

**The Federal Democratic Republic of Ethiopia
MINISTRY OF WORKS AND URBAN DEVELOPMENT**



RESETTLEMENT POLICY FRAMEWORK

URBAN LOCAL GOVERNMENT DEVELOPMENT PROJECT

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Ministry of Works and Urban Development

Government of Ethiopia
 Ministry of Works and Urban Development
Urban Local Government Development ULGDP investment project
Resettlement Policy Framework
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ABBREVIATIONS

ARAP	Abbreviated Resettlement Action Plan	MSE	Micro and Small Enterprises
BOFED	Bureau of Finance and Economic Development (Regional)	MWUD	Ministry of Works and Urban Development
BWUD	Bureau of Works and Urban Development (Regional)	NGO	Non governmental organization
CBDS	Capacity Building for Decentralized Service Delivery	O&M	Operation and Maintenance
CIP	Capital investment plan	OM	Operational Manual (for the ULGDP)
EIA	Environmental Impact Assessment	PAPs	Project Affected Persons
EMP	Environmental Management Plan	PIP	Project Implementation Plan
EPA	Environmental Protection Authority	PSCAP	Public Sector Capacity Building Support Program Project
ESMF	Environmental and Social Management Framework	RAP	Resettlement Action Plan
ETB	Ethiopian Birr	REPA	Regional Environmental Protection Authority
GOE	Government of Ethiopia	RPF	Resettlement Policy Framework
HH	Household	RUPI	Regional Urban Planning Institute
HoH	Head of Household	SNNP	Southern Nations Nationalities and People's National Regional State
IDA	International Development Association	UDCBO	Urban Development Capacity Building Office (of MWUD)
IO	Infrastructure Office (for ULGDP)	ULGs	Urban Local Governments
M&E	Monitoring and evaluation	ULGDP	Urban Local Government Development Project
MOFED	Ministry of Finance and Economic Development	VIP	Ventilated improved pit latrine

Exchange rates used (as at February 21, 2008))

Ethiopian ETB 9.31715 = US Dollar \$1.00

Introduction and DEFINITIONS

INTRODUCTION

This document provides a Resettlement Policy Framework (RPF) for the Urban Local Government Development Project (ULGDP). Financing for the ULGDP is provided by the International Development Association of the World Bank. Participating urban local government (ULGs) and Regional governments will also provide funds to finance ULGDP capital investment projects. The Ministry of Works and Urban Development (MWUD) is the agency responsible for overall implementation of the ULGDP including the provisions of this RPF. The RPF addresses social impacts of the ULGDP - issues of land acquisition resulting from implementation of ULGDP investment projects that may or will result in loss of property or disturbance affecting livelihoods. Another ULGDP document, the Environmental and Social Management Framework (ESMF) addresses physical environment impacts and can be read together with this RPF. The participating ULGs are the main authorities responsible for identifying and implementing ULGDP investment projects.

This RPF document is to be used by all implementing agencies of the ULGDP in order to ensure that all environmental and social safeguards are adequately addressed and that the relevant capacity and training needs are established in order for the recommended measures to be implemented effectively.

OBJECTIVE AND SCOPE OF THE RPF

The use of this Resettlement Policy Framework will be triggered when a proposed ULGDP investment project needs to acquire land and people or property is affected.

The objectives of this Resettlement Policy Framework are to:

1. As far as possible ensure that involuntary resettlement and land acquisition is avoided or where it is necessary, is minimized, by exploring all viable alternatives.
2. Where involuntary resettlement and land acquisition is unavoidable, resettlement and compensation activities are prepared and implemented by providing sufficient investment resources according to GOE Proclamation and Regulations
3. Persons displaced by the ULGDP will be meaningfully consulted.

Ethiopian Compensation and Expropriation Law and Regulations

The ESMF will ensure compliance with the relevant requirements of the laws and regulations of Ethiopia, as described in:

- (a) *Proclamation No 455/2005 Expropriation of Landholdings for Public Purposes and Payment of Compensation* establishes the legal principles and framework for expropriation and compensation. A detailed summary is provided in Table 4 on page 18.
- (b) *Council of Ministers Regulations No. 135/2007, on the Payment of Compensation for Property Situated on Landholdings Expropriated for Public Purposes* provide the procedures for application of Proclamation No 455/2005. The Council of Ministers Regulations No. 135/2007 is provided in full in Section 0 Annex C on page 35.

Relevant environmental legislation and guidelines are described in the ESMF document and contained in:

- (a) Proclamation No. 295/2002 Environmental Protection Organs Establishment
- (b) Proclamation No. 299/2002 Environmental Impact Assessment

- (c) EPA Environmental Impact Assessment Guideline Document, May 2000
- (d) EPA Environmental Impact Assessment Procedural Guidelines, Series 1, November 2003

Public Disclosure

For projects such as the ULGDP, the World Bank procedures require that the ESMF and RPF are prepared and publicly disclosed prior to project appraisal. This allows the public and other stakeholders to comment on the possible environmental and social impacts of the project, and for the World Bank's Appraisal Team to strengthen the frameworks, particularly measures and plans to prevent or mitigate any adverse environmental and social impacts. To this end, this document will, when agreed between the GOE and the World Bank, be publicly released through the World Bank's InfoShop, and in public locations in Ethiopia prior to project appraisal. Likewise, subsequent EIAs EMPs, ARAPs and RAPs will be disclosed in the same manner prior to start of physical works.

DEFINITIONS

The terms in bold shall have the following meanings:

1. **Affected people**, means people who are directly affected socially and/or economically by ULGDP investment projects as a result of:
 - a) the involuntary taking of land and other assets resulting in:
 - ⇒ relocation or loss of shelter
 - ⇒ loss of assets or access to assets
 - ⇒ loss of income sources or means of livelihood, whether or not the affected persons must move to another location;
 - or
 - b) The involuntary restriction or access to legally designated parks and protected areas results in adverse impacts on the livelihood of the displaced persons.
2. **Census** means a field survey carried out to identify and determine the number of ULGDP investment project affected persons (PAPs), their assets, and potential impacts; in accordance with the procedures for this RPF, satisfactory to the relevant government authorities.
3. **Environmental and Social Management Framework (ESMF)** is a safeguard instrument (document) which establishes a system for determining and assessing future potential environmental and social impacts of the ULGDP investment project activities and other activities associated with this ULGDP investment project regardless of funding agency. The framework sets out mitigation, monitoring and institutional measures to be taken during design, implementation and operation of the project activities to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels. This instrument has been prepared as a separate and stand-alone document to be used with this RPF.
4. **Environmental audit** is an instrument to determine the nature and extent of all environmental areas of concern at an existing facility. The audit identifies and justifies appropriate measures to mitigate the areas of concern, estimates the cost of the measures, and recommends a schedule for implementing them.
5. **Environmental impact assessment (EIA)** is an instrument to identify and assess the potential environmental impacts of a proposed project, evaluate alternatives, and design appropriate mitigation, management, and monitoring measures.
6. **Environmental management plan (EMP)** is an instrument that details (a) the measures to be taken during the implementation and operation of a project to

- eliminate or offset adverse environmental impacts or to reduce them to acceptable levels; and (b) the actions needed to implement these measures. The EMP is an integral part of Schedule 1 EIAs (irrespective of other instruments used). EIAs for Schedule 2 projects may also result in an EMP.
7. **Compensation** means payment to be, made in cash or in kind or in both to a person for his property situated on his expropriated land holding. The amount of compensation for property situated on expropriated land shall be determined on the basis of the replacement cost of the property. Compensation payments will be made to displaced persons before physical works commence and the displaced persons property is affected; i.e., during the early stages of implementation of the Resettlement Action Plan or Abbreviated Resettlement Action Plan.
 8. **Cut-off date** The entitlement cut-off date to entitlement to compensation refers to the date when the assessment of persons and their property in the ULGDP investment project area is carried out, i.e. the time when the ULGDP investment project area has been identified and when the site-specific socio-economic study is taking place. After the cut-off-date no new cases of affected people will be considered. The establishment of a cut-off date is required to prevent opportunistic invasions/rush migration into the chosen land areas thereby posing a major risk to the ULGDP investment project.
 9. **Project affected persons (PAPs)** means persons who, for reasons of the involuntary taking or voluntary contribution of their land and/or other assets as a result of the ULGDP project investments, suffer direct economic and/or social adverse impacts, regardless of whether or not the said ULGDP investment project caused persons to physically relocate. These people may have their:
 - ⇒ Standard of living adversely affected, whether or not the PAP must move to another location;
 - ⇒ Right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently, adversely affected;
 - ⇒ Access to productive assets adversely affected, temporarily or permanently; or
 - ⇒ Business, occupation, work or place of residence or habitat adversely affected.
 10. **Involuntary Resettlement** means the involuntary taking of land resulting in direct or indirect economic and social impacts which leads to physical displacement of persons, and/or loss of shelter, and /or loss of livelihoods and/or loss, denial or restriction of access to economic resources.
 11. **Land** refers to agricultural and/or non-agricultural land and any structures thereon whether temporary or permanent and which may be required for the ULGDP investment project.
 12. **Landholder** means an individual, government or private organization or any other organ which has legal personality and has lawful possession over the land to be expropriated and owns property situated thereon.
 13. **Land acquisition** means the taking of or alienation of land, buildings or other assets thereon for purposes of the ULGDP investment project.
 14. **ULGDP investment project** means any urban local government capital investment project which is funded by a ULGDP Performance Grant in whole or in part or which a ULGDP Performance Grant funded investment is dependent upon, regardless of financing source.
 15. **Resettlement Action Plan (RAP)** is a resettlement instrument (document) to be prepared when ULGDP investment project locations are identified. In such cases,

land acquisition leads to physical displacement of persons, and/or loss of shelter, and/or loss of livelihoods and/or loss, denial or restriction of access to economic resources. RAPs are prepared by the party impacting on the people and their livelihoods. RAPs contain specific and legally binding requirements to resettle and/or to compensate the affected party before implementation of the project activities causing adverse impacts.

Replacement cost means replacement of assets with an amount sufficient to cover lost assets and related transaction costs as described in the definition for compensation in GOE Federal Proclamations, as follows:

Land: An urban landholder whose holding has been expropriated under the Proclamation shall:

- ⇒ Be provided with a plot of urban land with access to similar public infrastructure services. ULGs will, as much as possible or feasible, provide land in a similar or neighbouring area; and
- ⇒ Be paid displacement compensation equivalent to the estimated annual rent of the demolished dwelling house or be allowed to reside, free of charge, for one year in a comparable dwelling house owned by the urban administration.

Permanent improvement to land: Compensation for permanent improvement to land shall be equal to the value of capital and labour expended on the land. The cost of removal, transportation and erection shall be paid as compensation for a property that could be relocated and continue its service as before.

16. **Resettlement Assistance** means the measures to ensure that ULGDP investment project affected persons who may require to be physically relocated are provided with assistance such as moving allowances, residential housing or rentals which ever is feasible and as required, for ease of resettlement during relocation,
17. **The Resettlement Policy Framework (RPF)** has been prepared as an instrument to be used throughout the ULGDP implementation. The RPF will be publicly disclosed in impacted areas to set out the resettlement and compensation policy, organizational arrangements and design criteria to be applied to meet the needs of the people who may be affected by the program. The Resettlement Action Plans (RAPs) for the ULGDP will be prepared consistent with the provisions of this RPF.

Urban Local Government Development Project

BACKGROUND, JUSTIFICATION & COMPONENTS

The Urban Local Government Development Project is a continuation of a program of reform by the GOE which started with the government's creation of a new institutional and organizational framework for urban local governments in the early 2000s. The World Bank contributed to the early stages of establishing these urban local governments through the Capacity Building for Decentralized Service Delivery Project (CBDSD) which aimed to support the decentralization, reform and capacity building initiative. The CBDSD was followed by support from the Urban Management Sub-program of the Public Sector Capacity Building Program Support Project (PSCAP) that substantially scaled up the capacity building component of the CBDSD. The CBDSD and PSCAP are focused on capacity building to enable regions and cities to establish the necessary institutional and organizational frameworks, and provide a range of training and other technical assistance activities to establish cities as viable entities that are able to fulfil their legal mandates. The ULGDP builds on the CBDSD and PSCAP initiatives by establishing an on-budget, performance-related specific purpose grant as an additional component to the government's fiscal architecture of predictable resource transfers to the urban sector. The specific purpose grant is incentive-driven and is designed to support improvements in infrastructure and service delivery as a result of enhanced performance by the urban local governments (ULGs) in implementing the government's urban reform agenda. The specific purpose grant complements the other fiscal instruments that the government has already created as part of its decentralization strategy, which include:

- ⇒ The Regional Block Grant (providing support for recurrent expenditures from the federal treasury);
- ⇒ The regional PSCAP Specific Purpose Grant (providing support for capacity building); and
- ⇒ The pilot Local Investment Grant (providing support for small capital investments in rural woredas and urban local governments).

ULGDP SCOPE

The ULGDP developmental objective is: to support improved performance in the planning, delivery and sustained provision of priority municipal services and infrastructure by urban local governments as well as contribute to the implementation of the government's Urban Development and Urban Good Governance Programmes.

IDA support for the ULGDP will, initially, be contained within a 5 year period, with the Project Effective Date expected in August/September 2008.

The ULGDP has two components:-

Component 1: Performance Grants which constitute the vast majority of the project funds and would be disbursed as per the access and performance criteria stated in the ULGDP Operational Manual.

Component 2: Implementation Support which reserves a very small (less than 1%) amount of the project funds to finance planning and implementation of the ULGDP.

As a result of enhanced performance, the ULGDP Performance Grants will enable cities, to:

- a) More effectively address urban infrastructure backlogs;
- b) Facilitate local economic development and to generate employment; and

- c) Provide incentives for urban local governments and regions to implement the government's proposed reforms under the Urban Development and Urban Good Governance Programs; which are needed for sustainable urban services and growth.

The key trigger for ULG access to ULGDP funds will be preparation and submission of 3-year capital investment plans. The 3-year capital investment plans should be: (a) realistic; (b) technically sound; (c) responsive to real community priorities; and (d) sustainable for operations and maintenance. These investment plans will form the core of the ULGs' initial 3-year capital investment and annual applications for ULGDP funding and must, therefore, be prepared and submitted in a timely fashion and in formats that will enable Regional Bureaus of Works and Urban Development¹ (BWUDs) and the MWUD to adequately review and approve the requests.

The planning and budgeting for ULGDP at federal, regional and ULG levels will be integrated into and aligned with the existing GOE Public Investment Program financial calendar and systems.

PARTICIPATING URBAN LOCAL GOVERNMENTS

For the start of the ULGDP 19 cities will be invited to prepare and submit applications for ULGDP Performance Grants. These are indicated in Table 1 below.

Table 1 Participating Urban Local Governments

City	Federal Chartered City or Regional State
Addis Ababa City Government	Federal Chartered City
Dire Dawa City Administration	Federal Chartered City
Bahir Dar, Dessie, Gondar and Kombolcha	Amhara Regional State
Harar	Harari Regional State
Adama, Bishoftu, Jimma and Shashemene	Oromia Regional State
Awassa, Arba Minch, Dila and Sodo	Southern Nations Nationalities & Peoples' Regional State
Mekele, Adigrat, Axum and Shire Endasellassie	Tigray Regional State

The 19 cities contain a population of approximately 5.5 million comprising about 43% of Ethiopia's total urban population². These 19 cities have been selected for two main reasons: a) it is important to focus on large sized investments so that substantial impact can be achieved – so as to avoid a large number of small investments that have little real impact; and b) to focus the ULGDP investment in those 18 cities that have already received substantial capacity building support through the CBDSD project, including development of 5 year capital investment plans, plus the capital city, Addis Ababa. In this document these cities are referred to as “urban local governments” (ULGs).

¹ Regional BWUDs will work in close consultation with Regional Urban Planning Institutes.

² This data is based on the 1995 census estimates for July 2007. These will be updated with the May 2007 census data once this is released in 2008.

ANTICIPATED ULG INVESTMENT PROJECT TYPES**Component 1**

The list of eligible investments will include all sectors for which ULGs have legal responsibility for investment, comprising, but not limited to those described in Table 2. ULGs are encouraged to focus on projects that will contribute directly to creating jobs and increasing incomes, including labour intensive projects. Table 2 sets out a list of the types of ULG investment projects that are likely to be undertaken as part of the ULGDP.

Table 2 List of Eligible Investments under ULGDP Component 1

Infrastructure/Service	Type
Roads	Cobblestone, gravel and red ash roads, rehabilitation of roads, bridges, fords and culverts, pedestrian ways and street lighting, etc
Integrated infrastructure and land services (for housing, SME, industrial zones)	Land development, servicing land with utilities (water supply, electricity, telecommunications and survey), roads and drains solid & liquid waste collection & disposal, etc
Sanitation (Liquid Waste)	Sewer reticulation systems, wastewater treatment ponds, sludge ponds, community soak away pit and septic tanks, community latrines: dry pit, ventilated improved pit latrine, composting, drainage canals, vacuum trucks and vacuum handcarts, etc
Sanitation (Solid Waste Management)	Transfer stations, collection points, collection bins, landfills, biogas and composting plants, collection trucks, other collection equipment and landfill site equipment including compaction vehicles, etc.
Water Supply	Spring catchments and gravity distribution system, river intake (run of river/dam), treatment works and pressure distribution, wells with submersible pumps, treatment works and pressure distribution, rehabilitation or expansion of existing system, communal standpipes, etc
Urban drainage	Drainage and flood control systems, etc
Built Facilities	Urban markets with associated services (water supply, drainage, access roads, etc), development of production and market centres for small businesses, slaughter houses with by-products processing facilities, etc
Consultancy services	For studies relating to, preliminary and detailed design, contract documentation and supervision relating to the above infrastructure and services, etc.

Component 2

It is expected that only a very small (less than 1%) amount of IDA ULGDP funds will be required for implementation support. The funds necessary, in addition to the sources outlined below, will finance further training and capacity building initiatives as required to support implementation. This will include supervision and other support activities such as regional visits, workshops, seminars, evaluations and meetings; consultancy services to support cities in the implementation of the Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) activities as required - including screening, preparation of environmental impact assessments, environmental management plans, cultural resource management plans, and resettlement action plans, and

monitoring compliance with safeguards frameworks; a MOFED based expert responsible for financial disbursements and reporting (if required); support for preparation of mid-term and final evaluation reports (including the Implementation Completion Report), etc.

Note: ULGDP support activities that are required prior to the ULGDP fund availability (the Project Effective Date), including training for implementing agencies on the ULGDP Operational Manual, Urban Infrastructure and Asset Management Manual, ESMF and RPF, as well as any other necessary activities, will be funded from CBDS or PSCAP.

ACCESS CRITERIA

Eligible urban local governments will need to meet certain criteria to access funds under the project. The criteria, at a minimum, provides assurances that: (a) funds will be managed adequately, and (b) proposed investments by the cities adequately represent the priorities of citizens, will generate jobs and promote the local economy, can be implemented to acceptable standards and can be operated and maintained adequately. As such, the following criteria have been proposed:

- a) Submission of a signed Participation and Performance Agreement by each ULG;
- b) Submission of a rolling 3-year capital investment plan based on a consultative process with a detailed annual action plan, approved by City Council;
- c) Demonstration of own budgetary resources adequate to meet (a) counterpart funding requirements; and (b) existing and future O&M requirements³ over the 3-year capital investment plan period;
- d) Improved financial management systems in place, with evidence of an adequate internal audit system; and
- e) Adequate human resource capacity to consult, plan, implement and sustainably manage priority services and infrastructure.

PERFORMANCE CRITERIA

While cities will be allocated funding envelopes once they meet the access criteria, their performance in the use of the funds and in the implementation of the reforms being promoted through the Urban Development and Urban Good Governance Programs, will be assessed. To encourage good performers, and to ensure that funds are not “locked” by poor performers, reallocations will be carried out periodically. Reallocations will be based on annual performance reviews. MWUD is creating a system of annual performance reviews to follow the implementation, at regional and city levels, of the MWUD’s Urban Development and Urban Good Governance Programs. The review of regional and city performance related to the implementation of this project will be incorporated as part of the regular annual review process of MWUD. The criteria for assessing performance will be based on measures related to:

- a. Works implementation progress (60% in the first year of ULGDP, 75% in the second year and 100% in the 3rd year);
- b. Fund utilization (65% in the first year, 80% in the second year and 100% in the 3rd Year);
- c. Financial performance (revenue targets should be met 100% in the 2nd year of ULGDP; annual reports should be submitted on time as per the financial regulation; completion of audits as per the financial regulation);
- d. Procurement and safeguards compliance (100%); and

³ O&M requirements to be calculated based on the MWUD’s proposed asset management framework

- e. Timely submission of project physical and financial performance reports as per the PIP and OM.

COMPENSATION COSTS

Compensation will be made by ULGs from the local contribution of 20% of the ULGDP Performance Grant amount. It is essential that sufficient budget is provided for all compensation and resettlement costs. It is difficult to determine the budget required for resettlement activities and compensation, in advance of identification and screening of ULGDP project investments by each ULG. This can be done by assuming that approximately 1% of the budget for the ULGDP program will go towards resettlement planning, assistance and compensation.

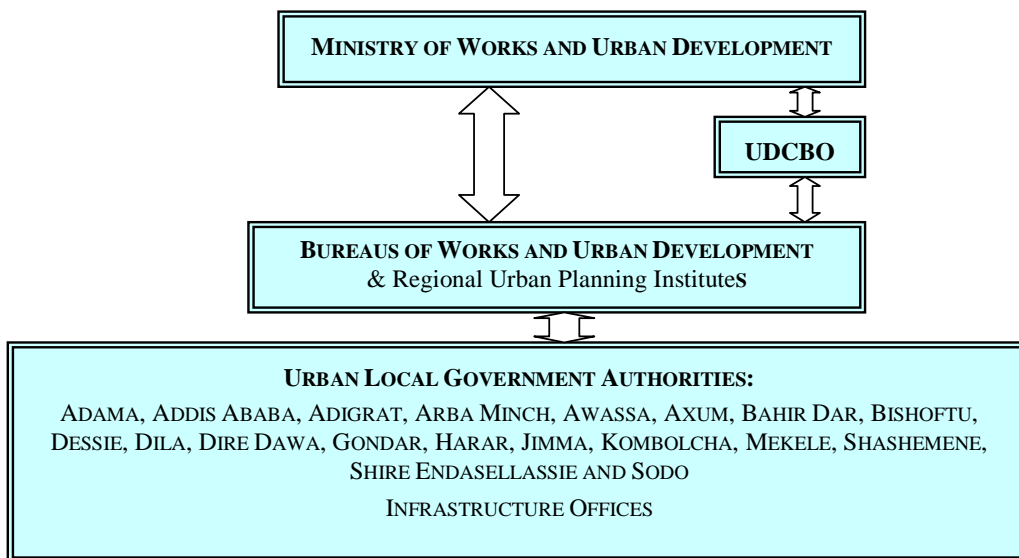
Organizational Responsibilities for ULGDP Implementation

Immediately after project appraisal (March 2008) an exercise will be carried out to review existing capacity of all implementing agencies (procurement, financial management, procurement, contract management, design & supervision, infrastructure asset management, planning, environmental assessment, resettlement & compensation, etc) to identify:

1. Any human resource gaps and the means of and deadline for filling gaps (job descriptions and/or TOR will be developed if consultants are to be hired to fill gaps);
2. Any other gaps in office space, equipment, etc; and
3. Any financial needs/resources that need to be included in EFY 2001 and subsequent budgets.

A simple guideline will be prepared by MWUD to guide ULGs/Regions in carrying out and reporting back on this exercise which will aim to ensure that all project implementation capacity and resources required are identified and secured.

Table 3 ULGDP Project Management Organizational Arrangements⁴



implementation. The two main project management systems required for ULGDP implementation are:

- a) For overall project management – led by MWUD. Only those responsibilities relating to the implementation of the ESMF and RPF are included. Full details of overall project management responsibilities are contained in the ULGDP PIP and Operational Manual;

⁴ Participating Urban Local Governments will establish “Infrastructure Offices” not specifically for ULGDP implementation but as part of a wider, parallel and ongoing initiative to strengthen ULG organizational focus and capacity for integrated infrastructure planning and management. Addis Ababa and Dire Dawa may not need to establish infrastructure offices as they already have established organizational entities such as the Addis Ababa City Road Authority and Addis Ababa Water and Sewerage Authority. ULGs may, where necessary, offer higher and more attractive salaries to attract suitably qualified staff for ULGDP implementation.

- b) For transfer of funds, financial management and reporting – led by MOFED. Organizational responsibilities relating to transfer of funds, financial management and reporting are excluded from this ESMF document as they are described in the ULGDP PIP and Operational Manual

FEDERAL ORGANIZATIONAL RESPONSIBILITIES

The implementation of ULGDP will use existing government structures with MWUD having overall implementation responsibility in accordance with its federal mandate. No new organizational structures will be established at the Federal or Regional levels.

Ministry of Works and Urban Development

As the federal agency with overall implementation responsibility for ULGDP, the Ministry of Works and Urban Development will be responsible for the tasks indicated below. The MWUD will assign specific responsibility for day to day management of the Ministry's responsibilities to the Urban Development Capacity Building Office (UDCBO). UDCBO will serve as the coordinating body across federal, regional and local agencies. If needed, additional staff may be recruited to complement or strengthen existing capacity.

UDCBO will hire an Environmental and Social Specialist whose responsibility will include supervising the overall implementation of the ESMF and RPF, providing support to agencies with a role in the ESMF such as the Environmental Council, the Environmental Protection Authority, BWUDs/RUPIs and ULGs.

The duties and responsibilities of UDCBO as the ULGDP coordinating unit relevant to the ESMF and RPF (a full list is included in the Project Implementation Plan) include the following:

- a. Ensuring smooth implementation and forward planning – including identification and mitigation of constraints/problems and exploitation of opportunities arising.
- b. Following up the day-to-day preparation and implementation of the project and providing effective and efficient management of the ULGDP;
- c. Ensuring timely reports are produced by participating ULGs/Regions, consolidated and presented to the Minister/World Bank as required and when endorsed disseminate them to the right users;
- d. Coordinating ULGDP implementation, facilitating flow of information and keeping consolidated documentation on a national basis;
- e. Providing assistance to regional and local governments as needed, other stakeholders, subcommittees, technical groups, monitoring, review and evaluation teams;
- f. Determining overall capacity building and specific training needs, provision of training to meet ULGDP needs (OM, PIP, ESMF, RPF), establishing and administering the budget (ULGDP component 2) to meet capacity building and training needs;
- g. Monitoring and reporting on overall ULGDP implementation progress;
 - ⇒ Coordinate and consolidate ESMF audit reports, monitor and evaluate ESMF and RPF implementation;
 - ⇒ Monitor key performance indicators and facilitate regional preparation of reports;
- h. Recruiting key staff for ULGDP implementation;
- i. Facilitate cities meeting access/performance criteria; and

- j. Verifying compliance with Ethiopia's and the World Bank's environmental, cultural, resettlement and other relevant safeguards.

REGIONAL ORGANIZATIONAL RESPONSIBILITIES

Bureaus of Works and Urban Development (BWUDs)

In each of Ethiopia's five participating regions the Bureaus of Works and Urban Development (BWUDs)⁵ will be the coordinating body to oversee, coordinate and facilitate the implementation process of the ULGDP for local governments under their jurisdiction. The Regional Bureaus of Works and Urban Development will work in close consultation with and delegate specific functions to Regional Urban Planning Institutes (RUPIs). BWUDs will be responsible for the following functions:

- a) Ensuring that participatory planning processes are undertaken by the ULGs;
- b) Collaborating with local governments in enforcing ULGDP operating guidelines, ESMF, RPF and other ULGDP or government procedures. Providing technical assistance to cities for implementation and compliance with safeguards and prevailing technical standards.

URBAN LOCAL GOVERNMENTS

The operational framework for planning and implementing ULGDP investment projects will be through a consultative process with the appropriate stakeholders at the local government level. Within each ULG, Infrastructure Offices (IOs) will be responsible for implementation of the ULGDP.

Urban Local Governments will be the highest body that will oversee, coordinate and implement ULGDP activities through their Council. ULGs will determine the allocation of the tasks for which they are responsible, as listed below, to ULG Bureaus, departments or units, including Infrastructure Offices:

- a) Include in ULG CIPs, Annual Plans and budgets 20% ULG contribution to ULGDP Performance Grants received and provide contribution;
- b) Manage the implementation of the ULGDP investment projects and planning in advance for the sustainable operation and maintenance of ULGDP investment after project completion;
- c) Undertake OM, ESMF, RPF and overall ULGDP training. Identify capacity building needs and inform BWUDs/MWUD of these needs.
- d) Implement and follow OM, ESMF and RPF procedures, including ESMF and RPF reporting requirements;
- e) Assist communities in undertaking planning and implementation exercises, and mobilize needed local resources and monitor their use;
- f) Organize joint reviews and evaluate the ULGDP activities and results;
- g) Consult and report regularly to the ULG City council regarding the progress of ULGDP implementation;
- h) Implementing actions to satisfy reforms/performance requirements;
- i) Ensuring adequate staffing;

The development and implementation of the ESMF and RPF may involve a number of processes which include:

⁵ The City Manager's Office will play this role in AACG and DDCA.

- a. An environmental screening to identify the potential severity of environmental impacts including land acquisition, resettlement and cultural resources;
- b. Where required as a result of the environmental screening, development of:
 - ⇒ Full or partial Environmental Impact Assessments;
 - ⇒ Environmental Management Plans;
 - ⇒ Full or abbreviated Resettlement Action Plans;
 - ⇒ A Physical Cultural Resources Management Plans; and
 - ⇒ And implementation of environmental mitigation measures.

The main responsibility for initiating and carrying out these activities will be the responsibility of the ULG IO⁶. The regional BWUDs will provide a review role, and provide political and administrative support for the implementation of the EIAs and RAPs, while the MWUD/UDCBO will ensure that there is compliance with the ESMF and RPF and national legislation, and that information is gathered in one place for overall ULGDP project monitoring and progress reporting.

Addis Ababa City Government and Dire Dawa City Administration

Addis Ababa City Government and Dire Dawa City Administration are federal chartered cities who combine the authority, functions and responsibilities of regional BWUDs and BOFEDs as well as of Urban Local Governments. Hence, regarding the ULGDP:

1. The Bureau of Finance and Economic Development will have the authority to carry out the tasks and assume the responsibilities assigned to BOFEDS; and
2. The City Manager and City Manager's Office will have the overall authority (including the authority to delegate tasks), carry out the tasks and assume the responsibilities assigned to BWUDs and ULGs.
3. The City Manager will determine the infrastructure body/office responsible for the implementation of the infrastructure project.

⁶ If necessary with support from local consultants contracted by MWUD/UDCBO

RPF Main Principles, Aspects, Laws & Regulations

The use of this Resettlement Policy Framework will be triggered when a proposed ULGDP investment project needs to acquire land and people or property is disturbed. For example: a piece of land is needed and people are affected because they have houses, shops or other permanent or temporary buildings on that land; use the land for water and grazing of animals; or they otherwise have access to the land for economic, religious, residential or other purposes which will not be possible during and after the ULGDP investment project is implemented.

MAIN PRINCIPLES OF THE RPF

The aims of this Resettlement Policy Framework are:

1. As far as possible to ensure that involuntary resettlement and land acquisition is avoided or where it is necessary, is minimized, by exploring all viable alternatives.
2. Any persons adversely affected by ULGDP will be supported by enabling them to get jobs and other assistance similar to the support provided through the UDP for MSEs.
3. Where involuntary resettlement and land acquisition is unavoidable, resettlement and compensation activities are prepared and implemented by providing sufficient investment resources according to GOE:
 - ⇒ Proclamation No. 455/2005 Expropriation of Landholdings for Public Purposes and Payment of Compensation; and
 - ⇒ Council of Ministers Regulations No. 135/2007, on the Payment of Compensation for Property Situated on Landholdings Expropriated for Public Purposes.

Project affected persons (PAPs) means persons who, for reasons of the involuntary taking or voluntary contribution of their land and/or other assets as a result of the ULGDP project investments, suffer direct economic and/or social adverse impacts, regardless of whether or not the said ULGDP investment project caused persons to physically relocate. These people may have their:

- ⇒ Standard of living adversely affected, whether or not the PAP must move to another location;
 - ⇒ Lawful possession of any house, land or any other fixed or movable asset acquired or possessed, temporarily or permanently, adversely affected;
 - ⇒ Access to productive assets adversely affected, temporarily or permanently; or
 - ⇒ Business, occupation, work or place of residence or habitat adversely affected;
-provided that they meet the requirements of the Proclamation 455/2005 which states that: 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 he made to such land. A **landholder**: means an individual, government or private organization or any other organ which has legal personality and has lawful possession over the land to be expropriated and owns property situated thereon

Compensation means payment to be, made in cash or in kind or in both to a person for his property situated on his expropriated land holding. The amount of compensation for property situated on expropriated land shall be determined on the basis of the replacement cost of the property. Compensation payments will be made to displaced persons before physical works commence and the displaced persons property is affected; i.e., during the

early stages of implementation of the Resettlement Action Plan or Abbreviated Resettlement Action Plan.

Replacement cost means replacement of assets with an amount sufficient to cover lost assets and related transaction costs as described in the definition for compensation in GOE Federal Proclamations, as follows:

Land: An urban landholder whose holding has been expropriated under the Proclamation shall:

- ⇒ Be provided with a plot of urban land with access to similar public infrastructure services. ULGs will, as much as possible or feasible, provide land in a similar or neighbouring area; and
- ⇒ Be paid displacement compensation equivalent to the estimated annual rent of the demolished dwelling house or be allowed to reside, free of charge, for one year in a comparable dwelling house owned by the urban administration.

Permanent improvement to land: Compensation for permanent improvement to land shall be equal to the value of capital and labour expended on the land. The cost of removal, transportation and erection shall be paid as compensation for a property that could be relocated and continue its service as before.

Resettlement Action Plans: The implementation of Resettlement Action Plans or Abbreviated Resettlement Action Plans - see Figure 1. Resettlement Policy Framework on the following page - is required for the implementation of each ULGDP investment project that causes resettlement of 25 or more persons. Where relocation or loss of shelter occurs, the RPF requires that measures to assist the displaced persons be implemented in accordance with the Resettlement Action Plans.

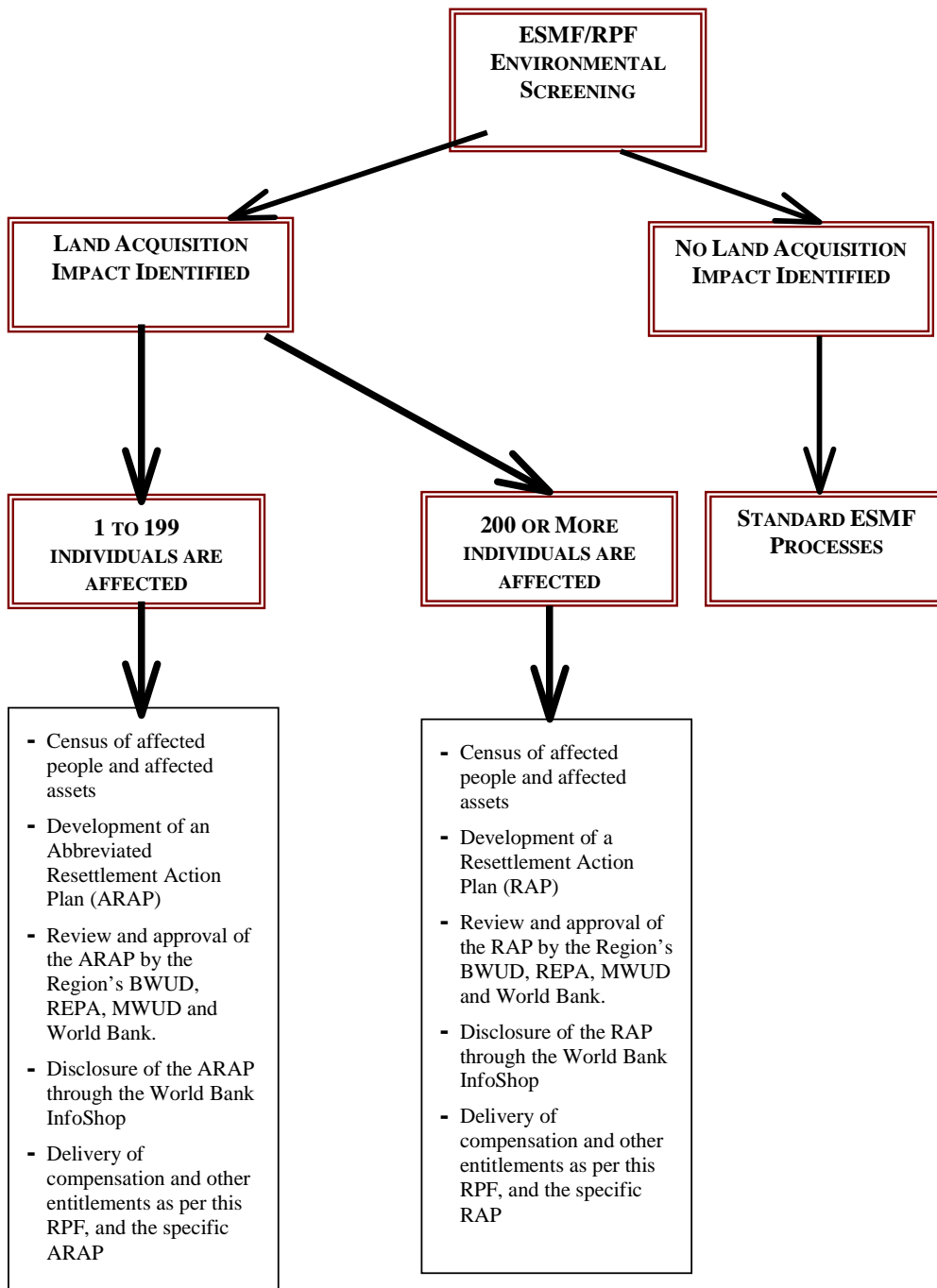
Consultation: The RPF seeks to ensure that affected communities are meaningfully consulted, have participated in the planning process.

Training and capacity building for implementation of this RPF includes sensitization and awareness-raising. These are included in the ESMF in the section that describes the ULGDP ESMF Training and capacity building components.

Urban and Rural Aspects of Resettlement: Although the majority of ULGDP investment projects are expected to impact mainly on urban areas and urban residents, urban infrastructure investments frequently have direct and indirect impacts on rural areas. For this reason, this RPF provides for cases of compensation and resettlement in both urban and rural situations. For example:

- ⇒ **Direct impact:** Urban investment projects frequently have direct impact on rural residents and holdings where urban expansion involves development of per-urban areas for residential or industrial or other types of development. Development of solid waste landfill sites, waste water treatment works and sludge ponds for disposing of septic tank waste, often take place on the urban fringe or wholly within surrounding rural areas.
- ⇒ **Indirect impact:** Development of urban roads, drains and other works frequently involves establishment of borrow pits in surrounding rural areas for production of aggregates for road base courses or removal of sand or clay deposits.

Figure 1. Resettlement Policy Framework



Note: In cases where more than 200 people are affected, but none of them are physically displaced AND none of them lose 10 percent or more of their productive assets, then an ARAP is acceptable.

LEGISLATION RELATED TO RESETTLEMENT PLANNING

The 1995 Constitution of Ethiopia, *Article 40(2), 40(4), 40(5) and 40(8)* includes provisions that protect the Ethiopian citizen's rights to private property and set conditions for expropriation of such property for state or public interests. For immovable property built on land, the Constitution states that *"Every Ethiopian shall have the full right to the immovable property he builds on the land and to the improvements he brings about on the land by his labour or capital."* According to *Article 40(8)* of the Constitution, the State may expropriate private rights over land: *"with out prejudice to the right to private property, the government may expropriate private property for public purpose"* with prior payment of adequate compensation. Again, *Article 44(2)* of the 1995 Constitution stipulates that all people who have been displaced or whose livelihoods have been adversely affected as a result of State programs shall have the right to receive adequate monetary or other alternative compensation, including transfer with assistance to another locality.

Proclamation No 455/2005 Expropriation of Landholdings for Public Purposes and Payment of Compensation establishes the legal principles and framework for expropriation and compensation. A detailed summary is provided in Table 4 on page 18.

Council of Ministers Regulations No. 135/200, on the Payment of Compensation for Property Situated on Landholdings Expropriated for Public Purposes provide the procedures for application of *Proclamation No 455/2005*. The *Council of Ministers Regulations No. 135/2007* is provided in full in Section 0 Annex C on page 35.

EXPROPRIATION OF LAND FOR PUBLIC PURPOSES AND COMPENSATION

Eligibility/ Entitlement

Eligibility for compensation is discussed in *Article 44(2)* of the 1995 Constitution and *Proclamation No 455/2005*. These give entitlement only to those who have formal legal rights over their land holdings (properties). *Proclamation No 455/2005, Article 2 (3)* stipulates that *"Landholder means an individual, government or private organization or any other organ which has legal personality and has lawful possession over the land to be expropriated and owns property situated thereon."* According to *Article 7(1) and (2)*, *"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 he made to the land"*. *"The amount of compensation for property situated on the expropriated land shall be determined on the basis of the replacement cost of the property"*.

Displaced persons without legal title: In order to ensure that displaced persons who do not have legal title are not adversely affected by ULGDP investments they will be enabled to maintain their livelihood and assisted to secure accommodation as more fully described below:

- (a) Support will be provided by giving them jobs: a) directly, as created by the project; or b) through the MSE development program which is underway in most Ethiopian cities, including the 19 project cities, in the form of training, easier access to credit, marketing support to establish businesses and business premises. This is expected to improve livelihoods so that displaced persons will be more able to provide for their alternative shelter; and
- (b) In addition, assistance will be provided by the project, to those displaced persons who are not urban landholders and who, as a result of project activities, lose fixed improvements on land they occupy, to secure accommodation as per the housing policies and programmes of the ULG.

Note: It is anticipated that ULGs will, as part of the ESMF/RPF screening and project preparation processes, investigate closely potential project impacts on resident's livelihoods and fixed improvements to ensure that negative impacts are avoided or minimised and the assistance in a) and b) must be sufficient to improve, or at least restore, lost livelihoods.

Tenants: Assistance will be provided to legal tenants of ULG property affected by the project to maintain their livelihoods and find alternative accommodation. Tenants of private landlords will seek redress from their private lessor by reference to the terms and conditions of their tenancy and civil law.

Expropriation and Compensation Regulations

Council of Ministers Regulations No. 135/2007, on the Payment of Compensation for Property Situated on Landholdings Expropriated for Public Purposes is provided in full in Section 0 Annex C on page 35. The regulations provide the methodology for assessing compensation or replacement of expropriated assets under the following headings:

1. **Assessment of Compensation** for buildings, fences, crops, perennial crops, trees, protected grass, permanent improvement on rural land, relocated property, mining licenses and compensation for burial-grounds.
2. **Formulas for calculating compensation** are provided for: buildings, crops, unripe perennial crops, ripe perennial crops, relocated property and for protected grass.
3. **Provision of replacement** for urban and rural land.
4. **Displacement compensation** for crops and perennial crops, protected grass or grazing land and for provisional expropriation of rural land.
5. **Miscellaneous provisions** state:
 - ⇒ There shall be no payment of compensation with respect to any construction or improvement of a building, any crops sown, perennial crops planted or any permanent improvement on land, where such activity is done after the possessor of the land is served with the expropriation order.
 - ⇒ A ULG shall, for the purpose of the implementation of the Proclamation and these Regulations, record properties situated on a landholding subjected to an expropriation order.
 - ⇒ Any person who claims for payment of compensation shall produce proof of legitimate possession of the expropriated landholding and ownership of the property entitling compensation.

Table 4 Proclamation 455/2005: Expropriation of Land Holdings for Public Purposes and Payment of Compensation

PART ONE GENERAL

- *Article 1:* Provides a title for the Proclamation
- *Article 2* Gives definitions of the terms used in the Proclamation, including “compensation”, “region”, “landholder”, “urban administration”, “public purpose”, “utility line” and “implementing agency”.

PART TWO –EXPROPRIATION OF LAND HOLDINGS

- *Article 3* gives the power to expropriate landholdings to a woreda or urban administration for a development project
- *Article 4* describes the requirements for the notification of an expropriation order. This requires notification in writing, with details of timing and compensation, which cannot be less than 90 days from notification. It requires that land should be handed over within 90 days of payment of compensation should the leaseholder accept payment. If there is no crop or other property on the land; it must be handed

over within 30 days of notice of expropriation. It further gives power to seize the land through police force should the landholder be unwilling to hand over the land

- *Article 5* sets out the responsibilities of the implementing agency, requiring them to gather data on the land needed and works, and to send this to the appropriate officials for permission. It also requires them to pay compensation to affected landholders.
- *Article 6* describes the procedures for the removal of utility lines. It requires the relevant government body to give a written request to the affected 'owner', and for this body to determine a fair compensation within 30 days, to the requesting body. Compensation must be paid within 30 days of the receipt of the valuation, and the owner must vacate the land within 60 days of receipt of compensation

PART THREE – DETERMINATION OF COMPENSATION

- *Article 7* describes the basis and amount for compensation. This entitles the landholder to compensation for the property on the land on the basis of replacement cost; and permanent improvements to the land, equal to the value of capital and labour expended. Where property is on urban land, compensation may not be less than constructing a single room low cost house as per the region in which it is located. It also requires that the cost of removal, transportation and erection will be paid as compensation for a relocated property continuing its service as before. Valuation formulae are to be provided by regulations
- *Article 8* relates to displacement compensation relating to permanent and temporary displacement for rural and urban landholders
- *Article 9* requires that the valuation of property is carried out by a certified private or public institution or private consultant as per the valuation formulae as mentioned above. Until the capacity is created to enable valuation by a certified valuer, valuation will be done by a committee.
- *Article 10* describes these committees. The committee must be made up of experts with relevant qualifications. This must be designated by the urban administration in urban areas. A specialized committee of experts may also be set up separately if required. (Committee procedures will be determined by directives).
- *Article 11* sets out procedures for complaints and appeals relating to compensation in rural & urban areas.

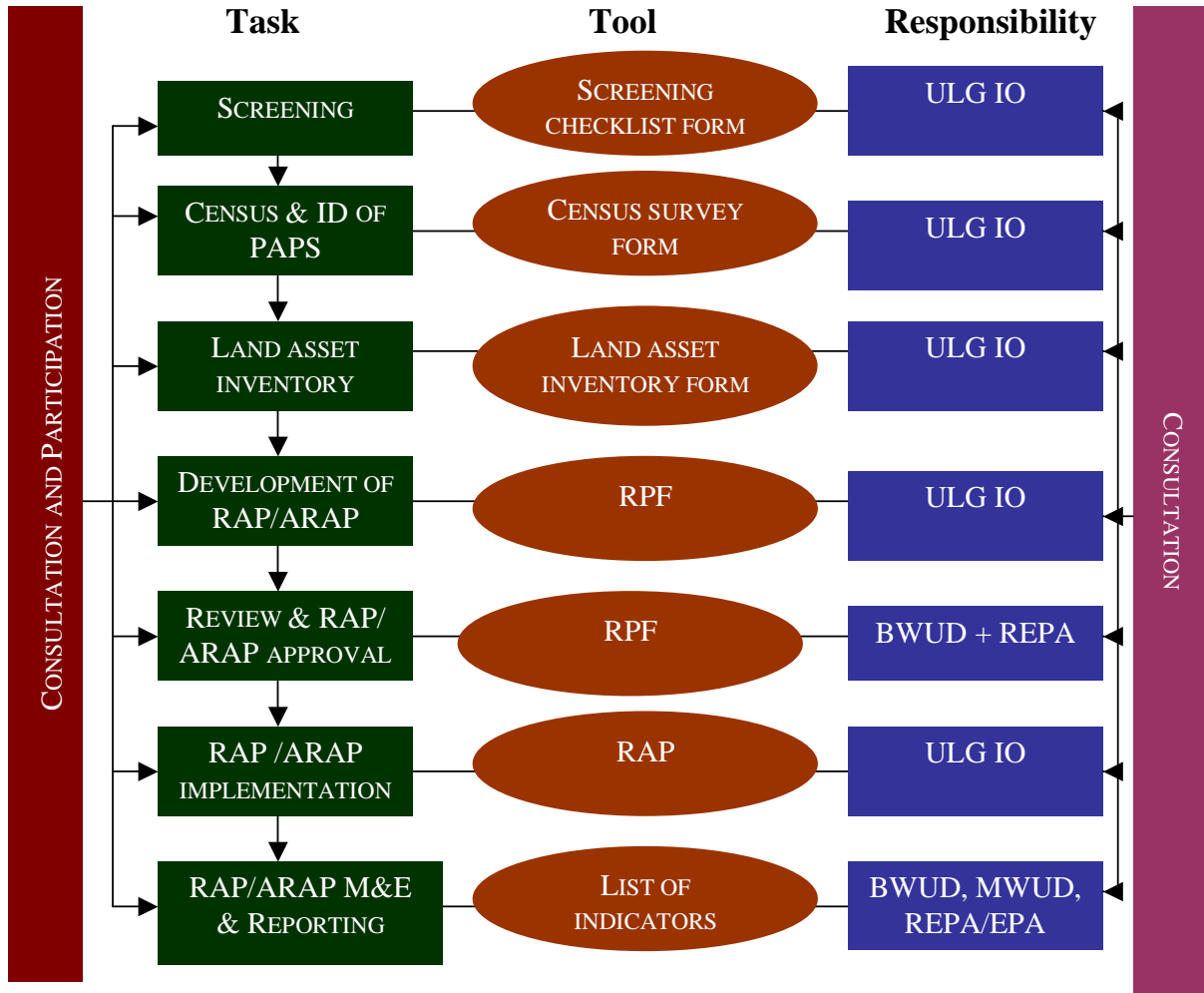
PART FOUR – MISCELLANEOUS PROVISIONS

- *Article 12* gives powers and duties to the Ministry of Works and Urban Development in relation to ensuring that there is compliance with the Proclamation at regional level, technical and capacity building support in implementation at regional level, and preparation of valuation formulae
 - *Article 13* gives responsibilities to woreda and urban administrations to ensure that compensation is paid and to give rehabilitation support to the extent possible, and maintain data regarding properties removed from expropriated landholdings.
 - *Article 14* gives the Council of Ministers the power to issue Regulations, and power to the Regions for issuing Directives.
 - *Article 15* states that Proclamation 401/ 2004 is repealed and that no other law, regulation, directive or practice will be applicable if it is not consistent with the Proclamation
-

RAP Preparation, Review and Approval

The steps to be undertaken for each individual RAP include a screening process; a socio-economic census and land asset inventory of the area and identification of ULGDP investment project Affected Parties (PAPs). This is followed by the development of a Resettlement Action Plan (RAP) or abbreviated RAP, RAP review and approval, implementation of the RAP and monitoring of RAP implementation and success. These steps are shown in Figure 2 below.

Figure 2. Individual RAP Preparation, Review and Approval Process



STEP 1: ULGDP INVESTMENT PROJECT SCREENING

The first step in the process of preparing individual resettlement and compensation plans is the screening process to identify the land or areas that may result in environmental and social impacts, including resettlement. ULGDP investment project screening is used to identify the types and nature of potential impacts related to the activities proposed under ULGDP, and provide adequate measures to address the impacts. It also ensures that the

ULG, in consultation with the local community members, chooses a site with the least environmental and social impacts, and lowest chance of resettlement.

The screening process presented below will ensure that ULGDP investment projects presented for ULGDP funding comply with the requirements of Ethiopian Law according to *Proclamation No 455/2005* and *Council of Ministers Regulations No. 135/2007*.

Screening will be undertaken by the relevant ULG infrastructure office (roads, water, sanitation, etc.) that proposes the ULGDP investment project, with the use of the screening tool as attached to the RPF (see Annex A) and ESMF⁷. This will be part of the environmental and social screening process for each ULGDP investment project as detailed in the ESMF. It will take place as early in the ULGDP investment project process as possible and will identify land that is to be taken for the project and Projected Affected Persons who will need to be resettled and/or compensated. This will be in consultation with the affected parties to ensure that it takes all considerations into account and all potential impacts are identified.

The Screening Report will be submitted by the ULG IO to the ULG Executive (City Manager and Mayor's Committee) for review. If the Screening Report shows that no resettlement is required, the development of an Abbreviated or full Resettlement Action Plan is not necessary.

If the Screening Report shows that resettlement will be required:

- a. If 200 or more persons are affected, a Resettlement Action Plan (RAP) will be developed;
- b. If 25 to 199 persons are affected an Abbreviated Resettlement Plan (ARAP) will be developed;
- c. If 1 to 24 persons are affected, a census of affected people and affected assets is required; delivery of compensation and other entitlements as per this RPF, including resettlement if needed, but no other specific documentation, or disclosure is required.

In all the above cases (a, b and c) the next step will be complete Step 2: to conduct a socio-economic survey and land asset inventory to determine the extent of resettlement required. This will be followed by the preparation of a Resettlement Action Plan (RAP), abbreviated RAP for the ULGDP investment project, or no further documentation is required.

STEPS 2 AND 3: CENSUS SURVEY AND LAND ASSET INVENTORY

An important step in the process of preparing a RAP and an ARAP is to establish appropriate data to identify the persons who will be displaced by the ULGDP investment project, people eligible for compensation and assistance, and to discourage inflow of people who are ineligible for these benefits. In essence, a census will achieve the following:

- ⇒ provide initial information on the scale of resettlement to be undertaken;
- ⇒ identify gaps in information and gives an indication of further socioeconomic research needed to quantify losses to be compensated and, if required, to design appropriate development interventions; and
- ⇒ Establish indicators that can be measured at a later date during monitoring and evaluation.

⁷ This is the same form as in the ESMF to enable a simple screening process for initial identification of social and economic impacts.

The socio-economic survey will be undertaken by a consultant contracted by MWUD or the BWUD. When this is not possible, and where the resettlement is minimal - e.g. a very small percentage of a person's land and livelihood is affected, - the relevant ULG IO that is proposing the ULGDP investment project, will carry out the survey with the use of the sample socio-economic survey in Annex B of this RPF. It will be accompanied by a land asset inventory to determine what assets will need to be compensated for during the resettlement process. A sample inventory form can also be found in Annex B.

STEP 4: DEVELOPMENT OF THE RAP OR ABBREVIATED RAP

Following the socio-economic survey and identification of affected parties, a RAP or ARAP will be developed according to the structure as set out in Box 8.1 and Box 8.2 based on the Resettlement Policy Framework illustrated in Figure 1 on page 16. Full descriptions of the RAP and ARAP are provided in Annexes D and E.

Preparation of a Resettlement Action Plan

The preparation of a RAP will be done by the ULG IO with the support of a consultant contracted by MWUD or the BWUD and in consultation with the affected parties, particularly in relation to the cut-off date for eligibility, disturbances to livelihoods and income-earning activities, methods of valuation, compensation payments, potential assistance and timeframes.

The basic elements of a RAP and ARAP are provided in summary in Boxes 1 and 2 and in full in Annex D, Resettlement Action Plan and Annex E, Abbreviated Resettlement Action Plan. In order that this is not an unnecessarily difficult process, the level of detail and extent of the RAP must be related to the extent of the resettlement impact. Should the resettlement activities be minor (e.g. a very small percentage of a person's land and livelihood is being required), a relatively simple abbreviated RAP will be required. Where the resettlement impact is more major (e.g. the physical displacement of 200 or more individuals), a more extensive and detailed RAP will be required.

The crucial aspect of a RAP process is that a specific, auditable process has been followed, that is appropriate to the impacts and that allows for consultation throughout the process. It must also ensure that those affected by resettlement, whether economic or physical, are no worse off, and preferably better off, than before.

Box 1. Contents of a Resettlement Action Plan

Structure of a Resettlement Action Plan

Identification of project impacts and affected populations;
 Legal framework for land acquisition and compensation;
 Compensation framework;
 Description of resettlement assistance and restoration of livelihood activities;
 Detailed budget; Implementation schedule;
 Description of organizational responsibilities;
 Framework for public consultation, participation, and development planning;
 Description of provisions for complaints and appeals; and
 Framework for monitoring, evaluation, and reporting

Preparation of an Abbreviated Resettlement Action Plan

An abbreviated RAP may be developed if the loss is a small percentage of the affected party's livelihood, such as the loss of part of a fence surrounding a property or as is defined in Figure 1 on page 16 – when between 25 and 99 individuals are affected. This needs to include at a minimum those aspects as set out in Box 2:

Box 2. Required Elements of an Abbreviated RAP

- ⇒ A census survey of displaced persons and valuation of assets;
- ⇒ Description of compensation and other resettlement assistance to be provided;
- ⇒ Consultations with displaced people about acceptable alternatives;
- ⇒ Institutional responsibility for implementation and procedures for complaints and appeals;
- ⇒ Arrangements for monitoring and implementation; and
- ⇒ A timetable and budget

It is likely that the ULGDP project will require only an Abbreviated RAP – or only a simple screening process and census, in most instances, ensuring that it is not over-burdensome, but at the same time ensuring a process has been followed. A full RAP may result in a large and detailed report, while an abbreviated RAP may be a few pages documenting all steps in the process, as set out in Box 2.

STEP 5: REVIEW AND SUBMISSION TO REGIONAL & FEDERAL AUTHORITIES

Following completion of the RAP or ARAP for a ULGDP investment project, the ULG IO / City Manager must submit the RAP to the BWUD and REPA for approval and ensuring compliance with the RPF. The RAP or ARAP is also to be submitted to MWUD - and through MWUD to the World Bank - to ensure compliance with the RPF and Ethiopian law. Capacity for RAP review and approval will be developed at each ULG through support of the regional BWUDs and the federal MWUD. This will be through training and technical assistance to ensure that all implementing agencies and other stakeholders

involved discharge their different responsibilities effectively. Annex G provides details of the designated Regional Environmental Protection Authorities.

STEP 6: RAP IMPLEMENTATION PROCEDURES AND IMPLEMENTATION SCHEDULE

Compensation payments will be made to displaced persons before physical works commence and the displaced persons property is affected; i.e., during the early stages of implementation of the Resettlement Action Plan or Abbreviated Resettlement Action Plan.

RAP Procedures

Following approval of the ULGDP investment project RAP or ARAP, the process of implementation must take place. This will involve:

- a. Consultation (a continuation of the process entered into during the site selection, screening and RAP development process);
- b. Notification to affected parties;
- c. Documentation of assets;
- d. Agreement on compensation;
- e. Preparation of contracts, and
- f. Compensation payments and provision of assistance in resettlement.

The detail of these steps will depend on the nature and extent of resettlement required.

CONSULTATION

An essential element in the RAP implementation process is consultation and public participation. This will be a continuation of the process entered into during the site selection, screening, census and RAP development process, and will depend on the extent of the resettlement impact. The community and landholder would be informed of the approval of the RAP and implications for all PAPs, as well as the likely implications in terms of resettlement, expropriation and compensation. Importantly, this would need to be part of an ongoing process, to ensure that no affected individual/household is simply “notified” one day that they are affected in this way. Instead, this process seeks their involvement and wishes to inform communities in a participatory approach with the project, from the beginning.

NOTIFICATION

At the earliest possible opportunity, the ULG IO will provide notification regarding land acquisition to land holders and users. The users will be informed through both a formal notification in writing and, as many people are illiterate, by verbal notification delivered in the presence of the Kebele representative.

DOCUMENTATION

The relevant ULG IOs will arrange meetings with affected individuals and/or households to discuss the compensation process. For each individual or household affected, the ULG official will complete a compensation dossier containing necessary personal information on the affected party and those that he/ she claims as household members, total landholdings, inventory of assets affected, and information for monitoring their future situation. Dossiers will be kept current and will include documentation of lands surrendered. Each individual will be provided a copy of the dossier at the time of negotiations. This is necessary so that the resettlement process for each individual PAP can be monitored over time. All claims and assets will be documented in writing.

AGREEMENT ON COMPENSATION AND PREPARATION OF CONTRACTS

All compensation options and types must be clearly explained to the affected individual or household. The ULG IO draws up a contract, listing all property and land being surrendered, and the types of compensation (cash and/or in-kind) selected. A person selecting in-kind compensation will have an order form, which is signed and witnessed. The compensation contract is read aloud in the presence of the affected party and other relevant community leaders prior to signing.

COMPENSATION PAYMENTS

All handing over of property such as land and buildings and compensation payments will be made in the presence of the affected party and kebele representative.

RAP Implementation Schedule

It is essential that the timeframes and action plans associated with the RAPs are linked to the ULGDP project implementation schedule. Provisions must be made for compensation and assistance prior to displacement. The assistance includes provision and preparation of resettlement sites with adequate facilities. In particular, land and related assets may be taken away only after compensation has been paid and resettlement sites and moving allowances have been provided to affected people. For project activities requiring relocation or resulting in loss of shelter, this RPF further requires that measures to assist the project affected persons are implemented in accordance with the individual RAPs. In the Implementation Schedule of each RAP, details on resettlement and compensation must be provided. The schedule for the implementation of activities, as agreed between the ULG IOs and PAPs must include:

- ⇒ Target dates for start and completion of civil works;
- ⇒ Timetables for transfers of completed civil works to PAPs;
- ⇒ Dates of possession of land that PAPs are using (this date must be after transfer date for completed civil works to PAPs and for payments of all compensation);
- ⇒ The link between RAP activities to the implementation of the overall sub project.

When approving recommendations for resettlement during screening, PAPs must confirm that the resettlement plans contain acceptable measures that link resettlement activity to civil works, in compliance with this policy. Proper timing and coordination of the civil works shall ensure that no affected persons will be displaced (economically or physically) due to civil works activity, before compensation is paid and before any project activity can begin.

Complaints and Appeals in Relation to Compensation

At the time that the individual RAPs or ARAPs are approved and individual compensation contracts are signed, affected individuals and households will have been informed of the process for expressing complaints and making appeals in relation to compensation. The relevant law is found in Article 11, Part Three of Proclamation No. 455/2005 Expropriation of Land Holdings for Public Purposes and Payment of Compensation. An indicative example of a form that can be used in submitting a complaint is provided in Annex F, but use of this form is not compulsory.

The relevant Sub-Articles are:

- 1 In rural areas and in an urban centre where an administrative organ to hear grievances related to urban land holding is not yet established, a complaint relating to the amount of compensation shall be submitted to the regular court having jurisdiction.

- 2 Where the holder of an expropriated urban landholding is dissatisfied with the amount of compensation, he may lodge his complaint to the administrative organ established by the urban administration to hear grievances related to urban landholdings.
- 3 The organ referred to in Sub-Article 2 above shall examine the complaint and give its decision within such short period as specified by directives issued by the region and communicate its decision to the parties in writing.
- 4 A party dissatisfied with a decision rendered in accordance with Sub-Articles 1 and 3 above may appeal, as may be appropriate, to the regular appellate court or municipal appellate court within 30 days from the date of the decision. The decision of the court shall be final

STEP 7: MONITORING AND EVALUATION

In order to assess whether the goals of the resettlement and compensation plan are being met, a monitoring plan will be required. This monitoring plan will indicate parameters to be monitored, institute monitoring milestones and provide resources including responsible persons or institutions to carry out the monitoring activities. Once again, the detail and complexity of this plan will depend on the nature and extent of the resettlement that takes place.

The arrangements for monitoring the resettlement and compensation activities will fit the overall monitoring program of the entire ULGDP program, which will fall under the overall responsibility of the different executing agencies. The executing agencies (MWUD, BWUDs and ULGs), with support from the ULG IO will institute an administrative reporting system that:

- a. Alerts project authorities on the necessity and procedures for land acquisition for the project activities and the need to incorporate land acquisition, resettlement, loss of assets and impact on livelihood provisions in the design of technical specifications and budgets;
- b. Provides timely information about the asset valuation and negotiation process,
- c. Maintains records of any complaints and appeals that require resolution, and
- d. Documents timely completion of project resettlement obligations (i.e. payment of the agreed-upon sums, construction of new structures, etc.) for all permanent and temporary loses, as well as unanticipated, additional construction damage.
- e. Updates the database with respect to changes that occur on the ground as resettlement and compensation activities are being implemented

Periodic evaluations will be made in order to determine whether the PAPs have been paid in full and before implementation of the sub project activities; and whether the PAPs enjoy the same or higher standard of living than before.

This framework suggests that where appropriate and where it is determined to be cost effective, the regional BWUD shall develop the monitoring and evaluation component of the project/program. This will take the form of giving the BWUDs the mandate to carry out independent monitoring of the implementation of the resettlement and compensation plans at periodic intervals of quarterly or half yearly (as circumstances dictate) during the program life.

The objective will be to make a final evaluation in order to determine:

- a) if affected people have been paid in full and before implementation of the ULGDP investment project , and

- b) if the people who were affected by the ULGDP investment project have been affected in such a way that they are now living a higher standard than before, living at the same standard as before, or they are actually poorer than before.

INDICATORS

A number of objectively verifiable indicators shall be used to monitor the impacts of the compensation and resettlement activities. These indicators will be targeted at quantitatively measuring the physical and socio-economic status of the PAPs, to determine and guide improvement in their social wellbeing. Therefore, monitoring indicators to be used for the RAP will have to be developed to respond to specific site conditions. As a general guide, Table 5 provides a set of indicators which can be used.

Table 5 Types of Verifiable Indicators

Monitoring	Evaluation
Outstanding compensation or resettlement contracts not completed before next Ethiopian Financial Year.	Outstanding individual compensation or resettlement contracts.
Complaints recognized as legitimate out of all complaints lodged.	Outstanding village compensation contracts. All legitimate complaints rectified
Pre-project production and income (year before land used) versus present production and income of resettled PAPs who earn income from affected property - shops, kiosks, MSEs.	Affected individuals and/or households compensated or resettled in first year who have maintained their previous standard of living at final evaluation.
Pre- project income versus present income (shop, kiosk, market stall, MSE).	Equal or improved production per household.

A. Indicators to determine status of affected people

A number of indicators can be used in order to determine the status of affected people. For instance: standard of house compared to before, level of participation in project activities compared to before, how many kids in school compared to before, health standards, etc. Therefore, the resettlement and compensation plans will set two major socio-economic goals by which to evaluate its success:

- ⇒ Affected individuals, households, and communities are able to maintain their pre-project standard of living, and even improve on it; and
- ⇒ The local communities remain supportive of the project.

B. Indicators to measure RAP performances

In order to access whether these goals are met, the resettlement action plans will indicate parameters to be monitored, institute monitoring milestones and provide resources necessary to carry out the monitoring activities.

For example the following parameters and verifiable indicators will be used to measure the resettlement and compensation plans performance:

- ⇒ Questionnaire data will be entered into a database for comparative analysis at all levels of local government;
- ⇒ Each individual will have a compensation dossier recording his or her initial situation, all subsequent project use of assets/improvements, and compensation agreed upon and received;
- ⇒ The ULG authorities will maintain a complete database on every individual impacted by the sub-project land use requirements including relocation/resettlement and compensation, land impacts or damages;

- ⇒ Percentage of individuals selecting cash or a combination of cash and in-kind compensation;
- ⇒ Proposed use of payments;
- ⇒ The number of contentious cases as a percentage of the total cases;
- ⇒ The number of complaints and appeals and time and quality of resolution;
- ⇒ The ability of individuals and families to re-establish their pre-displacement activities, land and crops or other alternative incomes;
- ⇒ Income generating productive enterprises;
- ⇒ Number of impacted locals employed by the civil works contractors;
- ⇒ General relations between the project and the local communities.

Annex A: ULGDP ESMF and RPF Screening Form

ULGDP investment project name:

Location (include map/sketch): *(e.g. region, district, etc)*

Type of activity : *(e.g. new construction, rehabilitation, periodic maintenance)*

Estimated Cost: (Birr)

Proposed Date of Works Commencement

Technical Drawing and Specifications (circle Yes No

Reviewed : answer):

This report is to be kept short and concise.

1. Site Selection:

Physical data:	<i>Yes/No answers and bullet lists preferred except where descriptive detail is essential.</i>
Site area in ha	
Extension of or changes to existing alignment	
Any existing property to transfer to project	
Any plans for new construction	

Refer to project application for this information.

2. Impact identification and classification:

When considering the location of a ULG investment project, rate the sensitivity of the proposed site in the following table according to the given criteria. Higher ratings do not necessarily mean that a site is unsuitable – it indicates a real risk of causing adverse impacts involving resettlement and compensation. The following table should be used as a reference.

Table 6 Impact Identification and Classification

Issues	Site Sensitivity		
	Low	Medium	High
Involuntary resettlement	Low population density; dispersed population; legal tenure is well-defined; well-defined water rights	Medium population density; mixed ownership and land tenure; well-defined water rights	High population density; major towns and villages; low-income families and/or illegal ownership of land; communal properties; unclear water rights

3. Checklist of impacts

ULGDP infrastructure & services: Roads, Footpaths & Street lighting, Water supply, etc	Potential for Adverse Impacts				
	None	Low	Med	High	Unknown
Economic or physical resettlement required					
New settlement pressures created					
Other (specify):					

4. Detailed questions

Public participation/information requirements: <i>Yes/No answers and bullet lists preferred except where descriptive detail is essential.</i>	
Does the proposal require, under national or local laws, the public to be informed, consulted or involved?	
Has consultation been completed?	
Indicate the time frame of any outstanding consultation process.	
<i>Refer to relevant legislative acts in Ethiopia.</i>	
Land and resettlement: <i>Yes/No answers and bullet lists preferred except where descriptive detail is essential</i>	
What is the likelihood of land purchase for the ULG investment project?	
How will the ULG go about land purchase?	
Will people's livelihoods be affected in any way, therefore requiring some form of compensation?	
Will people need to be displaced, and therefore require compensation and resettlement assistance?	
Are the relevant authorities aware of the need for a Resettlement Process, involving a census, valuation, consultation, compensation, evaluation and monitoring?	
What level or type of compensation is planned?	
Who will monitor actual payments?	
<i>Refer to the Resettlement Policy Framework.</i>	
Actions:	
List outstanding actions to be cleared before ULG investment project appraisal.	
<i>Approval/rejection</i>	
If proposal is rejected for environmental reasons, should the ULG investment project be reconsidered, and what additional data would be required for reconsideration?	

Recommendations:

	Requires an RAP is to be submitted on date	<hr/>
	Requires an ARAP to be submitted on date	<hr/>
	Requires an Census & Land Inventory to be submitted on date	<hr/>
	Does not require further environmental or social studies	<hr/>

Reviewer:

Name:

Signature:

Date:

Annex B: Census Survey and Land Asset Inventory Form

1. Socio-economic Household Datasheet of PAPs

Name of Interviewer ID Code		Signature
Name of Supervisor ID Code		(after verification of interview)

City, Sub-City, Woreda, Kebele, House No.	
---	--

Date: _____ Day _____ Month _____ Year _____

Name of Head of Extended Family :

Number of Nuclear Families in Extended Residential Group (including household of head of extended family)

2. Household Interview

Name and Surname	Relationship to Head of Family	Sex		Place of Birth	Age	Marital Status	Residence Tenure	Ethnic Group	Religion	Educational Level	Income Earner		Economic Activities	
		M	F								Yes	No	Primary	Secondary
1.														
2.														
3.														
4.														
5.														
6.														

Relation to Head of Family : 1 HoH; 2 Spouse of HoH ; 3 Child of HoH; 4 Spouse of child of HoH ; 5 Grandchild of HoH; 6 Parent of HoH; 7: Other (specify) ; 0 No Answer.

Marital Status: 1 Married; 2 Widowed; 3 Divorced; 4 Unmarried; 0 No Answer. Residential Status: 1 PRP (Permanent Resident) ; 2 RA (Resident absent) ; 3 Member of non-resident HH; 4 Visitor; 9 Other (specify) ; 0 No Answer. Occupations: Principle Occupation: 1. Farmer ; 2 Shepherd; 3 Household ; 4 Merchant; 5 Religious leader, teacher ; 6 Artisan ; 7 Transport ; 8 Unemployed; 9 Other (specify) ; 0 No Answer Secondary Occupations: idem. Educational Level : 1 Illiterate ; 2 Three years or less; 3 Primary School ; 4 Secondary School ; 5 Technical School ; 6 Religious School (literate in Arabic) ; 0 No Answer Religion : 1 Muslim ; 2 Christian (specify denomination); 3 Animist. 9 Other (specify); 0 No Answer

3. Land asset inventory for ULGDP investment project Affected People

Kebele: _____

Date: _____

City/Town: _____

Survey no.	Name of Head of Household	No. of Persons in household	Total land holding of HH (m ²)	Land to be acquired (m ²)	Land Use Type *	Loss of % total	Loss of assets			Loss of crops			Loss of other assets	Other losses			
							Structures Permanent (m2)	Structures temporary (m2)	Area of residential land lost (m2)	Fruit trees lost type and number	Agricultural land lost (m2)	Other (specify)	E.g. graveyards, wells, etc. (type and no.)	Residence (rented)	Business lost	Income loss	

Land types are as follows (please fill in the types of land for Ethiopia)

- 1.
- 2.
- 3.
- 4.

4. Entitlements of ULGDP investment project Affected People

Woreda: _____ Date: _____

Kebele: _____

Survey no.	Name of Head of Household	Compensation for Land			Compensation for structures			Compensation for crops and trees			Compensation for other assets and losses (e.g., graveyards, wells, businesses, etc)			Total (Birr)
		Quantity (m ²)	Unit price (Birr) per m ²	Entitlement (Birr)	Quantity (m ²)	Unit price (Birr) per	Entitlement (Birr)	Quantity Unit	Unit price (Birr)	Entitlement (Birr)	Quantity Unit	Unit price (Birr)	Entitlement (Birr)	

Annex C: Compensation and Expropriation Regulations

Regulations No. 135/2007 on the Payment of Compensation for Property Situated on Landholdings Expropriated for Public Purposes

Council of Ministers Regulations No. 135/2007

COUNCIL OF MINISTERS REGULATIONS ON THE PAYMENT OF COMPENSATION FOR PROPERTY SITUATED ON LANDHOLDINGS EXPROPRIATED FOR PUBLIC PURPOSES

These Regulations are issued by the Council of Ministers pursuant to Article 5 of the Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 471/2005 and Article 14(1) of the Expropriation of Landholdings for Public Purposes and Payment of Compensation Proclamation No. 455/2005 with a purpose of not only paying compensation but also to assist displaced persons to restore their livelihood.

PART ONE

GENERAL

1. Short Title

These Regulations may be cited as the “Payment of Compensation for Property Situated on Landholdings Expropriated for Public Purposes Council of Ministers Regulations No. 135/2007”

2. Definitions

In these Regulations unless the context requires otherwise:

“Proclamation” means the Expropriation of Landholdings for Public Purposes and Payment of Compensation Proclamation No. 455/2005;

1. “Committee” means a property valuation committee established pursuant to the Proclamation;
2. “Crops” means any plant sown or planted and harvested in one season;
3. “Ripe crops” means plant sown or planted on a land holding to be expropriated for public purpose and that could be harvested within the notice period given under Article 4 of the Proclamation;
4. “Perennial crops” means species of crops harvested regularly for years;
5. “Building” means any structure constructed or under construction in an urban centre or a rural area for residential, manufacturing, commercial, social or any other service;
6. “Formula” means the methodology used for valuating compensation in accordance with these Regulations for Properties Situated on Landholdings Expropriated in Accordance with the Proclamation;
7. The terms “region”, “compensation”, “public purpose”, “utility lines” and “implementing agency” shall have the meanings given to them under the Proclamation;
8. “Person” means any natural or juridical person.

PART TWO
ASSESSMENT OF COMPENSATION

3. Compensation for Buildings

1. The amount of compensation for a building shall be determined on the basis of the current cost per square meter or unit for constructing a comparable building
2. the compensation for a building shall include:
 - a) The current cost for constructing floor tiles of the compound, septic tank and other structures attached to the building; and
 - b) The estimated cost for demolishing, lifting, reconstructing, installing and connecting utility lines of the building.
3. The owner of a building shall have the right to claim compensation for the entire building by surrounding the total land in his possession where part of the building is ordered to be removed.
4. Compensation shall be paid only for the demolished part of a building where the owner prefers to use the unwanted part of the land; provided, however, that such preference shall be acceptable only where the condition of the partly demolished building conforms to the requirements of the appropriate city plan.

4. Compensation for Fences

The amount of compensation for a fence shall be determined by calculating the current cost per square meter or the unit cost required for constructing a similar fence.

5. Compensation for Crops

1. The amount of compensation for crops shall be calculated by multiplying the amount of yield that would have been collected from the land at maturity by the current market price of the crops.
2. The owner of ripe crops may, in lieu of compensation, harvest and collect the crops within the period fixed pursuant to Article 4 of the Proclamation.

6. Compensation for Perennial Crops

1. The amount of compensation for unripe perennial crops shall be determined by calculating the estimated cost for growing the plant.
2. The amount of compensation for ripe perennial crops shall be determined on the basis of the average annual yield, the current local market price of the crops and the cost of permanent improvement on land.

7. Compensation for Trees

1. The amount of compensation for trees shall be determined on the basis of the level of growth of the trees and the current local price per square meter or per unit.
2. The owner of trees may, in lieu of compensation, cut and collect the trees within the period fixed pursuant to Article 4 of the Proclamation.

8. Compensation for Protected Grass

1. The amount of compensation for protected grass shall be determined on the basis of the productivity of the land and the current market price of the grass per square meter.
2. The owner of protected grass may, in lieu of compensation, cut and gather the grass within the period fixed pursuant to Article 4 of the Proclamation.

9. Compensation for Permanent Improvement on Rural Land

The amount of compensation for permanent improvement made on a rural land shall be determined by computing the machinery, material and labour costs incurred for clearing, levelling and terracing the land, including the costs of water reservoir and other agricultural infrastructure works.

10. Compensation for Relocated Property

The amount of compensation for a relocated property shall be determined by computing the estimated costs of labour, material and transport to be incurred at market value for removing, transferring and installing the property.

11. Compensation Payable to a Mining Licensee

Where a mining site is expropriated pursuant to the provisions of the Proclamation, the compensation due to the licensee shall be determined by the relevant mining law.

12. Compensation for Burial-ground

1. The amount of compensation for a burial-ground shall be determined on the basis of the estimated costs to be incurred for removing the grave stones, preparing other burial-ground, transferring and relocating the corpse and for conducting religious and cultural ceremonies in relation thereto.
2. The amount of costs stipulated under Sub-Article (1) of this Article shall be determined on the basis of the current local market prices of materials, transport services and labour.

13. Formula

The formula for calculating the amount of compensation payable in accordance with the Proclamation and these Regulations shall be as follows:

1. Compensation for building = cost of construction (current value).
+ cost of permanent improvement on land
+ the amount of refundable money for the remaining term of lease contract
2. Compensation for crops = the total area of the land (in square meters)
x value of the crops per kilo gram
x the amount of crops to be obtained per square meter
+ cost of permanent improvement on land
3. Compensation for unripe Perennial Crops = number of plants (legs)
x cost incurred to grow an individual plant
+ cost of permanent improvement on land
4. Compensation for ripe Perennial crops = the annual yield of the Perennial Crops (in Kilograms)
x the current price of the produce of the perennial crops
+ cost of permanent improvement on land
5. Compensation for relocated Property = cost of removal
+ cost of transferring
+ cost of reinstallation
6. Compensation for protected grass = area covered by the grass per square meter
x the current market price of the grass per square meter

PART THREE

PROVISION OF REPLACEMENT LAND AND PAYMENT OF DISPLACEMENT COMPENSATION

14. Provision of Replacement Urban Land

The provision of replacement land to an urban dweller whose landholding has been expropriated for public purpose shall be governed by directives issued by Regional States in accordance with Article 14 (2) of the Proclamation.

15. Provision of Replacement Rural Land

Where land used for growing crops or a protected grass or pastoral land is expropriated for public purpose, the possessor of such land shall, as much as possible, be provided with a plot of land capable of serving a similar purpose.

16. Displacement Compensation for Land Used for Crops and Perennial Crops

1. Where a replacement land has been provided in accordance with Article 15 of these Regulations with respect to expropriated land used for crops or perennial crops, displacement compensation equivalent to the following amounts, shall be paid:
 - a) The price of the annual average yield of crops obtained from the land; or
 - b) The price of the annual average yield of perennial crops multiplied by the number of years required to attain the level of growth of the perennial crops.
2. The amount of displacement compensation payable with respect to land used for growing crops or perennial crops shall, where it is impossible to provide replacement land in accordance with Article 15 of these Regulations, be ten times the price of the average yield of crops or perennial crops obtained from the land.
3. The average annual yield of crops or perennial crops shall be calculated on the basis of:
 - a) The yield obtained from the land for the last five years; or
 - b) Where the land was used for less than five years, the yield obtained for the actual years the land was used; or
 - c) Where the crops or perennial crops have not yet started giving annual yield, the yield of similar crops or perennial crops obtained from a similar area of land in the locality for the last five years.

17. Displacement Compensation for Protected Grass or Grazing Land

1. Where a replacement land is provided in accordance with Article 15 of these regulations with respect to expropriated protected grass or grazing land, displacement compensation equivalent to the annual average income obtained from the land shall be paid.
2. The amount of displacement compensation payable with respect to the protected grass or grazing land shall, where it is impossible to provide replacement land in accordance with Article 15 of these Regulations, be ten times the annual average income obtained from the land.
3. The provisions of Sub-Article (3) of Article 16 of these Regulations shall, mutatis mutandis, be applicable with respect to calculating the average annual income derived from a protected grass or grazing land.

18. Displacement Compensation for Provisional Expropriation of Rural Land

Where a rural land is expropriated only for a limited period of time, the multiplication factor for calculating the displacement compensation shall be the number of years for which the land is cleared; provided, however, that the compensation obtained by such calculation shall not exceed the amount payable under Article 16 or 17 of these regulations

PART FOUR
MISCELLANEOUS PROVISIONS

19. Properties For which Compensation is not Payable

There shall be no payment of compensation with respect to any construction or improvement of a building, any crops sown, perennial crops planted or any permanent improvement on land, where such activity is done after the possessor of the land is served with the expropriation order.

20. Furnishing of Data

1. The committee shall request the relevant federal, regional or other bodies to furnish any data necessary for determining the value of a property in accordance with the Proclamation and these Regulations.
2. Any body requested under Sub-Article (1) of this Article shall hand over the data immediately to the Committee.
3. Where the data is not available with the requested bodies, the committee shall conduct its own survey on the local market price of the property.

21. Records of Property

A woreda or a city administration shall, for the purpose of the implementation of the Proclamation and these Regulations, record properties situated on a landholding subjected to an expropriation order.

22. Evidence of Possession and Ownership

Any person who claims for payment of compensation in accordance with the Proclamation and these Regulations shall produce proof of legitimate possession of the expropriated landholding and ownership of the property entitling compensation.

23. Valuation Costs

1. Woreda and city administrations shall cover the costs of valuation of properties in accordance with these regulations, including payment of per diem to members of the Committee in accordance with the relevant laws.
2. The costs referred to Sub-Article (1) of this Article shall be covered by the concerned implementing agency where the expropriation is made upon its request.

24. Effective Date

These Regulations shall enter into force on the date of their publication in the Federal Negarit Gazeta.

Done at Addis Ababa this 4th day of July 2007

MELES ZENAWI
PRIME MINISTER OF THE FEDERAL DEMOCRATIC REPUBLIC OF
ETHIOPIA

Annex D: Resettlement Action Plan

1. The scope and level of detail of the resettlement action plan vary with the magnitude and complexity of resettlement. The plan is based on up-to-date and reliable information about (a) the proposed resettlement and its impacts on the displaced persons and other adversely affected groups, and (b) the legal issues involved in resettlement. The resettlement plan covers the elements below, as relevant. When any element is not relevant to project circumstances, it should be noted in the resettlement plan.

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

3. *Potential impacts.* Identification of

- (a) The project component or activities that give rise to resettlement;
- (b) The zone of impact of such component or activities;
- (c) The alternatives considered to avoid or minimize resettlement; and
- (d) The mechanisms established to minimize resettlement, to the extent possible, during project implementation.

4. *Objectives.* The main objectives of the resettlement plan.

5. *Socioeconomic studies.* The findings of socioeconomic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people, including

- (a) The results of a census survey covering
 - i. Current occupants of the affected area to establish a basis for the design of the resettlement program and to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance;
 - ii. Standard characteristics of displaced households, including a description of production systems, labour, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
 - iii. The magnitude of the expected loss—total or partial—of assets, and the extent of displacement, physical or economic;
 - iv. Information on vulnerable groups for whom special provisions may have to be made; and
 - v. Provisions to update information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement.
- (b) Other studies describing the following
 - i. land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area;
 - ii. The patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project;
 - iii. Public infrastructure and social services that will be affected; and

- iv. Social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs)) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.
6. *Legal framework.* The findings of an analysis of the legal framework, covering
- (b) The scope of the power of eminent domain and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment;
 - (c) The applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal timeframe for such procedures, and any available alternative dispute resolution mechanisms that may be relevant to resettlement under the project;
 - (d) Relevant law governing land tenure, expropriation of movable and immovable, valuation of assets and losses, compensation, and natural resource usage rights; customary personal law related to displacement; and environmental laws and social welfare legislation;
 - (e) Laws and regulations relating to the agencies responsible for implementing resettlement activities; and
 - (f) Any legal steps necessary to ensure the effective implementation of resettlement activities under the project, including, as appropriate, a process for recognizing claims to legal rights to land.
7. *Institutional Framework.* The findings of an analysis of the institutional framework covering
- (b) The identification of agencies responsible for resettlement activities and NGOs that may have a role in project implementation;
 - (c) An assessment of the institutional capacity of such agencies and NGOs; and
 - (d) Any steps that are proposed to enhance the institutional capacity of agencies and NGOs responsible for resettlement implementation.
8. *Eligibility.* Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.
9. *Valuation of and compensation for losses.* The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.⁸
10. *Resettlement measures.* A description of the packages of compensation and other resettlement measures that will assist each category of eligible displaced persons to achieve the objectives of the law and policies of Ethiopia. In addition to being technically and economically feasible, the resettlement packages should be compatible with the cultural preferences of the displaced persons, and prepared in consultation with them.
11. *Site selection, site preparation, and relocation.* Alternative relocation sites considered and explanation of those selected, covering

⁸ With regard to land and structures, "replacement cost" is defined in Proclamation No. 455/2005 Expropriation of Landholdings for Public Purposes and Payment of Compensation and Council of Ministers Regulations No. 135/2007, on the Payment of Compensation for Property Situated on Landholdings Expropriated for Public Purposes.

- (a) Institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and other factors is at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources;
 - (b) Any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites;
 - (c) Procedures for physical relocation under the project, including timetables for site preparation and transfer; and
 - (d) Legal arrangements for regularizing tenure and transferring titles to resettlers.
12. *Housing, infrastructure, and social services.* Plans to provide (or to finance resettlers' provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services);⁹ plans to ensure comparable services to host populations; any necessary site development, engineering, and architectural designs for these facilities.
13. *Environmental protection and management.* A description of the boundaries of the relocation area; and an assessment of the environmental impacts of the proposed resettlement¹⁰ and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).
14. *Community participation.* Involvement of resettlers and host communities, including
- (a) A description of the strategy for consultation with and participation of resettlers and hosts in the design and implementation of the resettlement activities;
 - (b) A summary of the views expressed and how these views were taken into account in preparing the resettlement plan;
 - (c) A review of the resettlement alternatives presented and the choices made by displaced persons regarding options available to them, including choices related to forms of compensation and resettlement assistance, to relocating as individuals families or as parts of pre-existing communities or kinship groups, to sustaining existing patterns of group organization, and to retaining access to cultural property (e.g. places of worship, pilgrimage centres, cemeteries); and
 - (d) Institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are adequately represented.
15. *Integration with host populations.* Measures to mitigate the impact of resettlement on any host communities, including
- (a) Consultations with host communities and local governments;
 - (b) Arrangements for prompt tendering of any payment due the hosts for land or other assets provided to resettlers;
 - (c) Arrangements for addressing any conflict that may arise between resettlers and host communities; and

⁹ Provision of health care services, particularly for pregnant women, infants, and the elderly, may be important during and after relocation to prevent increases in morbidity and mortality due to malnutrition, the psychological stress of being uprooted, and the increased risk of disease.

¹⁰ Negative impacts that should be anticipated and mitigated include, for rural resettlement, deforestation, overgrazing, soil erosion, sanitation, and pollution; for urban resettlement, projects should address such density-related issues as transportation capacity and access to potable water, sanitation systems, and health facilities.

- (d) Any measures necessary to augment services (e.g., education, water, health, and production services) in host communities to make them at least comparable to services available to resettlers.

16. *Procedures for complaints and appeals.* Affordable and accessible procedures for third-party settlement of disputes arising from resettlement; such complaints and appeals mechanisms should take into account the availability of judicial recourse and community and traditional settlement mechanisms.

17. *Organizational responsibilities.* The organizational framework for implementing resettlement, including identification of agencies responsible for delivery of resettlement measures and provision of services; arrangements to ensure appropriate coordination between agencies and jurisdictions involved in implementation; and any measures (including technical assistance) needed to strengthen the implementing agencies' capacity to design and carry out resettlement activities; provisions for the transfer to local authorities or resettlers themselves of responsibility for managing facilities and services provided under the project and for transferring other such responsibilities from the resettlement implementing agencies, when appropriate.

18. *Implementation schedule.* An implementation schedule covering all resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to resettlers and hosts and terminating the various forms of assistance. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.

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

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

Annex E: Abbreviated Resettlement Action Plan

An abbreviated resettlement action plan covers the following minimum elements¹¹:

- (a) A census survey of displaced persons and valuation of assets;
- (b) Description of compensation and other resettlement assistance to be provided;
- (c) Consultations with displaced people about acceptable alternatives;
- (d) Institutional responsibility for implementation and procedures for complaints and appeals;
- (e) Arrangements for monitoring and implementation; and
- (f) A timetable and budget.

¹¹ In case some of the displaced persons lose more than 10% of their productive assets or require physical relocation, the plan also covers a socioeconomic survey and income restoration measures.

Annex F: Sample Complaint Form

Complaint Form		
Complaint Number		Copies to forward to:
Name of the Recorder		(Original)Receiver Party
Region/ULG/Kebele		(Copy)Responsible Party
Date		
INFORMATION ABOUT THE COMPLAINANT		
Name Surname		
Telephone Number		
Address		
Kebele/Community		
Region/ULG		
Signature of Complainant		
DESCRIPTION OF THE COMPLAINT		

Annex G: Regional EPA Contacts

Addis Ababa	Dr. Hailu, Director General or Ato Tekle Woldegeremu	Addis Ababa Environmental Protection Authority
Dire Dawa	Ato Alem Kidanu	Environmental Protection Authority of the Provisional Administration of Dire Dawa
Amhara	Dr. Zerfu Hailu (currently out of Ethiopia on secondment to the Global Environmental Facility)	Environmental Protection and Land Administration and Use Authority
Oromia	Ato Siraj Bekele	Environmental Protection Authority
SNNP	Ato Mamo Gedebo	Environmental Protection Land Administration and Use Authority
Somali	Ato Mohamed Tahir Hash	Environmental Protection Bureau
Tigray	Ato Hadish Berhe	Environmental Land Administration and Use Authority
Harari	Ato Efendi Ahmed	Plan and Economy Development Bureau
Afar	Ato Mahomed Mahomed	Animals, Agriculture and Natural Resource Development Bureau
Gambella	Ato Aman Agua	Environmental Protection and Energy Development Authority
Benshangul Gumuz	Ato Mesfin Kebede	Environmental Protection and Land Administration and Use Authority

