (i) the program's semi-annual supervision mission will incorporate findings will be done concurrently with PBS, and will be informed by ESAP implementation (ii) training will be provided to both the Government implementation team, as well as the donor harmonization team, on ESES and parallel support measures (iii) the ESPES team will be part of the design team for the future roll out of ESAP, including its bridging phase, to ensure consistency (iv) a designated Task Team lead and supporting team will remain on the ground in Ethiopia to ensure high level implementation support.

Annex 2: Socio-Economic Profile of Sample Woredas

Region	Afar	Amhara	Benishangul-Gumuz	SNNP
Zone	Zone 01	South Gonder	Assosa	Sidama
Woreda	Asayta	Dera	Bambasi	Shebedino
Mean elevation (masl)	386	2,091	1,138	1,882
Average travel time (in hours) to a city of at least with 50,000 residents	9.2	3.3	13.9	0.6
Average road density (meters/square Km)	56	59	63	408
Major land cover area	Bare land	Cultivation	Highland Bamboo	Cultivation
Total population	50,803	248,464	48,694	233,922
- <i>Male</i>	27,284	126,961	24,720	118,026
- <i>Female</i>	23,519	121,503	23,974	115,896
Sex ratio	116.01	104.49	103.11	101.84
Dependency ratio	0.68	0.89	0.85	1.00
Population density	30	163	23	1187
Literacy status	27.86	27.61	45.70	44.64
Gross enrollment rate (primary school)	36.68	54.47	84.54	54.98

Source: CSA 2007 Population and Housing Census of Ethiopia.

Annex 3: Proposed ESSA Actions for Inclusion in the Program Action Plan

No	Issues/Risks	Action	Responsibility	Timeframe	Indicator
1.	Lack of capacity for environmental and social management: Capacity gaps may lead to poor project design, implementation and monitoring of environmental and social effect particularly at woreda level	<ul style="list-style-type: none"> - Assign one Environment and Social Management specialist in MoFED and a focal person BoFEDs - Prepare environmental and social management operational manual - Train 200 woreda-based staff on environment and social management - Customize the ESMS OM Guidelines in four regions 	MoFED and BoFED	Annually	Improved due diligence and mainstreaming of environmental and social issues
2.	Inadequate coordination between the ESPES-supported sectors and oversight bodies such as EPLAU	<ul style="list-style-type: none"> - Strengthen coordination between ESPES sectors: this includes awareness on roles and responsibilities, networking sectors, allocating resources and regularly monitoring performance - Strengthen woreda EPLAU offices - Ensure the assignment of a focal person in the ESPES - supported sectors for environmental and social management 	Woreda Councils/basic sectors/Oversight bodies	Program design/ongoing	Improved environmental and social management
3.	Inadequate commitment and recognition of good performance	<ul style="list-style-type: none"> - Recognize and reward better performing regions/woredas with activities that demonstrate sound environmental and social management - Undertake Annual Performance Assessment of Environmental and Social Management Specialists 	Regional Government	Annually	Inclusion of environmental and social management in organizational performance appraisal
4.	Absence of regular joint review mechanisms	Organize forums dedicated to reviewing the implementation of environmental and social management activities	BoFED/WoFED	Bi-annual and annual	Improved performance of environmental and social management

Annex 4: Summary of Public Consultation

Introduction

The ESSA consultation workshop aimed at enriching the Draft ESSA report was held for one day in Addis Ababa, Ethiopia on 16 February, 2015. The draft report was prepared based on field level assessments, desk review of relevant documents and related studies and consultation with relevant federal and regional sector bureaus. The key findings and conclusions of the report were presented during the workshop with a view to solicit comments and inputs from the participants.

A total of 67 participants were drawn from both federal and regional levels. All regions were represented including the five basic sectors supported by PBS in addition to oversight agencies such as Bureaus of Environmental Protection and Land Administration and Use. NGOs and Development Partners also participated.

ESSA Consultation Agenda

**Consultation
Environmental and Social Systems Assessment (ESSA)
For
Enhancing Shared Prosperity through Equitable Services (ESPES) Program for Results
(PforR) Operation**

**Elilly Hotel, Addis Ababa
16 February, 2015**

9:00-9:30	Welcome
9:30-10:00	Background to ESPES PforR
10:00-10:30	HEALTH BREAK
10:30-11:30	ESSA Presentation
11:30-12:00	Plenary Discussion
12:00-1:30	LUNCH
1:30-3:00	Working Groups
3:00-3:30	HEALTH BREAK
3:30-5:00	Plenary Presentation of Working Group Findings

Findings, Conclusions and Recommendations of the ESSA

The ESPES PforR operation will use the country system for managing the environment and social effects of the program. Specific actions during preparation and implementation stages include:

- ***Preparation*** entails the undertaking of a system assessment against OP/BP 9.00 core principles and key planning elements

- **Implementation** entails (a) implementation of the agreed actions; (b) monitoring the system's performance and completion of the necessary agreed actions; and (c) adapting management practices as may be necessary in response to poor performance or unanticipated challenges to effective implementation

The Bank remains committed to E&S sustainability and the avoidance of adverse effects under the ESPES. The focus here is on institutional capacity to manage risks, rather than on individual transactions or investments, and environmental and social risk management using system assessments and remedial measures based on core principles.

Environmental and Social System Assessment (ESSA) is used to document the environmental and social management systems applicable to the program. ESSA is a Bank team responsibility but information comes from the client and other stakeholders.

The **main findings** with regard to the environmental and social management systems in Ethiopia are:

- Ethiopia has adequate legal framework, including a robust environment and social regulations (Environmental Policy, EIA proclamation, Conservation strategy, etc.);
- Implementation of existing provisions of the environment and social regulations is highly uneven across various woredas and regions; and
- Risks relate to implementation, including lack of procedures and guidelines for risk screening and implementation of mitigation measures; lack of coordination among various agencies; and lack of human and technical capacity particularly at woreda level.

The **major conclusions of the ESSA are the following:**

- **Insufficient Attention:** Not enough attention is given to environmental and social management at woreda level, largely due to lack of awareness;
- **Human Resources:** Shortage of staff and lack of training on environmental and social management.
- **Guidelines and Procedures:** Wide variation in level of provision of guidelines and procedures across woredas and regions;
- **Environmental and Social Impact Assessment:** ESIA is not generally practiced, except in relation to donor-funded projects, in many woredas
- **Coordination:** There is no formal link between environmental protection organs and the sectors with regard to environment and social management with the exception of few woredas in some regions;
- **Community Consultation:** Although there is often information sharing, especially related to project site selections, community consultation is generally weak;
- **Grievance Redress Mechanism (GRM):** There are wide variations in the availability and application of GRM across regions; and
- **Social Accountability:** The most vulnerable and underserved citizens tend to feel uncomfortable expressing their individual views directly to service providers or through a GRM

The **suggested recommendations** to address some of the challenges include:

- **Higher Level Awareness Creation** at regional level to develop a stronger commitment in addition to awareness creation for Woreda Councils and Office Heads;
- **Strengthen the environmental and social management system (ESMS) at woreda level:** ESMS Operational Manual will include procedures for due diligence, identification of potential

environmental and social effects, mitigation measures, implementation and monitoring plan, etc. *Need to strengthen Environment and Social Management capacity within MoFED, Regions and woredas: Need to have at least one full time E&S specialist in MOFED focusing on planning, implementation and improving coordination with regions*

- *Need to improve effectiveness of implementation through capacity building: E&S staffing, financial resources, internal operating arrangements through a Capacity Building Plan for woredas and Regions*
- *Need to improve implementation approach: Need to improve incentive for regions and woredas to improve effectiveness of implementation, monitoring and verification*
- *Institutional capacity and system: Minimum environmental and social management capacity ensured through key position in woredas as an indicator to demonstrate a functional ESMS*
- *Environmental and social safeguards focal person to ensure that there is a mechanism and capacity to screen environmental and social risks of the sector projects prior to implementation.*

Group Discussion

Working groups discussions were organized under four themes: (i) Institutional arrangement for environmental and social management, (ii) Capacity for environmental and social management, (iii) Public Consultation, Grievance Redress and Social Accountability, and (iv) Vulnerable Groups. The major points of discussion and recommendations are summarized in the Table below.

Theme 1: Institutional arrangements for environmental and social management		
Gaps	Challenges	Recommendation
<ul style="list-style-type: none"> • Priority was given to construction/development works by neglecting environmental and social impacts of the construction works. • Even if there are now some activities which are done, still there are gaps. There are not enough personnel to accomplish the environmental and social impacts of construction works. There is still a high thirst for construction. • Lack of coordination among various organs. • Considering the environmental protection activities as the tasks of only one bureau or office. • EIAs are being made usually for donor driven projects or mega projects. • Instability of institutions. That is making and unmaking of institutions continuously without giving enough time for the institutions to do their jobs and evaluate their jobs. There is a continuous reshuffling of institutions within short period of time has led to loss of institutional memory and working in a regular manner. There are instances where established institutions before completing recruiting their staff, they have become victims of structural changes. • Lack of integration of not only between government organs but also between NGOs and government organs. • Financial constraints to hire those who are capable. • There is no organization in government offices that deals with social affairs. Even if there are environmental aspects, usually social aspects are lacking. There is no awareness that EIA includes social aspects. • There are no standardized appraisal tools. The standards vary from institution to institution. • There is no rule that regulates which persons (which experts) should involve in the EIA process. For instance, antiquities or 	<ul style="list-style-type: none"> • There are instances where there is big disparity between the EIA document and the reality on the ground. Experts may even conduct EIA simply sitting in their offices. • Considering EIA as costly activity. • Limiting EIA only to project levels by neglecting its nature to strategic level and social assessment aspects. • Combining different institutions which should have been established independently. This has a problem of focusing on the tasks of one of these institutions and relegating the other’s tasks to a lower level. • Considering EIA as an activity that is against development. • High staff turnover. 	<ul style="list-style-type: none"> • Social and environmental concerns should be taken as component part of the development projects • Awareness creation programs for the justice enforcement organs. • Making EIA part of the project itself by legally determining the percentage of its cost. E.g. a legal requirement of allocation 1% or 2% of the total project cost to EIA. • When organizing institutions, no detailed studies are being made so that the institutions stay for long. The institutions should not be adopted from other regions or from the federal government or even from other countries. Institutions need to be organized based on local contexts. • Working on attitude change in important. • Incentives and benefits for experts. • All components of EIA should be given equal significance. • Institutional stability must be there.

<p>cultures of people have not been given sufficient concern.</p> <ul style="list-style-type: none"> • Weak stakeholder participation/consultation. • Absence of EIA from design level to implementation of projects. • Absence of controlling mechanisms to check on environmental and social assessments is actually implemented. The proponent may bring good documents as far as environmental impact study report is concerned. 		
<p>Theme 2: Capacity for environmental and social management</p>		
<ul style="list-style-type: none"> • frequent change in institutional structure • Staff turnover, lack of incentive mechanism • Lack of staff evaluation and output based incentive system • Lack of enabling environment • Mandate conflict on environmental issues-Agri. sector with the health sector (for ex. on controlling rabbis) • No social expert in many sectors (except gender, HIV, experts), • absence of Technology (for ex. to identify environmental issues (like air pollution, sound pollution) • Lack of capacity in managing solid waste – both operational and capital budgets 	<ul style="list-style-type: none"> • absence of clear structure for ESA personnel in many sectors (mostly available only in donor supported projects) • absence of dedicated personnel, in many cases covered as an additional job • Lack of attention by executive bodies – no monitoring mechanism • Attention decreases to the ESA work as we go down the structure – from region to woreda • Minimum effort in knowledge sharing, no way to maintain institutional memory, sharing training documents, documentation, etc. • Absence of integration work between sectors on handling environmental and social issues (ex. installation of electric, water and sanitation facilities) 	<ul style="list-style-type: none"> • allowing clear institutional structure with clear duties and responsibilities • Creating enabling environment for staff working in ESA • Provision of continuous training, improve on documentation • Introduce technology to curb environmental problems • Social issues needs to be mainstreamed in all structures • Improve on coordination between sectors, implementing bodies
<p>Theme 3: Vulnerable Groups (including pastoral communities)</p>		
<ul style="list-style-type: none"> • Lack of Adequate Consultation • Study and Technical Design Weaknesses (failure to address needs of specific groups) • Weak Capacity to Identify Negative Impact • Institutional Capacity Gaps • Lack of Skilled and Appropriate Staff • Lack of Professional Capacity Building Support, ex. Training 	<ul style="list-style-type: none"> • Lack of Adequate Knowledge/Awareness at All Levels • Inadequate Skills • Limited Technology • Resource: Budget, Time • Lack of Staff-Turn Over 	<ul style="list-style-type: none"> • Sustained Advocacy towards E&S Management • Ensure the inclusion of Vulnerable Groups from Planning to Implementation • Provide Continuous and Massive Training • Enforce Policies and Guidelines • Deepening and Strengthening Institutional

<ul style="list-style-type: none"> • Inadequate Number of Staff • Shortage of Logistics and Technology • Lack of detailed Enforcement Guidelines/ Ex., Lack of Clarity on Penalty • Lack of Clarity in delineating Institutional Responsibilities • Weak Leadership Attention and Commitment at Lower Levels 	<ul style="list-style-type: none"> • Absence of Mechanisms for Integration & Coordination • Absence of Adequate Attention by the Leadership • Shortage of Budget • Weak Accountability 	<p>Capacities</p> <ul style="list-style-type: none"> • Create Inter-sectoral Interface and Integration • Ensure Mobilization and Allocation of Adequate Resource • Ensure Leadership Commitment at All Levels • Develop Incentive Mechanism to retain Staff • Mainstream relevant data collection in Regular Surveys
<p>Theme 4: Public Consultation, Grievance Redress and Social Accountability</p>		
<ul style="list-style-type: none"> • Consultations are not gender sensitive • Lack of engagement guidelines • Consultations do not include grass root beneficiaries/ only woreda and kebele political officials are involved/ • Lack of facilitation skills /Adult learning styles / • Lack of Grievance redress system at kebele, woreda and zone (e.g. Gambella and Somali) • The system is also not uniform at all regions • Lack of skills to handle grievance • lack of awareness among the public on the presence of grievance redress • Limited coverage (limited kebeles in each region) • Low awareness among the services providers and users at all level • Lack of enough resource to scale up best practice • limitation on the sustainability and institutionalization 	<ul style="list-style-type: none"> • Lack of ownership among service users • Lack of infrastructure to access for vulnerable groups • pre -existed attitudinal problems in terms of beneficiaries , Government and concerned stakeholders • Low awareness on the possibility of participation • Lack of enforcement mechanism by government • Lack of timely response to grievance by some organizations 	<ul style="list-style-type: none"> • Consultations should be gender inclusive • There must be public engagement guidelines • Consultation has to incorporate the entire beneficiaries • Developing Adult learning facilitation skill • document and share best practices and further develop skills • mobilize resource for scaling-up • Mainstream the concept and practice of in all sector at all level • strengthening the involvement of civil society organizations and private sector for sustainability of the social accountability

Plenary discussion

The main comments arising in the plenary discussion are outlined, below:

- There is a lack of guidance on public consultation and clear recommendations for strengthening should be included in capacity building plan
- Offices of Agriculture are undertaking a lot watershed management activities, which is developing both environmental and social management capacity
- Is it affordable to employ environmental and social management professionals at woreda office level?
- Most experts working at woreda level are confused with the multiple instruments implemented (ESMF, ESSA, ESIA, etc.)
- Amhara requires certificates for projects indicating their EIAs have been approved before implementation
- There needs to be clarity on who is responsible for looking into potential negative environmental and social impacts of projects.
- Feasibility Studies sometimes look into issue but full EIA are not usually done.
- Social aspects of EIA are not given enough attention – how can this gap be filled and improvements be made?
- There may be resource implications for recommendations and not doing business as usual that need to be considered
- Need to ensure that environmental and social management is mainstreamed into sector initiatives to make sure that it is properly rolled out
- It is important to take into account the way of life of pastoralists and vulnerable groups
- In urban areas there are social specialists working on social assessment but financed only to work on DP projects
- Projects are often seem from the development side and not usually from the public good perspective
- Small and very localized projects are not subjected to EIA
- There is no implementation of mitigating measures. For example, quarry and road construction, leave pits behind.
- There is a lack of coordination and integration among different agencies

The participants commended the efforts made to assess the environmental and social management capacity, and the level of consultation. They agreed with the findings, main conclusions and recommendations of the ESSA. Comments were provided with regard to the proposed indicators for measuring environmental and social management, definition of vulnerable groups, sample size for the field assessment, and financial implication of the proposed capacity building for environmental and social management. After deliberations on these issues, the workshop endorsed the ESSA to be finalized by incorporating the comments, as appropriate.