

**EENVIRONMENT AND SOCIAL SYSTEMS ASSESSMENT (ESSA)
ADDENDUM**

**FOR THE
ADDITIONAL FINANCING OF THE ETHIOPIA ELECTRIFICATION PROGRAM**

Prepared by the World Bank

September 2022



TABLE OF CONTENTS*EXECUTIVE SUMMARY*

1.	PROGRAM DESCRIPTION	1
1.1.	BACKGROUND.....	1
1.2.	OBJECTIVES OF THE ESSA ADDENDUM.....	3
1.3.	ESSA ADDENDUM PREPARATION PROCESSES AND METHODOLOGY	3
1.3.1.	Methodological Overview	3
1.3.2.	Methods of Data Collection	4
1.3.3.	Data Analysis Framework.....	4
2.	AF ELEAP ENVIRONMENTAL AND SOCIAL EFFECTS.....	5
2.1.	INTRODUCTION	5
2.2.	ENVIRONMENTAL EFFECTS	5
2.2.1.	Beneficial Effects	5
2.2.2.	Adverse Effects.....	5
2.3.	SOCIAL EFFECTS.....	10
2.3.1.	Beneficial Effects	10
2.3.2.	Adverse Effects.....	10
2.3.3.	Country Security Situation	11
2.4.	PROGRAM RISK CLASSIFICATION.....	12
3.	ASSESSMENT OF BORROWER’S ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS.....	14
3.1.	INTRODUCTION	14
3.2.	LEGAL AND INSTITUTIONAL FRAMEWORK.....	14
3.2.1.	Legal Framework	14
3.2.2.	Institutional Framework.....	14
3.3.	PERFORMANCE OF THE PARENT ELEAP AGAINST PROGRAM ACTION PLAN (PAP).....	14
3.3.1.	E&S Performance Rating of the Parent Program (ELEAP).....	14
3.3.2.	Performance against DLRs	15
3.3.3.	Performance against PAP	16
3.4.	ENVIRONMENTAL AND SOCIAL SYSTEMS ANALYSIS AGAINST THE CORE PRINCIPLES	22
3.5.	CAPACITY AND PERFORMANCE ASSESSMENT OF KEY PROGRAM IMPLEMENTING AGENCIES.....	28
3.5.1.	Ministry of Water and Energy (MoWE).....	28
3.5.2.	Ethiopian Electric Utility (EEU)	29
4.	STAKEHOLDERS CONSULTATIONS AND DISCLOSURE.....	32
5.	RECOMMENDED MEASURES TO STRENGTHEN SYSTEM PERFORMANCE AND PROGRAM ACTION PLAN (PAP)	35
6.	ANNEXURE.....	44

ANNEXURE

Annex 1. Detailed Environmental and Social Systems Analysis against the Core Principles 44
Annex 2. List of Institutions and Individuals Consulted (April 28 – May 31, 2022) 63
Annex 3. Partial View of Stakeholders Consultations 67
Annex 4. AF ELEAP ESSA Addendum Stakeholders Consultation Workshop Summary..... 70

ASSOCIATED ELEAP DOCUMENTS

ELEAP Environmental and Social Systems Assessment (ESSA), Feb 2018
 ELEAP Environmental and Social Management System Guideline (ESMSG), June 2018
 ELEAP Resettlement System Guideline (RSG), June 2018
 ELEAP Program Operation Manual (POM)

LIST OF TABLES

Table 2-1 Adverse Environmental Impacts and Recommended Mitigation Measures	7
Table 2-2 Adverse Social Impacts and Recommended Mitigation Measures.....	11
Table 2-3 Program E&S Risk Classification against the Bank’s Criteria.....	12
Table 3-1 Parent ELEAP Performance against DLRs.....	15
Table 3-2 Parent ELEAP Performance against Program Action Plan (PAP).....	18
Table 3-3 Environmental and Social Systems Analysis against Core Principles.....	23
Table 5-1 Recommended Program Action Plan for AF-ELEAP (DLI 7).....	39

LIST OF FIGURES

Figure 3-1 MoWE/ESCCD Structure	29
Figure 3-2 EEU EHSSD & PPMD Structure.....	30

ACRONYMS

ADELE	Access to Distributed Electricity and Lighting in Ethiopia
AF	Additional Financing
BoLSA	Bureau of Labor and Social Affairs
CCC	Community Care Collations
CEO	Chief Executive Officer
COC	Code of Conduct
CRGE	Climate Resilient Green Economy
CSA	Central Statistical Agency
DLI	Disbursement Linked Indicator
DLR	Disbursement Linked Result
DoE	Directorate of Electrification
EA	Environmental Assessment
ECCD	Environment and Climate Change Directorate
EEU	Ethiopian Electric Utility
EHS	Environment, Health and Safety
EHSS	Environment, Health, Social and Safety
EHSSD	Environment, Health, Social and Safety Directorate
EIA	Environmental Impact Assessment
ELEAP	Ethiopia Electrification Program
EPA	Environmental Protection Authority
E&S	Environmental and Social
ES	Environmental and Social
ESCCD	Environment, Social and Climate Change Desk
ESHS	Environment, Social, Health and Safety
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management Systems
ESMSG	Environmental and Social Management Systems Guideline
ESRS	Environmental and Social Review Summary
ESSA	Environmental and Social Systems Assessment
FCV	Fragile, Conflict and Violence
FDRE	Federal Democratic Republic of Ethiopia
FGD	Focus Group Discussion
GAP	Gender Action Plan
GBV	Gender Based Violence
GHC	Grievance Hearing Committee
GHG	Green House Gas
GoE	Government of Ethiopia
GRS	Grievance Redress Service
H&S	Health and Safety
HH	Household
HIV	Human Immunodeficiency Virus
HR	Human Resources
HV	High Voltage
ID	Identification
IFC	International Finance Corporation
KII	Key Informant Interview
LV	Low Voltage

MoLS	Ministry of Labor and Skills
MoWE	Ministry of Water and Energy
MTR	Mid-Term Review
MV	Medium Voltage
NDF	National Defense Force
NEP	National Electrification Program
OHS	Occupational Health and Safety
PAP	Program affected People, Program Action Plan
PCB	Polychlorinated biphenyl
PCRs	Physical Cultural Resources
PforR	Program for Results
PDO	Program Development Objectives
PMO	Program Management Office
POM	Program Operation Manual
PPE	Personal Protective Equipment
PPMD	Project Portfolio Management Directorate
Proc.	Proclamation
Reg.	Regulation
RoW	Right of Way
RSG	Resettlement System Guideline
SAS	Stand-Alone Solar
SRASMP	Security Risk Assessment and Security Management Plan
SH	Sexual Harassment
SMP	Security Management Plan
SNNP	Southern Nations, Nationalities and Peoples
SNNPR	Southern Nations, Nationalities and Peoples Region
SNNPRS	Southern Nations, Nationalities and Peoples Regional State
SRA	Security Risk Assessment
STD	Sexually Transmitted Diseases
STI	Sexually Transmitted Infections
SWOT	Strength, Weakness, Opportunity, and Threat
TVET	Technical and Vocational Education and Training
UEAP	Universal Electricity Access Program
WB	World Bank
WBG	World Bank Group

EXECUTIVE SUMMARY

INTRODUCTION

In March 2018, the World Bank Board of Directors approved the Ethiopia Electrification Program (ELEAP), which supports the National Electrification Program (NEP) by financing the first phase of grid intensification activities and strengthening institutional capacity for electrification. This program responds to GoE's request for support to the implementation of the electrification agenda under the NEP by providing financing for results achieved linked to electricity connections and the sector's institutional, planning, implementation, and fiduciary capacity.

The Government of Ethiopia (GoE) has requested an Additional Financing (AF) to the ELEAP PforR in the amount of US\$250 million to scale up the Program's development impact. The proposed AF seeks to build on the strengths of this program by expanding its scope and timeline and adjusting its DLIs to efficiently deliver on its implementation. Hence, the Bank is currently working with the Government of Ethiopia to prepare a program named "Ethiopia Electrification Program Additional Financing (AF ELEAP), which will use the "Program for Results (PforR)" financing instrument.

The proposed AF and restructuring are informed by the results of the Mid-Term Review (MTR) carried out in May 2021 as well as by follow-up discussions with the implementing entities and assessments by the Bank team following the MTR. During the Program's MTR, the GoE requested additional financing to (i) increase grid connections in support of the universal access to electricity target, (ii) include activities targeted at improving EEU's financial performance, for example the installment of smart meters in support of reducing the utility's non-technical losses and enhancing revenue collection; (iii) extension of the timeline reflecting additional activities; as well as (iv) some small adjustments to existing Disbursement Linked Indicators (DLIs) based on the implementation experience. The scope of changes that will be introduced through the AF include: (1) Additional financing of US\$250 million to expand results achieved around grid connections and other key DLIs to incentivize investments around Program priorities and action-taking; and (2) Introduction of a new DLI in support of enhanced utility performance through the adoption of smart metering. The proposed AF would allow the provision of additional 861,000 connections, much needed to help the GoE advance towards their access targets. The parent Program restructuring includes: (1) extension of the closing of the Program by 3 years in line with the proposed AF duration; (2) cancellation of results around Standalone Systems under DLI 2 and reallocation of funding in support of additional grid connections change that recognizes the substantial financing provided through ADELE and the expected private sector participation to support access to Stand-Alone Solar (SAS); and (3) adjustments in upcoming DLRs under DLIs 3 – 7 to better reflect the evolution and lessons during Program implementation. Further, the AF will update the parent program expenditure framework to include office construction works for MOWE. The PDO of the parent ELEAP is to increase access to electricity in Ethiopia and to enhance institutional capacity for planning and implementation of the Government's electrification program.

The E&S performance rating of the parent Program is Satisfactory (Dec 2021). This performance rating is mainly attributed to the establishment of ESMS, maintaining the ESHS structure, and E&S management efforts for off-grid projects including E&S screening, instruments preparation, consultations made, GRM established. Similarly, DLR 7.1 (ESMS established for national and regional levels one month after the effective date of the Program) was achieved. However, the parent Program implementing agencies couldn't maintain the ESMS during the period of July 8, 2018, through July 7, 2019, as per adopted guidelines and thus DLR 7.2 was not achieved. DLR 7.3 (ESMS maintained during the period of July 8, 2019, through July 7, 2021, as per adopted guidelines) has been verified by CSA and it was achieved. Although the parent Program established an ESMS and maintained the ESHS staff at federal and regional levels,

there are some gaps in implementation of the ESMS, particularly for on-grid projects. This break in implementation of ESMS is reflected by, among others, there is no E&S structure at district-level where the on-grid connections are physically implemented, E&S screening for on-grid projects, there has been some awareness creation and trainings has been done but it was not enough to cover the project implementation areas projects were not supervised and monitored, and Program affected communities were not fully briefed on environmental, social, health, and safety risks of the program. Going forward, these issues should be addressed and the ESMS should be fully implemented through, among others, assigning E&S structure at district-level, using district readiness criteria, capacity building training through a third-party monitoring, and implementing GRM and compensation procedures. On the other hand, the performance of the parent Program on off-grid projects was better in terms of screening, GRM establishment, and OHS implementation.

Following the GoE request for AF-ELEAP, there is a need to update the parent program ESSA which had been developed in 2018 and prepare an addendum to address any changes and gaps. The current ESSA Addendum will address (i) changes in the country's environmental and social management systems, (ii) environmental and social benefits, risks, and impacts emanating from the AF activities with emphasis on new activities compared to the parent Program, (iii) updating of the environmental and social management systems against core principles in line with the Bank's Guidance for PforR Financing ESSA (Sep. 2020), (iv) assess capacity and performance of program implementing partners, and (v) update the recommended measures to strengthen system performance based on the outcome of the current assessment. ESSA members have also conducted Field assessment in three regions of (Oromia, SNNP, and Somali).

This addendum report describes a summary of findings based on assessment of extent to which the existing program procedures for social and environment management system meet the applicable core principles. The ESSA report is organized into five sections. **Section one** gives a brief description to program background, objective of the ESSA addendum and outlines the ESSA methodological approach utilized. **Section two** presents the potential Environmental and Social benefits, impacts, and risks of AF-ELEAP program. **Section three** broadly analyzes borrower's environmental and social management systems; hence it covers discussions on capacity and performance assessment of key program implementing agencies and Environmental and Social Systems Analysis against the six Core Principles. **Section four** summarizes discussions on stakeholders' consultations performed and ESSA disclosure process. Finally, **Section five** presents ESSA Addendum recommendations to strengthen system performance and proposed Program Action Plan (PAP).

ESSA SCOPE AND METHODOLOGY

The ESSA Addendum is undertaken by the Bank team for the upcoming "Additional Financing Ethiopia Electrification Program (AF- ELEAP) (P178895)" as per to the six 'core principles' and in line with the Bank's Guidance for PforR Financing ESSA (Sep. 2020). The following methods are employed during the assessment period of April 28 to May 31, 2022. These include: (a) comprehensive review of government policies, legal frameworks and program documents (b) consultations were done with relevant experts and officials from Addis Ababa, Oromia, SNNPR, and Somali regional and district level EEU's offices. The team has also conducted consultations with program beneficiaries and finally (c) field visit/physical observations were conducted at specific sample construction and material storage sites of program operations.

KEY FINDINGS OF ESSA

The key findings of this Environmental and Social Systems Assessment (ESSA) acknowledge that the country has reasonably sufficient legislative and regulatory basis and the institutions to ensure consistency with the six Core Principles of PforR. However, the implementations are not consistently effective/efficient in the areas of environmental and social screening, preparation of E&S instruments, implementation of

the instruments (particularly related to occupational and community health and safety), program field supervision, timely compensations and program operation related GRM at district/operation site levels.

Assessment of environmental and social regulations, policies and procedures, including institutional capacity and practices indicate **moderate** environmental and social risks associated with the program implementation. The risks mainly relate to lack of preparation and application of safety standards and procedures/mechanism and facilities in place for E&S risk screening and lack of coordination among program stakeholders. MoWE, as a coordinating institution for the proposed AF-ELEAP, is responsible to provide oversight and ensure sustainable management. EEU is frontline implementer of the program.

The screening procedures described in the EIA Procedural Guideline and other documents are applicable for activities and operations of the AF-ELEAP. Further, they provide sufficient scope and scale early in the activities and operations stages to influence their designs, benefits, and covers major environmental and social issues. The current practice of environmental and social screening during implementation of the parent ELEAP and other projects undertaken by EEU can be summarized as:

- *Off-grid Projects under the Parent ELEAP* – E&S screening was done for off-grid projects under the parent ELEAP. Based on the recommendations of the screening reports, ESIA's were prepared. The E&S screening reports and ESIA's were prepared by the project portfolio management ESHS office and reviewed by an E&S consultant. The documents were then reviewed and approved by the former Environment and Climate Change Directorates of MoWE.
- *On-grid Projects under the Parent ELEAP* – No screening was done for on-grid last mile connection projects under the parent ELEAP. The on-grid connections are solely implemented by the EEU corporate and regions as part of operations rather than by the project portfolio management as part of the parent ELEAP activities. Although on-grid projects have comparatively lower E&S risks, screening process is mandatory to determine the extent of E&S effects of any project. This is a gap observed during implementation of the parent ELEAP.
- *ADELE On-grid Rehabilitation Sub-projects* – For city/town rehabilitation projects, E&S screening is done by either the regional or project portfolio management ESHS staff. The later reviews screening reports prepared by the regional ESHS staff. This is taken as a good practice which can be replicated for AF ELEAP.

Consultation findings from regional EEU environment and social safeguard expert revealed that since on-grid related distribution line interventions are dealing only with LV distribution lines mainly, the impact of land acquisition is often minimal. Yet consultations with PAPs show existing community grievances for not being compensated or delayed compensations. Lack of uniformities on execution of Compensations to project affected people is also observed. At community level Program operations, parent ELEAP program has kebele level grievance handling committee, but no for on-Grid component.

Findings from current ESSA consultations in all three study regions also shows that EEU as institution do not have any special consideration or written based procedures for distinct service provisions to historically underserved people or vulnerable groups of community members. Consulted community members in program implementation areas of SNNPR and Oromia regions raised challenges of electric service affordability to economically disadvantaged groups.

RECOMMENDATIONS AND PROGRAM ACTION PLAN

The following action items are proposed as possible ways of transforming the identified strengths, weaknesses and opportunities into a viable strategy to enhance the environmental and social management capacity and program implementation performance at the federal, regional and project

levels for effective and efficient implementation of the AF-ELEAP. Detail discussion of measurable and time bounded recommended action items is presented in Section 5 of this document (please see the Program Action Plan in Table 5-1)

- i) Strengthen and maintain the Environmental and Social Management System (ESMS) from National to district levels and ensure its functionality.
- ii) Pre-screening of projects for risks on natural habitats and PCRs.
- iii) Workers and public safety management.
- iv) Ensure proper compensations for any form of property or land acquisitions and strengthening of GRM
- v) Inclusion of indigenous peoples and vulnerable groups
- vi) Prevention and management of social conflict, including distributional equity gaps.

1. PROGRAM DESCRIPTION

1.1. BACKGROUND

In 2017, the Government of Ethiopia (GoE) has requested the World Bank for support to achieve its energy access targets by scaling-up electricity connections in areas within the network reach as well as providing financing to increase access to off-grid technologies in areas outside of the network. In response to the government's request for support, the Ethiopia Electrification Program (ELEAP) was designed based on the National Electrification Program (NEP). The Bank and GoE agreed to use the World Bank's "Program for Results (PforR) financing approach for the development and implementation of the ELEAP. The Program Development Objective (PDO) was to increase access to electricity in Ethiopia and to enhance institutional capacity for planning and implementation of the Government's electrification program.

The ELEAP is progressing in a very satisfactory manner and substantial progress has been made by both implementing agencies, Ministry of Water and Energy (MoWE) and Ethiopian Electric Utility (EEU), since ELEAP's effectiveness (June 7, 2018). The program is advancing well towards achievement of its development objective to increase access to electricity in Ethiopia, and to enhance institutional capacity for planning and implementation of the Government's electrification program. Despite the initial slowdown due to supply chain issues, EEU has remarkably achieved over 925,800 grid connections out of the 1.08 million connections expected by the program closing (July 2023), benefiting over 4.6 million people. EEU has also completed mini grids for the electrification of 10 rural towns/villages providing connections to close to 17,000 people. In addition, MoWE and EEU have continued to undertake and maintain significant measures to strengthen their planning, monitoring, and fiduciary capacity. Some of the key measures include MoWE establishing and maintaining operational the Directorate of Electrification (DoE), as the main body in the Ministry tasked with implementation and oversight of the national electrification agenda and the ELEAP program. On the other hand, EEU set-up a Program Management Office (PMO) to strengthen managerial level oversight.

Considering the success of ELEAP so far, the Government of Ethiopia (GoE) has requested an Additional Financing (AF) to the ELEAP PforR in the amount of US\$250 million to scale up the Program's development impact on the ground. The proposed AF and restructuring are informed by the results of the Mid-Term Review (MTR) carried out in May 2021 as well as by follow-up discussions with the implementing entities and assessments by the Bank team following the MTR. During the Program's MTR, the GoE requested additional financing to (i) increase grid connections in support of the universal access to electricity target, (ii) include activities targeted at improving EEU's financial performance, for example the installment of smart meters in support of reducing the utility's non-technical losses and enhancing revenue collection; (iii) extension of the timeline reflecting additional activities; as well as (iv) some small adjustments to existing Disbursement Linked Indicators (DLIs) based on the implementation experience. The AF acknowledges the successes of the program and the need to continue building on these successes in order to further support the objectives of the government program NEP.

The scope of changes that will be introduced through this Additional Financing include: (1) Additional financing of US\$250 million to expand results achieved around grid connections and other key DLIs to incentivize investments around Program priorities and action-taking; and (2) Introduction of a new DLI in support of enhanced utility performance through the adoption of smart metering. The proposed AF would allow the provision of additional 861,000 connections, much needed to help the GoE advance towards their access targets. In addition, the AF is also key to enhance the operational and financial performance of EEU, a fundamental aspect of successful implementation the NEP. The parent Program restructuring includes: (1) extension of the closing of the Program by 3 years in line with the proposed AF duration; (2)

cancellation of results around Standalone Systems under DLI 2 and reallocation of funding in support of additional grid connections change that recognizes the substantial financing provided through ADELE and the expected private sector participation to support access to Stand-Alone Solar (SAS); and (3) adjustments in upcoming DLRs under DLIs 3 – 7 to better reflect the evolution and lessons during Program implementation. Specific to safeguards, DLI 7 will be restructured based on the ESSA Addendum to give more emphasis on strengthening the Environmental and Social Management Systems, capacity building of Program workers, developing and implementing safe work procedures including communications, awareness creation of program affected people on environmental, social, and safety issues, and timely consultations of program affect people for on-grid projects.

The ESSA, prepared in 2018, assessed the government’s institutional capacity to plan, monitor, and report on environmental and social management measures and address social and environmental issues associated with the Program, particularly under the targeted institutions; the Ethiopian Electric Utility (EEU) and the Ministry of Water and Energy (MoWE), and the respective regional offices and city level counterparts.

The E&S performance rating of the parent Program is Satisfactory (Dec 2021). This performance rating is mainly attributed to the establishment of ESMS, maintaining the ESHS structure, and E&S management efforts for off-grid projects including E&S screening, instruments preparation, consultations made, GRM established. Similarly, DLR 7.1 (ESMS established for national and regional levels one month after the effective date of the Program) was achieved. However, the parent Program implementing agencies couldn’t maintain the ESMS during the period of July 8, 2018, through July 7, 2019, as per adopted guidelines and thus DLR 7.2 was not achieved. DLR 7.3 (ESMS maintained during the period of July 8, 2019, through July 7, 2021, as per adopted guidelines) has been verified by CSA and considered achieved. Although the parent Program established an ESMS and maintained the ESHS staff at federal and regional levels, there are some gaps identified during implementation of the ESMS, particularly for on-grid projects. This break in implementation of ESMS is reflected by, among others, there is no E&S structure at district-level where the on-grid connections are physically implemented (not designed/targeted during the parent project), emphasis for the E&S screening were not given for on-grid projects, limited meaningful consultations, limited supervision and monitoring, and Program affected communities were not fully briefed on environmental, social, health, and safety risks of the program. Going forward, these issues should be addressed and the ESMS should be fully implemented through, among others, assigning E&S structure at district-level, using district readiness criteria, capacity building training through a third-party monitoring, and implementing GRM and compensation procedures. On the other hand, the performance of the parent Program on off-grid projects was better in terms of screening, GRM establishment, and OHS implementation.

Following the GoE request for AF-ELEAP there is a need to prepare an addendum for the parent program ESSA to address any changes and gaps in the borrower’s system since then. This ESSA Addendum, therefore, will address (i) changes in the country’s environmental and social management systems, (ii) environmental and social benefits, risks, and impacts emanating from the AF activities with emphasis on new activities compared to the parent Program, (iii) updating of the environmental and social management systems against core principles in line with the Bank’s Guidance for PforR Financing ESSA (Sep 2020), (iv) assess the current capacity and performance of program implementing partners, and (v) update the recommended measures to strengthen system performance based on the outcome of the assessment made. Field assessment was made in three regions (Oromia, SNNP, and Somali). Further, consultations with the implementing partners (EEU and MoWE) and other relevant government bodies (such as MoLS and EPA) were also made.

1.2. OBJECTIVES OF THE ESSA ADDENDUM

The objective of the ESSA Addendum is to assess implementation progress and identify any required changes or updates to the systems in place for environmental and social management at all levels, in consideration of implementation performance, identification of existing capacities and gaps, and the identification of any areas for improvement.

The specific objectives of the ESSA Addendum are to:

- assess the environmental and social performance during implementation of the parent ELEAP to identify key E&S management issues of concern
- evaluate the borrower's performance on the parent Program ESSA recommendations and action plan
- identify the potential environmental and social impacts/risks anticipated due to the AF-ELEAP interventions
- evaluate the institutional capacity to manage the likely environmental and social effects in accordance with the country's own requirements under the Program
- prescribe institutional arrangements for the identification, planning, design, preparation and implementation of projects under AF-ELEAP to adequately address environmental and social sustainability issues
- assess the consistency of the borrower's systems with core principles and attributes defined in the Bank Guidance for PforR financing ESSA (Sep 2020)
- recommend specific actions for improving the borrower's institutional capacity during implementation of the AF-ELEAP to ensure that they can adequately perform their mandate
- design enhanced stakeholders' consultation and participation approaches to mitigate negative impacts and enhance benefits identified
- ensure public participation and dialogue on energy development planning through a process of wide stakeholder consultations to include community groups especially the weaker and vulnerable sections, other development partners, ministries, civil societies and private sector
- determine the training, capacity building and technical assistance needed to successfully implement the provisions of the ESSA
- describe actions to fill the gaps that will constitute and input into the Program Action Plan (PAP) in order to strengthen the Program's performance with respect to the core principles of the PforR instrument.

1.3. ESSA ADDENDUM PREPARATION PROCESSES AND METHODOLOGY

1.3.1. Methodological Overview

This Environmental and Social Systems Assessment (ESSA) - Addendum is undertaken by the Bank team for the upcoming "Additional Financing Ethiopia Electrification Program (AF-ELEAP) (P178895)". The ESSA primary aim is to analyze capacity of borrower's system to plan and implement effective management of environmental and social risks/impacts related to ELEAP program implementation. Enquiry methods are designed in a way that ensures consistency with the six "core principles" of World Bank's policy on program for Results Financing and in accordance with Bank's new ESSA Guidance issued in September 2020.

The assessment process mainly included assessing environmental and social systems in place including the legal and institutional frameworks, human resources/staffing, performance competencies, the gaps or weaknesses, extent, and areas of necessary future improvements that would form the basis for a program action plan. The assessment also examines to-date status of environment and social safeguard

performance and lessons learned from the ongoing ELEAP, parent program implementation activities. During the ESSA preparation consultations both at federal and regional levels were undertaken in the period between April 28 and May 31, 2022.

1.3.2. Methods of Data Collection

Implemented ESSA study approach has maximized benefits of methodological triangulations. Both primary and secondary methods of data collection as well as multiple sources of information were utilized for potential outcome complementarities.

Desk Review: Study team members have framed and inform the overall ESSA Addendum assessment through a comprehensive review of relevant energy sector (national and regional) policies, legislation, institutional roles and program procedures. Desk review also covers analysis available corporate/regional level Environmental and OHS safeguard policies of identified ELEAP implementing agencies and regulatory ministries. ESRS documents of current World Bank financed energy projects as well as safeguard instruments of existing ELEAP parent project, performance assessment notes; ELEAP - Additional Financing - Concept Note, etc. have also been reviewed.

Institutional Analysis by KII Interviews: Institutional analysis has been carried out to identify and understand the roles, responsibilities, and structure of the relevant institutions which are responsible for implementing the program. Through institutional analysis study team members also examine existing coordination between different program implementing entities at the national, regional and district levels. At a federal level, key-informant interviews are conducted with the main implementing entities MoWE and EEU. ESSA units of observations had also counted on in-depth analysis of existing key-regulatory institutions that are involved on periodic environmental and social safeguard performance inspections (Environmental protection Authority (EPA), Ministry of labor and skills).

Field Visits and Focus Group Discussions: In selected sample program implementation sites, study team members have employed direct observations along certain observation checklists to assess EEU's and contractor workers operational level safety precautions, forethoughts on safety signs, PPE utilization practices, OHS risk mitigation planning performances and implementation of social and environmental measures. Moreover, focus group discussions have also been handled with local Program beneficiaries; community elders, women and youth groups, and program affected people (male & female headed HH).

1.3.3. Data Analysis Framework

The ESSA Addendum analysis framework essentially follows the Strengths, Weaknesses, Opportunities and Threats analysis approach. The ESSA assessment team members have utilized "Capacity Assessment Tool (CAT) for undertaking the assessment in a participatory manner the following components of targeted agencies or institutions were analyzed, namely:

- *E&S Management Systems and Structures* - planning, personnel, risk management information systems, program reporting, grievance redressing/GRM and ethics.
- *Human Resource/Technical Capacity* - personnel policies and procedures, staffing, work organizations, performance management, volunteer management, occupational safety, diversity, GBV and gender considerations, human resource development.
- Monitoring, evaluation, and reporting.
- *External Relations* – stakeholder communications, relations with regulatory bodies, inter-agency/local authority collaborations, funding partners collaborations, local resources, and media.

2. AF ELEAP ENVIRONMENTAL AND SOCIAL EFFECTS

2.1. INTRODUCTION

During construction and operation phases of the AF-ELEAP, some beneficial and adverse environmental and social impacts are anticipated to occur. Considering the nature and limited scale of the anticipated activities under the AF-ELEAP, those adverse environmental and social impacts that are expected to be generated during construction and operation phases will be avoided, minimized and/or mitigated through implementation of appropriate best management practices. The anticipated negative environmental and social effects of the Program are not expected to be significant provided that program activities are implemented in a manner consistent with the Core Principles. The following sections provide the anticipated main environmental and social benefits and impacts of the program activities. Further details on relevant Program benefits and impacts can be referred to in the parent Program (ELEAP) ESSA (Feb 2018).

2.2. ENVIRONMENTAL EFFECTS

2.2.1. Beneficial Effects

Implementation and operation of on-grid electricity is expected to have the following benefits:

- Reduction in use of diesel for gasoline-powered generators and other machines (such as grain mills, pumps) leading to reduced emissions of air pollutants, greenhouse gases (GHG), and noise.
- Reduction in consumption of kerosene for lighting, cooking and other purposes, resulting in improved indoor air quality.
- Reduction in use of animal dung and/or crop residue for cooking and space heating, which are usually used as fertilizer in rural areas.

Further to the above, the benefits obtained from using renewable energy sources can be:

- Reduce deforestation and forest degradation in areas where non-renewable biomass is used as a source of fuel, which implies that the demand for firewood and charcoal is reduced.
- Increase in generation capacity which avoids GHG emissions.
- Public goods benefits, such as increased security and lower environmental contamination.
- Reduction in operation and maintenance costs of diesel-based energy generators.
- Contribute to the Climate Resilient Green Economy (CRGE) initiative.

2.2.2. Adverse Effects

The main adverse environmental effects arising from implementation and operation of AF-ELEAP are briefly described in the below paragraphs. Further, mitigation measures for the identified adverse impacts are presented in the table below.

Right of Way (RoW) Opening for MV/LV Power Lines: Based on EEU's *Safety Policy and Procedures for Distribution O&M* (Dec 2014) or Ethiopian Electricity Agency's *Directives on Overhead Electric Line Clearances and Quality of Supply 2005*, an overhead power line with 33 kV and lower voltage rating, shall be cleared of vegetation by 2.5 m in all directions. Further, the manual provides minimum clearance of MV/LV lines from existing infrastructure. Clearance and/or construction/installation in the RoW may

interfere or fragment existing land use. The effect can be significant if natural habitats such as wetlands, forests, national parks, and other protected areas are affected.

Lose and Destruction of Vegetation Cover, Habitats, and Crops: In most cases, MV/LV electric lines are aligned along existing roads, tracks, and footpaths. However, some MV/LV electric lines may pass through agricultural lands. In most times, such agricultural lands are covered with crops on which the livelihood of the rural community depends. Further, MV/LV lines may pass through areas covered by vegetation (such as forests). Crops and vegetation may be required to be removed to pave way for construction of distribution lines, which includes pole erection, conductors stringing, and installation of transformers.

Soil Erosion: Excavation for electric poles foundation is the main activity leading to soil erosion, particularly if the poles are located in degraded areas. Also, excavation spoil and wastes disposal sites could aggravate solid erosion and waterways sedimentation if not properly planned and executed. Some construction activities and vehicles movement could compact the topsoil unnecessarily and alter the natural characteristics of the soil.

Water Resources Pollution: Although the extent of the impact is low, construction of electric lines (particularly excavation for poles foundations) may interfere with the natural drainage systems and modify flow of surface water, and these changes can contribute to soil erosion. Further, construction wastes, refuse, and excess materials may end up polluting water resources (both surface and groundwater resources).

Impact due to Solid Waste and Wastewater: Indiscriminate disposal and storage of solid waste including excavation spoil, replaced energy meters, used/burned transformers, scrap conductors, leftover construction materials and cements, etc. have the potential to result in adverse impacts on the nearby environment and on the health and safety of workers and the public.

Impact due to Hazardous Materials and Waste: Risk from hazardous chemicals (such as PCBs) could arise from certain construction and operation activities. PCBs are widely used as insulators in electrical equipment including transformers, capacitors, switches, voltage regulators etc. They are of concern because they are powerful toxins, even at low concentrations, and they persist and bio-accumulate in the environment creating adverse health impacts and ecological changes. Other hazardous materials include fossil fuel, used oil, paints, and solvents. The impact of PCB is very low as EEU stopped importing PCB containing transformers years ago.

Occupational Health and Safety Risks: Occupational health and safety risks are by far the main concern of the Program identified during site visits and consultations conducted at federal, regional and local levels. OHS concerns will arise during Program implementation and operation periods including during loading and unloading of materials, conductors stringing, erection of poles, installation of transformers, operation of equipment and machinery during construction, testing and operation of the electric system. The main OHS risks include risk of electrocution, risk related to work-at-height, risks of falling, tripping, and falling, risk due to manual handling, and risk of falling into excavated pits.

Fire Risk: Risk of fire outbreaks from fallen electric poles due to faulty installations and natural events (storm, wind, etc.). Also, any faulty installation in the electric system could result in a fire. Further, failure to maintain the RoW could cause the overgrowth of nearby trees that could end up crashing on electric lines during poor weather and hence could cause fire.

Impact on Physical Cultural Resources (PCRs): PCRs include archeological sites, historic buildings, and sacred places. Potential impacts to PCRs could occur in two ways, i.e., (i) ground disturbing activities (such

as excavation for poles) could result in damage to archeological artifacts or unmarked burial sites, or (ii) electric lines could pass through areas identified as PCRs. Though this impact is insignificant.

Impact on Birds: Distribution networks are potential source of bird strikes causing injuries or even instant death. This is especially more significant when a large flock of birds migrates from one point to another and usually gets struck by the distribution lines.

Impact due to Traffic: Poorly trained or inexperienced vehicle and truck drivers can increase risk of accident with other vehicles, pedestrians, and equipment.

In addition to the above, other environmental risks with minimum significance include aesthetic value intrusions (considering that last mile on-grid connection projects are done mostly in environments altered by settlements and other anthropogenic actions).

Table 2-1 Adverse Environmental Impacts and Recommended Mitigation Measures

No	Adverse Impact Description	Recommended Mitigation Measures
1	Right of Way (RoW) opening for MV/LV power lines	<ul style="list-style-type: none"> - Limit the RoW at the recommended width (based on EEU's <i>Safety Policy and Procedures for Distribution O&M</i> manual and/or Ethiopian Electricity Agency's <i>Directives on Overhead Electric Line Clearances and Quality of Supply 2005</i>) - EEU/contractor shall identify well-established corridors with minimum impacts - Consult the community members regarding location of valued village resources and locate distribution lines to avoid these features - The parent Program exclusion criteria should be used to avoid locating the RoW in or through sensitive and important environmental and cultural areas
2	Lose and destruction of vegetation cover, habitats, and crops	<ul style="list-style-type: none"> - Locate MV/LV lines along existing roads and tracks to avoid lose and destruction of vegetation and crops - Avoid and/or minimize cutting of big trees, particularly indigenous & threatened tree species - Plan for replanting of trees in areas vegetation is cleared - If clearing of crops and vegetation is unavoidable, the crops and vegetation cleared shall be compensated in accordance with the national law before any construction work commence - Undergrowth in the RoW should be allowed while only leaving a narrow strip to be completely cleared to allow stringing of conductors - Strictly define RoW clearing activities in the contract specifications and in Environmental and Social Management Plans (ESMPs)
3	Soil erosion	<ul style="list-style-type: none"> - Locating electric poles and other construction activities along slopes and degraded areas should be avoided - Dispose exaction spoil and waste at designated areas approved by the local authorities - Avoid compaction of the natural soil by construction activities including vehicles movement - Use existing access roads and tracks wherever available - EEU should consider developing a program of afforestation, water and soil conservation in areas where erosion is aggravated due to activities associated with the Program

No	Adverse Impact Description	Recommended Mitigation Measures
4	Water resources pollution	<ul style="list-style-type: none"> - Avoid construction activities in degraded areas to limit soil erosion and ultimately water bodies sedimentation - Construction waste and refuse should not be dumped in water bodies
5	Impact due to solid waste and wastewater	<ul style="list-style-type: none"> - Conduct regular awareness creation and sensitization program for EEU workers, contractors and communities in the Program areas about the potential negative impacts, health and safety risks of solid wastes, and on proper waste management practices - Segregate and store solid waste properly and ensure that no impacts will be generated from temporary waste storage areas (if any) - After proper segregation, solid waste should be disposed of safely at the designated waste disposal site in consultation and approval by the local authorities - Good housekeeping should be practiced in the construction work and storage areas - Excavated topsoil should be used as backfill - Excavation spoil should be disposed at designated and approved sites in consultation with local authorities - Wastewater should not be release into water bodies and soil - Wastewater should be properly stored and disposed at designated facility or through municipal sewer if approved by the concerned utility operator - EEU/contractors shall manage waste in line with the national requirements and guidelines as well as international standards, including the World Bank/IFC Environmental, Health, and Safety (EHS) Guidelines¹.
6	Impact due to hazardous materials and waste	<ul style="list-style-type: none"> - Check whether PCBs are present in old equipment to be replaced and if present dispose of appropriately in consultation with the concerned federal and regional authorities
7	Occupational health and safety risks	<ul style="list-style-type: none"> - Strictly implement EEU's <i>Safety Policy and Procedures for Distribution O&M</i> manual and ESMSG - Consistently train worker on the developed safe work procedures - Include detailed OHS requirements in construction contract documents and encourage contractors to cost for the requirements, where applicable - Provide regular OHS induction training for workers before mobilization to work - Constantly supervise and/or monitor work in progress to identify any gaps and make the necessary corrections - Work-at-height should be done using appropriate fall arrest or protection equipment, only trained workers should work-at-height - Live conductors and system components should be handled only by competent workers, live system components should be turned off before work begins, a robust communication protocol should be developed for all work involving live system components

¹http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines

No	Adverse Impact Description	Recommended Mitigation Measures
		<ul style="list-style-type: none"> - Loading and unloading of heavy materials and equipment should be done by machines to the extent possible, coordinate the loading and unloading process to ensure that workers are not caught under materials/equipment or struck by materials/equipment - When lifting of weight is in progress, no worker or community member should be beneath the load lifted - Provide the necessary PPE to workers and replace the worn PPE periodically and as needed, remove damaged or worn-out PPE from the workplace - Maintain the quality of PPE procured from suppliers, inferior quality PPE should not be distributed to workers - Train workers on proper use of PPE - Only competent workers should be allowed to operate machinery and equipment - Open excavated pits shall be temporarily barricaded to avoid people and workers falling in - Maintain housekeeping of the work area at all times - Workers should be trained on safe manual handling procedures, particularly for activities involving lifting of heavy weight - Provide first aid or trauma kits at all workplaces - Use safety signs to convey messages and alert workers of impending hazard - To avoid accidental leakage or spill, provide secondary containers/drums for fuel, oil, and chemicals at filling and storage locations - Provide amenities to workers.
8	Fire risk	<ul style="list-style-type: none"> - All construction sites should have firefighting equipment/extinguishers of recommended standards - The Program should continuously ensure that the RoW is kept clear by regular trimming of trees and maintenance of the system - Electric poles, conductors, and systems should be installed firmly and properly to avoid falling of poles and faulty systems
9	Impact on physical cultural resources	<ul style="list-style-type: none"> - The parent Program exclusion criteria should be used to avoid locating electric lines in or through areas identified as PCRs - Use the parent Program chance finds procedure in case of fortuitous discovery of PCRs
10	Impact on birds	<ul style="list-style-type: none"> - EEU should consider using insulated wiring for the distribution networks - The Program should closely work with the EPA and other organization like Ethiopian Wildlife and Natural History Society (EWNHS), Ethiopian Institute of Biodiversity (EIB) and MoA to identify the potential bird migration routes within the Program intervention areas, if available, and ensure implementation of sound mitigation measure to avoid and/or minimize the anticipated impacts.
12	Impact due to traffic	<ul style="list-style-type: none"> - Use safety/traffic signs to aware drivers and the public of the work in progress - Workers should wear high visibility vests at all times - Vehicles and trucks should be operated by trained and competent drivers - Establish speed limits for vehicles and trucks

No	Adverse Impact Description	Recommended Mitigation Measures
		- Use flagmen, where necessary.

2.3. SOCIAL EFFECTS

2.3.1. Beneficial Effects

The main beneficial social impacts of the proposed AF ELEAP are:

- *Improved Quality of Life:* Quality of life will be improved due to access to electricity both at household and community level. Electricity will be used for refrigeration, cooking, entertainment, mobile charging and communications, and lighting for students to study.
- *Benefits to Business Undertakings:* Business opportunities will be created for women and men in the local community with higher productivity and longer working hours.
- *Benefits Employment Opportunities:* Temporary employment opportunities will be created for skilled and unskilled labor during construction. Hence, laborers recruited from local community or immediate surroundings will drive income for themselves and their families.
- *Improved Social Services:* Insufficient or unavailability of electric power supply is among the reason that affects social service provision in many parts of Ethiopia. Increased power supply from the program will bring improvements in the functions of various social facilities in the targeted sites, such as education, health, water supply and other social facility services planned to be undertaken.
- *Reduce Women's Burden and young girls:* Increased electrification could facilitate the setting up of grind mills in the vicinities, promoting the use of improved technology for the preparation of food using electric stoves, hence will anticipate in easing the burden of women. Also easing household level burdens to young girls who often support families in household chores like fetching water and collecting firewood.

2.3.2. Adverse Effects

Depending on the type, scope, and extent of eligible work under AF-ELEAP, potential negative social impacts are expected. Most anticipated adverse social impacts are typically sites specific, which could happen at construction phase. Generally, the main social risks include, but not limited to the following:

Poor Community Health and Safety Practices: There is a possibility of safety risks with provision of electricity that will have a negative impact in the community if not properly addressed. Risks of electrocution from substandard internal wiring, meter tampering and illegal connections or Safety threats may also include the collapse of distribution poles, especially wooden ones during storms.

Risks from Land and RoW Acquisition: Project Affected People (PAPs) might lose part of their livelihoods while clearing vegetation for ROW, such as their cash crops including coffee plants, avocado, false banana (*incet*), mango, eucalyptus and other trees. Moreover, PAPs might also permanently lose small portion of their land.

Risk of Child Labor and Poor Labor Management Practices: There is a risk of child labor in village level construction activities, especially when contractors are recruiting local workers/dailies from local communities. Hence, mechanisms need to be put in place to prevent and minimize child labor. There is also risk of GBV, illicit drugs utilization and spread of STIs among workers. Thus, preparation and inclusion of child labor action plan in contract documents is vital.

Disempowerment of Vulnerable Groups: There is a risk of disproportional access to electricity, as a result of inadequate representation of women, disabled, elderly, pastoralist and other marginalized communities/indigenous peoples in project appraisal or piling stage.

Risks from Labor Influx: Some labor influx in line with AF-ELEAP is expected. Hence there might be possible negative impacts in project areas, such as GBV, risk of sexually transmitted diseases, HIV, prostitution, and unwanted pregnancies. The influx of labor and their interactions with the local communities may also create access for the spread of communicable diseases and price increases in local markets, which might again contribute to an increase in crimes and smuggling.

Social Conflict from Distributional Equity Quest: Lack of inclusion as beneficiaries from new last mile connection interventions of minority groups or historically underserved communities poses considerable risk of social conflict. If such incidences become more serious, it may cause project stoppages or implementation delays. More importantly, when new connection distributional equity gap sentiments are happening among communities of prior ethnic conflicts or territorial disputes, risk of exacerbating social conflict is manifold.

Table 2-2 Adverse Social Impacts and Recommended Mitigation Measures

No	Adverse Impact Description	Recommended Mitigation Measures
1	Poor community health and safety practices	<ul style="list-style-type: none"> - Awareness raising interventions and culturally appropriate communications on hazards of electricity to the community, customers - Working based on Ethiopia Energy Authority standards and house wiring inspections, and programs to assist the vulnerable groups
2	Risks from land and RoW acquisition	<ul style="list-style-type: none"> - Reconsideration by EEU-Compensation policy on distribution lines
3	Risk of child labor and poor labor management practices	<ul style="list-style-type: none"> - Using local workers as much as possible to minimize influx, but this still need to consider child labor risks. Furthermore, it is vital to prepare and use labor management plan - Clearly define responsibility and accountability of EEU Contractor by contract clause to ensure any damage to workers, local people, GBV and child labor from project related activities.
4	Disempowerment of vulnerable groups	<ul style="list-style-type: none"> - Ensuring participation of project affected people that incorporate vulnerable groups and underserved communities in ongoing consultation throughout the design and implementation of the project.
5	Risks from labor influx	<ul style="list-style-type: none"> - Both EEU & contractors shall at in conformity with the Program labor influx management plan
6	Social conflict from distributional equity quest	<ul style="list-style-type: none"> - Ensuring participation of project affected people and shall organize repeated, prior and informed consultations - Establishing effective Grievance Response Mechanism and fair benefit sharing plan

2.3.3. Country Security Situation

In the past few years, the country is facing increasing conflicts and estrangement along ethnic, religious, political and regional lines across many parts of the country. The resulting tensions have regularly led to violence and fatalities. The World Bank group has also categorized Ethiopia as Fragile, Conflict and Violence (FCV) State following the observed continuation of instability in the country since June 2021. Though ethnic conflicts or ongoing civil unrest are not directly related to AF ELEAP program, there could be a risk where new electric connection interventions get interrupted or even be dismantled by warrior groups.

In the past two years, across many of ELEAP intervention areas, there were recurrent incidences of both ethnic based violence and armed conflicts, resulting in armed insurrection in Oromia Amhara, Afar, Tigray, Benshangul, and SNNP regions. There were also armed clashes between government forces and armed insurgent groups. For example, part of rural woredas and kebeles in the Southern Oromia (Guji and West Guji) and Western Oromia (West Wollega and Qeleme Wollega), are facing critical insecurity challenges due to armed clashes between National Defense Force (NDF) and the guerrilla fighters. In connection to this, consultation participants from EEU Oromia region office mentioned recurrent instances of program-activity interruptions in West Oromia. New ELEAP- related grid-line construction or last-mile connection investment interventions, such as electric-pole transportation and village level electric line distribution activities are indicated to be interrupted at least for some time.

More importantly, on top of slowing the pace of program implementation, insecurity situations would be feared to pose security risks to EEU own force as well as contracted workers (risks of kidnapping, car-highjack, armed robbery or arbitrary killing). Travel and movement of EEU corporate level program personnel to certain program operation sites have also been restricted, which again was affecting program supervision, monitoring and implementation support activities. Hence the upcoming AF-ELEAP interventions shall consider undertaking Security Risk Assessment (SRA) and preparation of Security Management Plan or procedure (SMP) at least for those conflict or insecurity prone program implementation areas. Moreover, in conflict prone areas or in areas which are inaccessible by the government, the Program shall need to consider option of utilizing a third party implementation arrangement.

The identification of potential program security risks could involve activities ranging from a relatively straightforward security screening of risks to broader undertakings of more formal and comprehensive security risk assessment analysis. The security management plan document defines the content and structure of AF-ELEAP security management plan. It also addresses requirements for staff, operation processes, documentation technology and physical facilities needed to meet the specific physical and personnel security, governance and assurance requirements of the World Bank. The SMP also specifies and document how these additional requirements are to be added to EEU's environmental, social and occupational safety management activities. Furthermore, this SMP intends to address all the workforces, assets and program affected community's security within all program implementation areas.

2.4. PROGRAM RISK CLASSIFICATION

The proposed Program (AF ELEAP) is expected to result in environmental, social, health and safety risk. The Program is screened to identify the main risks which require more attention and to determine the overall risk classification of the Program. The Program risk classification considered the Bank's risk criteria which are (i) likely environmental and social effects, (ii) contextual risk factors, (iii) institutional capacity and complexity risks, and (iv) political and reputational risks. The following table summarizes the overall risk classification of the Program against the bank's criteria.

Table 2-3 Program E&S Risk Classification against the Bank's Criteria

Risk Criteria	Risk Description	Risk Rating
Likely environmental and social effects	- The E&S effects of the Program are generally manageable given the scale of the individual interventions and the site-specific characteristics. However, the performance of the parent Program was not satisfactory to manage the E&S effects of the proposed program. Therefore, there is a risk that activities under the Program will be designed and	Moderate

Risk Criteria	Risk Description	Risk Rating
	operated without adequate E&S management including failure to identify, mitigate, and monitor risks and impacts (direct, indirect, cumulative, induced impacts), particularly those related to occupational and community health and safety, natural habitats, PCRs, and vulnerable and marginalized groups.	
Contextual risk factors	- There is a risk due to the current security climate in the country on top of social conflicts affects the performance of the Program in some areas of the country more specifically the Northern part of the country. However, there has been a peace agreement made between the GoE and the armed party which provides a relatively peaceful environment. The contextual risk of P4R implementation sites without considering conflict prone areas is considered Moderate.	Moderate
Institutional capacity and complexity risks	<ul style="list-style-type: none"> - Lack of district-level structure for E&S management restricts the capacity of the borrower to closely manage the projects. Further, no GRM was established at on-grid project/kebele level and no procedures at the EEU level to provide targeted service options to historically underserved people and vulnerable groups and communities. - E&S performance of the parent Program is virtually absent, including E&S screening of on grid sub projects, limited supervision from the E&S perspective including on OHS management and limited coordination between various institution including EEU's operation (corporate/regions) and the PPMD, and other relevant institutions. 	Moderate
Political and reputational risks	- Risk from the implementing agencies previous projects and programs performance track record in E&S management is low to moderate considering that the implementing agencies has prior experience working with international financial institutes and donors in the energy and water sectors.	Moderate
Overall Program E&S Risk		Moderate

The overall risk classification of AF ELEAP from environmental and social perspective is Moderate mainly considering the program activities (only last-mile connection activities/no off-grid activities) and limited coverage of the P4R for the conflict affected areas).

3. ASSESSMENT OF BORROWER'S ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS

3.1. INTRODUCTION

This section provides an assessment of the borrower's environmental and social management systems including the country's legal and institutional framework, performance of the parent ELEAP against the DLRs and PAP, environmental and social analysis against the Bank's core principles for PforR financing mechanism, and capacity assessment of the main implementing agencies, i.e., MoWE and EEU. Additional details on these topics can be referred to in the parent ELEAP ESSA.

3.2. LEGAL AND INSTITUTIONAL FRAMEWORK

3.2.1. Legal Framework

Ethiopia has a reasonably robust legal framework for environmental and social management of development strategies, programs, projects, and activities. This includes the Constitution of the FDRE, the Climate Resilient Green Economy (CRGE), the Environmental Policy of Ethiopia, the Energy Policy of Ethiopia, the Environmental Impact Assessment Proclamation (Proc. No. 299/2002), the Electrical and Electronic Waste Management and Disposal Regulation (Reg. No. 425/2018), the Public Health Proclamation (Proc. No. 200/2000), and the Environmental Impact Assessment Procedural Guidelines. There are other relevant legislations on pollution, solid waste, hazardous waste, cultural heritage, forest and wildlife protection. The detailed provisions of these and other relevant legal framework can be referred to in the parent ELEAP ESSA.

A few proclamations and regulations have been repealed and replaced by new since the parent ELEAP ESSA was prepared. These include the (i) Labor Proclamation (Proc. No. 1156/2019), (ii) the Expropriation of Land Holdings for Public Purposes, Payments of Compensation and Resettlement of Displaced People Proclamation (Proc. No. 1161/2019), and (iii) the Expropriation and Valuation, Compensation and Resettlement Council of Ministers Regulation (Reg. No. 472/2020).

Further to the above, in 2021, EEU published the *Ethiopian Electric Utility Strategic Plan* which is consistent with NEP 2.0. EEU has developed its own *Environmental and Social Policy and Procedures Manual* in 2015.

3.2.2. Institutional Framework

Key institutions that are involved in the management of environmental and social matters include the federal Environmental Protection Authority (EPA), regional environmental protection agencies, local environmental protection offices/desks, regional water and energy bureaus, rural land administration and use bureaus (or their equivalent), and Ministry of Labor and Skills (MoLS) and its regional counterparts. A detailed description of the roles and responsibilities of these institutions can be referred to in the parent ELEAP ESSA.

3.3. PERFORMANCE OF THE PARENT ELEAP AGAINST PROGRAM ACTION PLAN (PAP)

3.3.1. E&S Performance Rating of the Parent Program (ELEAP)

The E&S performance rating of the parent Program is **Satisfactory** (Dec 2021). This performance rating is mainly attributed to the establishment of ESMS, maintaining the ESHS structure, and E&S management efforts for off-grid projects including E&S screening, instruments preparation, consultations made, GRM

established. The performance limitations on other aspects (particularly on on-grid projects) are reflected in the following sections (performance against DLRs and PAP).

3.3.2. Performance against DLRs

In the parent ELEAP DLI 7 is safeguard related DLI and Disbursement Linked Results (DLRs) are set under the DLI. The following table provides the status of the DLRs and reasons for not achieving the results.

Table 3-1 Parent ELEAP Performance against DLRs

DLR	Status (April 2022)	Reason for Achievement or Non-achievement
DLI 7: Strengthen Safeguards Systems		
7.1. ESMS established for national and regional levels one month after the effective date of the Program	Achieved	<ul style="list-style-type: none"> - ESMS established, ESMSG & RSG prepared - 1 E&S specialist/manager maintained at EEU corporate - 1 H&S specialist/manager maintained at EEU corporate - 3 ESHS staff maintained at 9 regions and 2 city administrations (this is later reduced to 2 for some of the regions)
7.2. ESMS maintained during the period of July 8, 2018, through July 7, 2019, as per adopted guidelines	Was not achieved	<ul style="list-style-type: none"> - All projects didn't undergo E&S screening and associated E&S instruments preparation (particularly on-grid projects) - Projects were not supervised and monitoring during implementation (particularly on-grid projects) - Annual E&S performance reviews and audits by independent consultants were not done - All Program affected communities were not fully briefed on environmental, social, health, and safety risks of the Program - Compensations were not timely and appropriately - All PAPs and stakeholders were not consulted (particularly for on-grid projects)
7.3. ESMS maintained during the period of July 8, 2019, through July 7, 2021, as per adopted guidelines	Achieved	<ul style="list-style-type: none"> - All the positions both at national and regional level have been maintained. - All the mini-grid sites have been monitored as per the ESIsAs that has been developed for each site. Project sites were supervised and monitored during implementation. - Site handover and finalizations has been supervised and monitored. - Annual E&S performance reviews and audits by independent consultants have been undertaken. - Internal supervision safety audits have been undertaken and a system has been established. OHS related trainings and safety

DLR	Status (April 2022)	Reason for Achievement or Non-achievement
DLI 7: Strengthen Safeguards Systems		
		materials have been distributed and implemented throughout the regions. - H&S policy and procedures has been distributed to each project affected regions and training has been conducted. - All Program affected communities were briefed on different means of communication. - EEU developed GRM guidelines and distributed project guidelines to regional offices. - PAPs and stakeholders were consulted, training for the project operators and workers have been provided.
7.4 ESMS maintained during period July 8, 2021 - July 7, 2023, as per adopted guidelines	Ongoing	-

Although the parent Program established an ESMS and maintained the ESHS staff at federal and regional levels, there is a break in implementation of the ESMS, particularly for on-grid projects. This break in implementation of ESMS is reflected by, among others, E&S screening and instruments preparation were not done for on-grid projects, meaningful consultations were not done, projects were not supervised and monitored, and Program affected communities were not fully briefed on environmental, social, health, and safety risks of the program. Going forward, these issues should be addressed and the ESMS should be fully implemented. Detailed recommendations are provided in Section 5 of this report.

3.3.3. Performance against PAP

During the current ESSA addendum, the performance of the parent Program is evaluated against its Program Action Plan (PAP). The below points summarize key achievements and gaps so far:

- Environmental and Social Management System (ESMS) established at federal and regional levels
- Environmental and Social Management System Guideline (ESMSG) & Resettlement System Guideline (RSG) has been prepared and distributed, the ESMSG can be complemented by preparing Program *Safe Work Procedures Manual*, RSG can be applied for limited or no resettlement expected for on-grid projects
- ESHS staff is maintained at EEU corporate and regional levels (at least 2 ESHS staff maintained in 9 regions and 2 city administrations), one position in *Harari* region is currently vacant and EEU is in recruitment process to fill the vacant position
- Project Portfolio Management Directorate (PPMD) provided additional staff at federal and regional levels, there is a vacant position at *Somali* region, most of the PPMD ESHS staff are recruited as part of ADELE project
- During the parent, EEU corporate and regions were responsible for implementation of all on-grid projects while the PPMD was responsible for implementation of off-grid projects (it is recommended that EEU regions will continue to implement on-grid projects with overall and close management by the PPMD)
- All off-grid projects were screened, and E&S instruments were prepared

- GRM is available at corporate EEU through call centers, webpage, in person complaints at any EEU office, and comment boxes at EEU offices.
- OHS measures implementation is comparatively better across project, particularly PPE distribution and use by EEU workers is generally good
- Initial consultations were done for off-grid projects

The following are also identified Gaps:

- Though there are limited E&S risks expected, on-grid projects were not screened, and subsequent E&S instruments were not prepared
- Monitoring and supervision of ESHS measures implementation is limited, on-grid projects were virtually unsupervised
- Initial consultations with project affected people done as part of feasibility studies for on-grid projects, which were not sufficient from ESHS perspective

On the other hand, there are gaps in fully or partially implementation of most of the action items. The detailed evaluation of the parent ELEAP performance against its own action items are presented in Table 3-2 below (last shaded column).

Table 3-2 Parent ELEAP Performance against Program Action Plan (PAP)

No	Action Items (Parent ELEAP ESSA)	Activities (Parent ELEAP ESSA)	Progress Indicator (Parent ELEAP ESSA)	Performance To Date (Based on the current assessment – July 2022)
1	Environmental, Social and Safety Management System (ESMS)	Environmental, Social and Safety Management System (ESMS) will be established at regional and woreda levels and strengthened at national level	<ul style="list-style-type: none"> • Percentage (100 percent) of sub-projects under the Program screened to identify environmental and social safeguards documentation requirements • Percentage (100 percent) of safeguards documentation completed • Percentage (100 percent) of actions as per prepared safeguards documents prepared 	<ul style="list-style-type: none"> • ESMSG & RSG has been prepared • ESMS established at federal and regional levels • ESHS staff at EEU’s corporate EHSS directorate and the regional offices are fully maintained, except a vacant position in <i>Harari</i> region • No E&S structure available at districts and service center levels and thus ESMS implementation is limited • All off-grid projects were screened • E&S instruments prepared for off-grid projects • On-grid projects were not screened • No specific E&S instrument prepared for on-grid projects • Preliminary E&S assessment of on-grid projects done as part of feasibility studies • Monitoring of measures implementation is limited, on-grid projects were virtually unsupervised • OHS measures implementation is comparatively better, particularly PPE distribution <p>Recommendation – This action plan should be modified for AF-ELEAP with focus on (i) on-grid projects screening and instrument preparations and (ii) close follow-up and monitoring of E&S measures during projects implementation.</p>
2	Capacity Building: Maintain positions on Environment, social safeguards and safety at	Environmental and social safeguards specialist and Occupational Health and Safety (OHS) at national level as well as in each EEU’s regional offices will	Minimum 1 Environment and Social Safeguards Specialist and minimum 1 OHS Specialist is maintained at national level as well as in EEU’s regional offices	<ul style="list-style-type: none"> • ESHS staff at EEU corporate EHSS directorate and regional offices are fully maintained, except vacant position in <i>Harari</i> region • Project Portfolio Management Directorate (PPMD) provides additional ESHS staff at federal and regional levels, except a vacant position is <i>Somali</i> region • Most of the PPMD ESHS staff are recruited as part of ADELE

No	Action Items (Parent ELEAP ESSA)	Activities (Parent ELEAP ESSA)	Progress Indicator (Parent ELEAP ESSA)	Performance To Date (Based on the current assessment – July 2022)
	national level and regional level	be recruited and maintained		<p>Recommendation – This action plan should be merged with the above action plan to focus on (i) extending the ESHS structure up to the district level through focal persons and (ii) preparation and implementation of <i>Capacity Building Action Plan</i>.</p>
3	Performance review and environment, social and safety audit	<ol style="list-style-type: none"> 1. Conduct annual technical review 2. Undertake performance review and environment, social and safety audit 	<ol style="list-style-type: none"> 1. Number of biannual technical review meetings 2. Reviewed and cleared performance review and audit report 	<ul style="list-style-type: none"> • No performance reviews and audits by independent consultants done for the parent ELEAP so far • OHS performance of corporate operations periodically evaluated internally during board meetings <p>Recommendation – This action plan should be kept as is.</p>
4	Use of safety protection material and tools; Personal Protective Equipment (PPE)	<p>Detail Health and Safety considerations/articles will be considered in all program implementation and in the contract agreements, in case if there is any contract procured.</p> <p>Safety materials and tools and Personal Protective Equipment (PPE) will be available to ensure no or minimum safety impacts during program implementation period</p>	<ol style="list-style-type: none"> 1. Percentage (100%) of contract agreement with full consideration of health and safety regulation or articles 2. Percentage (0%) of incidents due to lack of PPE and safety materials and tools 	<ul style="list-style-type: none"> • Better performance on use of PPE by EEU workers • Poor performance on use of PPE by contractors' workers • A generic clause on the need to use PPE included in most construction contracts, specific details on PPE type and replacement frequency is not provided • Safe work procedures and communication protocol are not readily considered • Safety audit periodically done as part of corporate operations • No major accident reported by PPMD on off-grid projects during Program implementation • EEU corporate/regions report no major accident during Program on-grid installations • A number of fatalities reported during corporate and regions operations of Program and other grids (there is no differentiation between the two) <p>Recommendation – This action plan should be modified to focus on (i) keep providing PPE, (ii) more emphasis on safe</p>

No	Action Items (Parent ELEAP ESSA)	Activities (Parent ELEAP ESSA)	Progress Indicator (Parent ELEAP ESSA)	Performance To Date (Based on the current assessment – July 2022)
				<p>work procedures and communications between workers and thus prepare Program Safe Work Procedures Manual, (iii) development of COC, (iv) incorporating detailed clauses in contractors contract documents on workers and public safety, (v) more attention should be given to public safety on top of workers safety, and (vi) rigorous supervision and monitoring should be done on workers and public safety implementation, particularly by contractors.</p>
5	<p>Increase community awareness of social, environmental and safety impacts of sub-projects</p>	<p>EEU will conduct trainings and briefings for communities impacted by the Program’s sub-projects on social, environmental and safety impacts of the sub-projects.</p>	<p>Percentage of communities briefed on social, environmental and safety impact of the sub projects</p>	<ul style="list-style-type: none"> • Limited trainings conducted to aware project affected people of social, environmental, and safety impacts and measures, particularly for on-grid projects • Initial consultations with project affected people done as part of feasibility studies for on-grid projects • Initial consultations were done for off-grid projects <p>Recommendation – This action plan should be kept as is.</p>
6	<p>Establish the Grievance redress system (GRM)</p>	<p>GRM committee will be established to receive, review and address complaints in line with loss of livelihood, income or assets, dissatisfaction of the services, etc. Additional GRM guideline in line with customer services will be developed for the off-grid component and updated for the on-grid component followed by orientation for implementers</p>	<p>1. Established GRM committee 2. GRM guideline prepared</p>	<ul style="list-style-type: none"> • GRM available at corporate EEU through call centers, webpage, in person complaints at any EEU office, and comment boxes at EEU offices • Accessibility of the GRM is questionable, particularly at project locations since most project affect people are not keen to use the call centers and webpage while EEU service centers are sometimes too far for them • Grievance committee established for off-grid projects • No specific grievance committee for on-grid projects and project affect people must use the corporate GRM <p>Recommendation – This action plan can be modified to focus on (i) improving accessibility of the GRM and (ii) enhancing grievance redressing mechanisms for on-grid projects</p>

No	Action Items (Parent ELEAP ESSA)	Activities (Parent ELEAP ESSA)	Progress Indicator (Parent ELEAP ESSA)	Performance To Date (Based on the current assessment – July 2022)
7	Timely and appropriate consultation, compensation and resettlement for PAPs	1. Develop/adopt guidelines on resettlement that includes grievance handling, protocol on voluntary contributions, mechanisms to accommodate squatters/illegal settlers and consultation procedures 2. Annual review of performance	Percentage (100%) of people compensated	<ul style="list-style-type: none"> • RSG has been prepared • Initial consultation done for off-grid projects • Initial consultations with project affected people done as part of feasibility studies for on-grid projects • Compensation effected for off-grid projects • No compensation considered for on-grid projects since EEU policy doesn't allow compensation to be paid for loss of land and property as a result of on-grid distribution projects. <p>Recommendation – This action plan can be merged with the first action item with a focus on (i) initial consultations for on-grid projects and (ii) resolving compensation issues for on-grid projects.</p>

3.4. ENVIRONMENTAL AND SOCIAL SYSTEMS ANALYSIS AGAINST THE CORE PRINCIPLES

This section provides a summary of the environmental and social systems analysis against World Bank's core principles and planning elements for PforR operations. The core principles against which the program design and operations are analyzed are based on the *Bank Guidance on Program-for-Results Financing Environmental and Social Systems Assessment* (Sep 2020).

The environmental and social system analysis is performed based on review of relevant documents, consultations with the implementing agencies and other key stakeholders, and field observations. The table below summarizes the current system performance and areas that need improvements, organized by the six Core Principles outlined in Program for Results Financing. A more detailed analysis of the core principles against program design and operation is provided in *Annex 1* using a SWOT (Strengths-Weaknesses-Opportunities-Threats) approach.

The key findings of this *Environmental and Social Systems Assessment (ESSA) Addendum* reacknowledge that the country has reasonably sufficient legislative and regulatory basis and the institutions to ensure consistency with the six Core Principles of PforR. However, the implementations are not consistently effective/efficient in the areas of environmental and social screening, preparation of E&S instruments, implementation of the instruments (particularly related to occupational and community health and safety), field supervision, monitoring during the performance of Program activities, stakeholders' consultation, and addressing grievances at all levels. The institutional capacity of the implementing agencies coupled with insufficient training hampered the E&S management process.

Table 3-3 Environmental and Social Systems Analysis against Core Principles

Core Principle	Performance of Current System	Areas that Need Improvement
<p>Core Principle 1: General Principles of Environmental and Social Management</p>	<ul style="list-style-type: none"> - Ethiopia has reasonably sufficient strategies, policies, proclamations, regulations, and directives for E&S management. - EEU established an <i>Environmental and Social Management System (ESMS)</i> for the parent ELEAP. - EEU has prepared an <i>Environmental and Social Management System Guideline (ESMSG)</i> and a <i>Resettlement System Guideline (RSG)</i> as part of the parent ELEAP. The ESMSG can be complemented by preparing Program Safe Work Procedures Manual, RSG can be applied for limited or no resettlement expected for on-grid projects. - EEU has two distinct structures for environmental and social management. These are the <i>Corporate Environmental, Health, Safety, and Social (EHSS) Directorate</i> and the <i>Project Portfolio Management Directorate (PPMD) Environmental, Health, and Safety Office</i>. - ESHS positions at the EHSS Directorate and regions are fully maintained. - MoWE has an <i>Environment, Social, and Climate Change Desk (ESCCD)</i>. - During parent ELEAP implementation, off-grid projects were managed by the PPMD while on-grid projects were managed by EEU corporate and the regions - There is a good practice of undertaking E&S screening and instruments preparation for off-grid projects under the parent Program (ELEAP). Further, EEU is currently preparing E&S screening reports for rehabilitation sub-projects under ADELE. - Occupational health and safety are better managed by EEU including periodic provision of PPE for its workers and 	<ul style="list-style-type: none"> - The capacity of Program implementing agencies (EEU and MoWE) is limited to provide constant, effective, and efficient planning and oversight on environmental and social matters. Their institutional capacity gap is reflected in terms of staffing (availability at all levels including districts, proper educational trainings), insufficient capacity building trainings for E&S management, and resource (logistics, equipment, budget). A <i>Capacity Building Action Plan</i> is recommended and EEU should improve its procurement processes. - There is no ESHS structure at EEU existing districts level even though the districts participate in planning and implementation of on-grid projects under the parent Program. Currently, EEU has 28 districts in 5 regions and 1 city administration. - No proper E&S screening and subsequent instruments preparation were done for on-grid projects of the parent Program (ELEAP). Whether projects presumably have limited E&S impacts or not, it is expected that all projects under the Program shall undergo through the screening process to identify the need for further E&S instruments preparation. - Although EEU’s <i>Corporate Environmental, Health, Safety, and Social (EHSS) Directorate</i> and the <i>Project Portfolio Management Directorate (PPMD) Environmental, Health, and Safety Office</i> closely work and collaborate in many aspects (including capacity building trainings), there seems to be a disconnect on on-grid projects implemented under the parent Program. The on-grid projects under the parent Program were implemented by the operation side rather than the project portfolio. This means that even if all projects and programs are implemented by the PPMD, certain activities such as on-grid connections are outside of the control of the PPMD apart for reporting purposes. This could result in divided responsibilities on

Core Principle	Performance of Current System	Areas that Need Improvement
	<p>awareness creation trainings given to its staff (including management and technical staff).</p>	<p>environmental and social management between the two structures. It is recommended that the PPM should manage and closely monitor on-grid projects even if they are physically implemented by the regions.</p> <ul style="list-style-type: none"> - Supervision and monitoring of projects implementation by EEU vis-à-vis environmental and social management is generally poor due to resources (including staffing and logistics) limitations. - EEU has better performance on ensuring occupational health and safety of its workers. However, monitoring of contractors' compliance on OHS by EEU is limited. This is a major gap considering that most of the last mile connection projects are outsourced to contractors. - Although stakeholders are informed of projects at the initial stage, no proper consultations were done to learn the stakeholders wishes and concerns regards the on-grid projects.
<p>Core Principle 2: Natural Habitats and Physical Cultural Resources (PCRs)</p>	<ul style="list-style-type: none"> - Both the country frameworks and parent Program E&S instruments provide projects screening/exclusion criteria for protection of important and sensitive natural habitats and physical cultural resources. - EEU has experience of changing the design or rerouting of on-grid connection projects to protect natural habitats and PCRs. 	<ul style="list-style-type: none"> - A general lack of awareness and specific knowledge by the implementing agencies ESHS staff to identify and properly manage natural habitats and PCRs during Program implementation could hamper the effectiveness of E&S instruments preparation and management. - Since E&S screening and instruments preparation is not practiced for on-grid projects implemented by the parent Program, there are risks related to (i) projects screening/exclusion criteria for protecting natural habitats and PCR are not used and (ii) chance finds procedure is not well recognized by EEU, particularly at region level. - Natural habitats and PCRs protection efforts by EEU, particularly those related to electric lines installation, is significantly influenced by project costs. Electric lines are desired to have straight alignments for cost reasons while in certain cases it may be required to use long rerouted electric lines to protect

Core Principle	Performance of Current System	Areas that Need Improvement
<p>Core Principle 3: Public and Workers Safety</p>	<ul style="list-style-type: none"> - EEU has its own policies and procedures on occupational health safety which includes the <i>Safety Policy and Procedures for Distribution O&M</i>. The document provides detailed guidelines on work procedures and requirement. - EEU has a strong commitment (at the management level) on occupational health and safety. - EEU has a better experience of distributing PPE to its workers up to service center level. - EEU keeps records of occupation and community accidents and incidents. Further, the major accidents (leading to fatalities and injuries) are investigated and compensated. - Risk of child labor is limited since EEU and its contractors hire TVET college trained workers. 	<p>habitats and PCRs. Proper projects screening is expected to fill this gap.</p> <ul style="list-style-type: none"> - The awareness of workers in the implementing agencies (EEU and MoWE) on occupational health and safety is not satisfactory, often resulting in non-compliance. - The capacity of ESHS staff in the implementing agencies to enforce, supervise and monitor implementation of occupational health and safety is limited. Further, efforts in this regard are hindered by institutional capacities including staffing (especially at district levels), resources, and budgetary constraints. - EEU is sometimes challenged by delayed or insufficient quality purchase and distribution of PPE to its workers. - To ensure the safety of its workers, EEU is more focused on providing PPE while enforcing safe work procedures and improving communications between workers needs better attention. - EEU is more focused on occupational health and safety while the safety of the public is not given sufficient attention commensurate with the risk. - Although EEU has comparatively better performance on ensuring OHS of its workers, the same cannot be said to contractors hired by EEU to undertake most of the on-grid connection projects. - Occupational and public health safety requirements are not explicitly and in detail included in contractors' contract documents and are not specifically costed. - Since most on-grid projects under the parent Program are outsourced to contractors, there are some labor related challenges including (i) contractors sometimes delay workers payments/wages, (ii) Code of Conduct (CoC) is not available for workers and contractors alike, (iii) employment contracts are

Core Principle	Performance of Current System	Areas that Need Improvement
		not made between contractors and their workers, and (iv) workers are not fully aware of their rights and obligations.
<p>Core Principle 4: Land Acquisition</p>	<ul style="list-style-type: none"> - Ethiopia has sufficient proclamations on land acquisition procedures (proclamation No. 1161/2019) - Program’s Land acquisition, especially of individual holdings, is very rare since ELEAP interventions are dealing only with MV & LV distribution lines. - AF-ELEAP has opportunity to benefit from Parent program capacities of ESHS staff in the implementing land acquisition procedures. - Most impacts will be related to trees and crops, there are rare cases where PAPs lose a fraction of their land. - Lacking uniformities in paying compensations for on-grid distribution line activities by EEU, which may again increase vulnerabilities of individuals. - EEU operational guideline dictates no compensation for distribution line activities, though practically EEU is obligated to pay compensation in some regions. - Community consultations for off-grid component are common, but there are gaps for on-Grid activities. - Gaps observed in paying sufficient compensations in some of regional states as there are no sufficient budget 	<ul style="list-style-type: none"> - Reconsideration is needed by EEU- for compensation policy on distribution line interventions. - Delayed compensation of High-risk groups such as women, children, and the elderly and ethnic minorities. - Consultations with On-grid project-affected people are not conducted systematically, & woreda or kebele level complaint handling mechanisms shall be established. - It is vital to have a clear budget or source of finance for paying compensation. - Lack of proper documentation of the consultation procedures for on-grid activities at woreda/district level. - Down to the earth implementation of compensation to affected people largely depends on power of affected individual or protective stance of local leaders, which makes vulnerable groups more affected.
<p>Core Principle 5: Indigenous Peoples and Vulnerable Groups</p>	<ul style="list-style-type: none"> - Country’s constitution recognizes existence of many ethnic groups and historically disadvantaged groups. - Skill gaps by EEU ESHS staff to identifying vulnerable groups and making vulnerability screening - Issues of service affordability to vulnerable groups like women, poor & elderly for new HH electric connections. - EEU has GBV/SH related institutional instruments like Sexual Harassment (SH) Policy, Code of Conduct, GAP - Lack of clear guidance and procedures to effect special inclusion of vulnerable and indigenous groups. 	<ul style="list-style-type: none"> - Social inclusion policies/manuals to ensure equitable treatment of remote or historically underserved people. - No stand-alone GRM committee at district level, for on-grid project activity grievances. - Separate consultations targeting vulnerable groups, so that they could benefit more from the project. - No labor inspection/audits of contractors for addressing risks of child labor both by EEU & regional BoLSA. - Barriers hindering progress towards increased equity brought by corruption, ethnic and gender disparities.

Core Principle	Performance of Current System	Areas that Need Improvement
	<ul style="list-style-type: none"> - Labor-influx related risk of GBV, sexually transmitted diseases and smuggling issues to local communities. 	<ul style="list-style-type: none"> - Mechanisms for increased service affordability, such as arranging long-term credit scheme or loan to the poor/ vulnerable hence could afford initial connection expense. - There is no clear implementation difference between Customer service GRM, institutional GRM, and project related GRM for E&S activities, hence it would be better if program operation site specific GRM is established.
<p>Core Principle 6: Social Conflict</p>	<ul style="list-style-type: none"> - New connections to designated area while passing through certain villages without providing electricity appeared to be common drivers of social conflict. - When distributional gap sentiments are happening among communities of prior ethnic conflicts or border disputes, risk of exacerbating social conflict is manifold. - No procedures to ensure risk of social-conflict is carefully considered for on-grid program interventions. - Many regional EEU bureaus have established regional steering committee, composed of regional presidents, regional peace & security bureau managers that will act collaboratively when social conflicts are emerged. - Broader issues of civil unrest & ethnic conflict in many parts of Ethiopia could remain to be risk of Social-conflict which may poses program implementation risks. 	<ul style="list-style-type: none"> - Making social conflict risk assessments part of E&S screening activity - Capacity of EEU staff for conducting efficient conflict-risk assessment & conflict management plan - Procedures to ensure risk of social conflict is carefully considered when potential new connection is appraised - Planning unit of EEU shall re-consider the presence of prior jurisdictional or pre-existing territorial disputes in new project intervention areas. - Repeated and timely consultations with community elders, local leaders & youth groups especially when new connection is appraised in areas with, border/territorial disputes and prior ethnic conflict. - Given ongoing civil unrest & ethnic conflict in many parts of Ethiopia, application of security risk assessment and preparation of security management plan should be considered in conflict-prone program areas.

3.5. CAPACITY AND PERFORMANCE ASSESSMENT OF KEY PROGRAM IMPLEMENTING AGENCIES

The MoWE and EEU will be the main drivers of implementation of the AF-ELEAP since they are responsible for the overall program design and implementations at all levels. The Environment, Social and Climate Change Desk (ESCCD) under the MoWE, EEU's Corporate Environmental, Health, Safety, and Social (EHSS) Directorate and Project Portfolio Management Directorate Environmental, Health, and Safety Office will take the major roles and responsibilities to guarantee sound implementation of environmental and social safeguards during implementation of the AF-ELEAP. The main features, roles, responsibilities and existing capacities on implementation of environmental and social safeguards of MoWE and EEU are discussed in the below sections.

3.5.1. Ministry of Water and Energy (MoWE)

The Ministry of Water and Energy (MoWE) is a sectoral institution for water and energy development programs and projects. As a lead implementing agency of AF-ELEAP, MoWE will provide oversight on environmental, social, health, and safety management. The MoWE was restructured recently and the former Environment and Climate Change Directorate (ECCD) which was directly under the minister is now under one of the three MoWE sectors, namely the Water Supply and Sanitation Sector. The former directorate has been restructured as Environment, Social and Climate Change Desk (ESCCD). Under the ESCCD there are two units, i.e., the ESIA and Climate Change units. Currently, the ESCCD inherited the former directorate's roles and responsibilities of E&S management in the water and energy sectors. Further to this, MoWE's Directorate of Electrification (DoE) currently has no E&S staff even if a position is available through the restructuring.

Based on authority vested in the federal Environment Protection Authority (EPA) to delegate sector environmental units to review and approve E&S instruments prepared under their respective sectors, the former ECCD was responsible for review and clearance of instruments prepared by the Ministry and EEU, including those prepared under the parent Program (ELEAP). EPA recently rescinded this delegation and thus EPA will be directly responsible for review and clearance of E&S instruments prepared for projects under its jurisdiction. Therefore, MoWE's ESCCD will not be responsible in clearance/approval of E&S instruments for the proposed AF ELEAP.

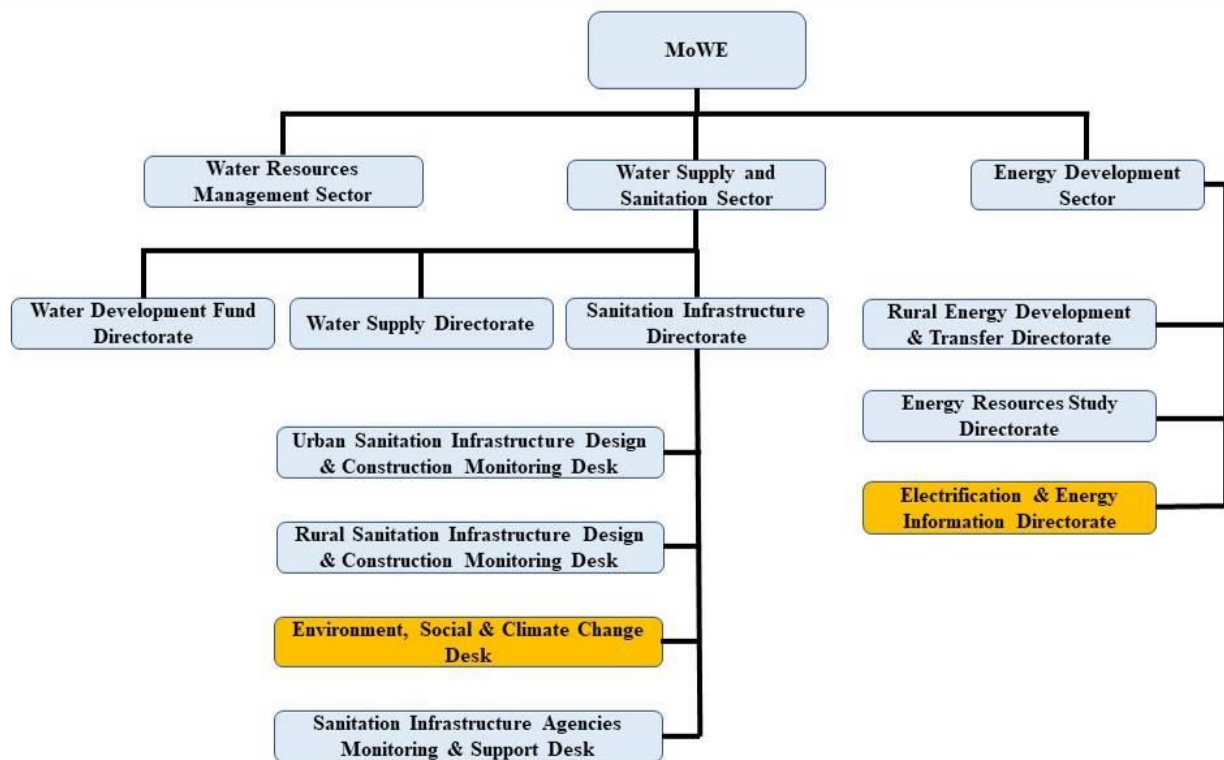
The current ESSA team had a consultation with the MoWE (including the ESCCD) and noted the following key undertakings and challenges:

- The ESCCD mainly focuses on major (*Schedule I*) projects implemented under the Ministry due to capacity constraints (staff, logistics and resources).
- The Desk conducts field monitoring of priority projects periodically.
- The new MoWE restructuring placed the ESCCD under one of the three sectors, i.e., the Water Supply and Sanitation Sector. On the other hand, the proposed AF-ELEAP is under the Energy Sector of MoWE. This will entail close collaboration between the two sectors of MoWE for environmental, social, health, and safety management of the proposed AF-ELEAP. However, this arrangement is yet to be tested for efficiency and practicality.
- Further to the above point, additional E&S staff positions are allocated under each MoWE sector as part of the recent restructuring through the roles and responsibilities of these E&S staff and their relationship with ESCCD are yet to be determined.
- The ESCCD reviewed and cleared ESIA's prepared for off-grid projects under the parent ELEAP.

For the proposed AF-ELEAP, the role of ESCCD is expected to be changed since it no longer has delegation to clear/approve E&S instruments to be prepared by the Program. ESCCD is expected to provide oversight

of E&S management of the proposed AF-ELEAP. To effectively play this role, capacity building trainings would benefit the Desk.

Figure 3-1 MoWE/ESCCD Structure



3.5.2. Ethiopian Electric Utility (EEU)

The Ethiopian Electric Utility (EEU) is a prime agency responsible for the implementation of AF-ELEAP. EEU has two distinct structures for environmental and social management. These are:

- i) *Corporate Environmental, Health, Safety, and Social (EHSS) Directorate* – The directorate is responsible for managing environmental, social, occupational health and safety aspects of corporate operations. At federal level, the directorate has (i) a director, (ii) an environmental and social manager, (iii) an occupational, health, and safety manager, (iv) an environmental analyst, (v) a social analyst, (vi) a senior health and safety expert, and (vii) a junior health and safety officer. At region level, 3 ESHS staff are available at some regions (*Oromia, Amhara, Tigray, & SNNP* regions and *Addis Ababa* administration) while other regions (*Somali, Gambella, Benishaguel-Gumuz, Afar, & Harari* regions and *Dire Dawa* administration) have reduced their ESHS staff to 2. EEU does not have regional structure for the two new regions (*Sidama* and *South-West* regions) yet. ESHS structure is not available at districts and service center levels. Most of the ESHS staff at federal and regional levels do not have educational background on environmental, social, and OHS fields. However, the staff received capacity building training on ESHS disciplines. The EHSS directorate is responsible for:

- Developing policies, manuals, procedures, and guideline on EHSS matters
- Coordinating and collaborating with other institutions on EHSS matters
- Provide capacity building trainings to EEU operations and project staff
- Supervision and monitoring of EHSS implementation across all corporate operations
- Data collection and keeping record of EHSS performance of corporate operations

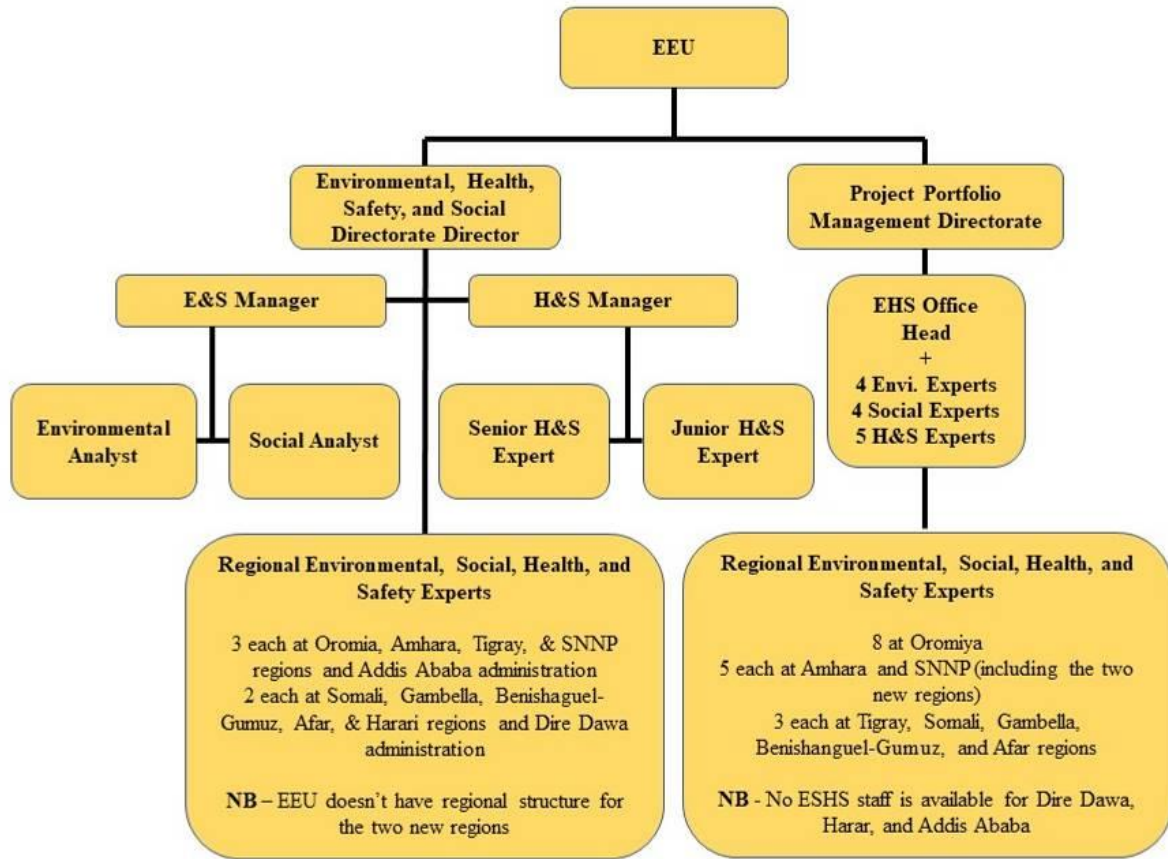
- Preparing reports on EHSS performance of EEU.
- i) *Project Portfolio Management Directorate Environmental, Health, and Safety Office* – The office is responsible for management of environmental, health, and safety issues of projects implemented by the utility including the parent ELEAP. The project portfolio management ESHS office has (i) a manager (ii) 4 environmentalists, (iii) 4 sociologists, and (iv) 5 occupational health and safety experts. At region level, *Oromia* has 8 ESHS staff, *Amhara* has 5 ESHS staff, and *SNNP* (including Sidama and South-West regions) has 5 ESHS staff while *Tigray*, *Somali*, *Gambella*, *Benishanguel-Gumuz*, and *Afar* has 3 ESHS staff each. No ESHS staff is available for *Dire Dawa*, *Harar*, and *Addis Ababa*. Further, there is an environmental vacant position at *Somali* region. These regional ESHS staff are assigned recently as part of ADELE project (P171742). In addition to these regional ESHS staff, each region has one ESHS staff under their project planning and engineering offices. ESHS structure is not available at project coordination offices (which is a horizontal structure with the districts). Similar to the corporate case, most of the ESHS staff at the directorates level do not have specific educational backgrounds on ESHS disciplines. However, recent recruits for ADELE project mostly have the required educational backgrounds on the field of ESHS.

During the parent Program implementation, the EEU corporate and regions were responsible for implementation of on-grid projects while off-grid projects were mainly implemented by the PPMD. The PPMD was not involved in on-grid projects except for reporting purposes. It is recommended that the PPMD should be closely involved and manage implementation of on-grid projects during AF-ELEAP even if EEU corporate and regions implement the projects considering the large number of on-grid projects and the better capacity of EEU regions and district to implement them.

As part of the current ESSA Addendum, consultations were conducted with both structures to (i) inform the objectives and scope of the current ESSA Addendum, (ii) plan the consultation process at regional and district levels, and (iii) obtain relevant information and data necessary for the capacity assessment study of EEU. Based on the consultations made the following gaps and challenges were identified:

- Lack of sufficient capacity-building training at all levels.
- Insufficient institutional capacity for environmental and social management including logistics, resources, and finance.
- Lack of ESHS structure at district level for efficient management of environmental and social issues including close supervision and monitoring.
- Lack of awareness on ESHS matters at all levels, including at project level.
- Limited coordination with different organizations on environmental, social and safety management agendas, particularly at regional and local levels.
- Language barrier, available E&S instruments are not translated to local languages to provide full information to workers, stakeholders and community members.
- Lack of capacity for the disposal and management of hazardous wastes.
- Gap in consultation with PAPs and compensation provisions, particularly considering that EEU doesn't compensate for loss of properties and land for distribution lines.
- Challenge related to procurement of PPE which results in delays and poor-quality products.
- Limited use of PPE during construction and installation, particularly by contractors.
- The accidents and incidents occurrence even after EEU put efforts to avoid, reduce, and mitigate it. Some of the accidents result in fatalities.

Figure 3-2 EEU EHSSD & PPMD Structure



Note - In the above EEU ESHS structure, all the positions are filled and maintained except for currently vacant EHS Manager position at Harari region under the EHSS Directorate and one expert position at Somali region under the Project Portfolio Management Directorate. Based on the established ESMS, it is expected that EEU shall maintain 1 E&S Specialist/Expert and 1 H&S Specialist/Expert at both corporate and regional levels. As it can be seen from the above organization chart, EEU maintained at least 2 ESHS staff at both corporate and regional levels. As a result, the ESHS structure is fully maintained.

4. STAKEHOLDERS CONSULTATIONS AND DISCLOSURE

The ELEAP-AF ESSA addendum preparation process involved extensive stakeholder consultations and will consider disclosure of the ESSA report following the guidelines of the World Bank's Access to Information Policy. During this ESSA preparation, and prior to the finalization of the ESSA, the Bank safeguards specialists (consultants) undertook recurrent meetings and consultations with different stakeholders, including key program implementing agencies and key-regulatory institutions that are involved on periodic environmental and social safeguard performance inspections (EPA, Ministry of Labor and Skills). Overall consultation process was undertaken in the period between April 28 and May 31, 2022.

Before the commencement of actual field-based data collection activities for ESSA-Addendum assessment activity, study team members have organized introductory kickoffs meeting with ELEAP-parent program lead implementing agency; Ethiopian electric Utility (EEU) to explain the scope and objective of current ESSA addendum assignment and hence could exercise participatory selection of study regions or relevant district office of EEU.

After passing through the above procedures three ELEAP program implementing regions (SNNP, Oromia & Somali) were selected. Consequently, field-based consultations were conducted in Hawassa, Adama and Jijjiga. Key informant interview (KII) participants of the consultation process were drawn from regional EEU district offices heads and regional project portfolio coordination offices managers (executive officers, project-portfolio managers and their corresponding EHS experts). Finally, in each of three regional capitals one nearest rural EEU's district is visited to see actual site level construction or ongoing project operation activities, including discussions with local community members/projected affected people (See Annex 2).

Some of the major consultation findings from federal and regional level consultations include:

Discussions made with EEU corporate, regional, and project portfolio management staff show that for on-grid last mile connection projects environmental and social management was not implemented including E&S screening was not done, E&S instruments were not prepared, consultations and compensation of program affected people were not done, and projects were not supervised from ESHS angle. This is one of the major gaps identified during implementation of on-grid projects under the parent Program.

During consultations with community members, it was identified that initial consultations with the program affected people were done with the focus on informing them of the planned project and the extent of service. Where applicable, the program affected people were informed if clearance of vegetation is required. However, these consultations were not focused on creating awareness for the program affected people on environmental, social, health, and safety risks and mitigation measures.

The consulted community members indicated that on-grid projects were virtually unsupervised by EEU once contractors were awarded projects. In most cases, EEU's technical team rarely visits the site during implementation and in the cases where visits were made, the focus is on the technical aspect. Supervision or monitoring visits on environmental, social, health, and safety aspects were not conducted during projects implementation.

Consultation findings from regional EEU environment and social safeguard expert revealed that since on-grid related distribution line interventions are dealing only with MV & LV distribution lines impacts or acquisition of personal land is often minimal. Yet consultations with PAPs in Oromia show that compensation claims are submitted by affected farmers or commercial tree planters whose economic benefit are dismantled by new last mile electric connection activities. A consultation finding with program beneficiary communities in Oromia and SNNP also shows absence of uniformities on execution of compensations to project affected people.

At community level Program operations, parent ELEAP program has kebele level grievance handling committee, but not for the on-grid component. On-grid connection project grievances are reported and resolved with local government authorities like woreda or kebele manager in line with the Law. For site-specific project activities, no formal recording requirement or a stated fixed timeframe for complaint investigation/resolution process is observed in visited kebeles of SNNPR and Somali region. Findings from current ESSA consultations in all three study regions also shows that EEU as institution do not have any special consideration or written based procedures for distinct service provisions to indigenous people or vulnerable groups of community members.

ESSA consultations with EEU ELEAP operation staff revealed that in part of Oromia and Somali region, cultural/local housing structures becomes reason of electric service exclusion and dispute between EEU workers and EEU clients, yet in some intervention areas of Oromia, EEU workers have responded adaptively and creatively to resolve housing structure limitations (using stand-alone wooden-boards to install HH power meters. Consulted community members in program implementation areas of SNNPR and Oromia regions also raised challenges of electric service affordability to economically disadvantaged groups. Costs related to initial connections; costs of power-meter installation or costs related to line-extension become main reasons of exclusions from electricity services, hence perpetuates existing social inequalities.

Community level consultations across all study regions revealed that, Provision of new electric connections to a designated area while by-passing through certain villages without providing electricity to those villages appeared to be the most common drivers of social conflict. Moreover, when distributional equity gap sentiments are happening among communities of prior ethnic conflicts or territorial disputes, the risk of exacerbating social conflict becomes soaring. In connection to this EEU regional and district level staff indicate that the available institutional system for responding to above social conflict dynamics mainly depends on public and local administration level consultations and elders' arbitration.

Recaps and main discussion points from AF ELEAP ESSA Addendum stakeholders' consultation workshop taken place on August 23, 2022, at Capital Hotel, Addis Ababa

A stakeholder consultation workshop on the Draft ESSA addendum report was organized by the World Bank country office at Capital Hotel, Addis Ababa, on August 23, 2022. Total of (29) participants, drawn from MoWE, EEU (both from, head office, project portfolio and regional offices), Ethiopian Environment protection Authority (EEPA), Ministry of Labour and Skills (MoLS) and from WB have participated in the workshop to collect additional information and obtain feedback on draft ESSA-Addendum report.

During the consultation workshop, the World Bank task team presented an overview on distinct features of Program for result arrangement as compared to investment program financing (IPF) and Bank's policy on (PforR) financing arrangement and its link with Environment and social system assessment (ESSA), the six core principles of ESSA. Then a detailed presentation is made on major findings of the draft ESSA. The Overall presentation is presented in two phases. The first phase covers presentations on Project Description, utilized ESSA methodology, overview of PforR Financing and anticipated Environmental and Social Effects (Benefits & Adverse Impacts), then the stage was given to participants to reflect and ask on the presentations.

In the second phase of the presentation, ESSA team members made presentations on major findings from Borrower's Environmental and Social Management Systems assessment in accordance with the six core principles and study team Recommended Measures to Strengthen System Performance and Program Action Plan (PAP). Then most of the afternoon session is allocated for participants' feedback and their

reflections on proposed program action plan items. This afternoon session was very much participatory and even hot debates were made between presenters and attendees as well as within workshop participants, hence full participation of program stakeholders is assured.

Upon question and reflection session participants among others, have highlighted on the following major issues; a) the need for making all on-grid projects undergoing on E&S screening and associated E&S instruments preparation, b) adverse impacts from ELEAP project MV/LV-line intensifications on birds strike as electric lines are not insulated, just plastic covers are not enough, c) need for additional capacity building training to EEU's Health and safety staff (both head office & regional) intensively as most of them are graduates of different discipline than being directly related to OHS training backgrounds, d) limited coordination and integrated planning between EEU's corporate office and Project portfolio office, e) necessity for adding additional clause to EEU's contractor bid document stating mandatory and sufficient provision of PPEs to workers, policies on child-labour, GBV and COC, f) reconsideration of EEU compensation policy for distribution line related activity impacts, g) need for assignment of one E&S safeguard focal person from existing staff at EEU's district level structures, h) increased commitment and support from EEU's higher management for E&S safeguard activities, both in terms of budget and logistic such as arrangement of car for training/supervision tasks.

The inputs, comments and concerns from workshop consultation contributed for the improvement and finalization of the draft ESSA-addendum report and the revision/updating of the Program Action Plan (PAP) and Disbursement Linked Indicators (DLIs). Comments related to social, environmental and safety issues are also addressed during this consultation workshop. The details of AF-ELEAP stakeholders' consultation workshop summary including participants responses to the concerns and comments raised are discussed under Annex 4 of this document.

The draft ESSA addendum shall be disclosed in country and on the World Bank's external website Stakeholders' consultation workshop on draft ESSA addendum findings has also taken place on August 23, 2022. Following incorporation of feedback and reflections, the Final ESSA-addendum is expected to be disclosed in-country and on the World Bank's external website on up on finalization.

5. RECOMMENDED MEASURES TO STRENGTHEN SYSTEM PERFORMANCE AND PROGRAM ACTION PLAN (PAP)

The environmental and social systems analysis identified strengths, weaknesses, opportunities, and threats in borrower's environmental and social management systems. Further, the implementation performance of the parent Program (ELEAP) with respect to addressing environmental, social, health and safety risks has been evaluated. The following action items discusses the possible ways to transform the identified strengths, weaknesses and opportunities into a viable strategy to enhance the environmental and social management capacity and performance at the federal, regional and project levels for effective and efficient implementation of the ELEAP-AF.

i. Strengthen and maintain the Environmental and Social Management System (ESMS) from national and to district level and Ensure Its Functionality

During implementation of the parent Program (ELEAP) so far, an Environmental and Social Management System (ESMS) has been established. EEU has maintained ESHS staff at corporate and regional levels. Further, the PPMD has recently provided additional ESHS staff at federal and regional levels. However, there is a break in implementation of ESMS, reflected by issues such as E&S screening and instruments preparation were not done for on-grid projects, meaningful consultations were not done for most projects, projects were not supervised and monitored, and Program affected communities were not fully briefed on environmental, social, health, and safety risks of the program. During the assessment, it was observed that the environmental, social, and safety structure available at federal and regional levels is not sufficient for projects management, particularly for close follow-up and supervision of measures implementation. It is to be noted that the on-grid projects are planned and implemented at EEU districts level even though there is no ESHS staff at this level. Although the ESHS staff at federal and regional levels support the districts, effective implementation of E&S requirements cannot be achieved without assigning relevant staff at district level. To cater for this gap, it is recommended that the environmental, social, and safety structure should be extended to districts level through assigning trained focal persons from existing district staff. Further, following the change in scope of the proposed Program and to fill the gaps in implementation of the parent Program, it is recommended to revise the ESMSG and RSG, focusing on greater risk on-grid projects. Also, projects pre-screening shall be done at Program management, PPMD, level using maps and data to identify natural habitats and PCRs potentially affected by Program activities. E&S performance, including strengthening GRM, should be a district prioritization/readiness criterion.

Capacity building trainings were provided for the ESHS staff in the implementing agencies at different times. However, given the background skills of some of the ESHS staff and the need to enhance the environmental and social management capacity of the same to achieve Program objectives, further, substantive capacity building and technical assistance program shall be designed and implemented on environmental, social and safety assessment and management practices through providing effective training packages. To achieve this, it is recommended to adopt a Third Party Monitoring (TPM) system which incorporates capacity building trainings, monitoring, and score cards. The TPM system will be managed by PPMD and applies to the Program across the board until the E&S structure at all levels builds capacity on E&S management and delivery.

For on-grid projects under the parent Program, no screening and E&S instruments were prepared. Preliminary E&S assessments were conducted as part of feasibility studies of on-grid projects focusing on electric line routes, lengths, any potential E&S obstructions, and costs. However, these preliminary E&S assessments are not adequate to replace the screening process. Further, monitoring of measures implementation is limited and the on-grid projects were virtually unsupervised. Worker's safety measures implementation is comparatively better, particularly PPE distribution. EEU shall undertake appropriate

and timely consultations with PAPs for on-grid projects and compensation should be made for vegetation cleared and properties damaged by Program activities.

Considering the performance of the parent Program and the identified gaps, this action item is modified to focus on the following priority areas, (i) extending the ESHS structure to district level through assigning focal persons from the existing district staff, (ii) revising the current EMSG and RSG, focusing on greater risk projects, (iii) E&S performance is used as district prioritizing/readiness criteria, (iv) strengthening the capacity of the ESHS structure through implementing a Third Party Monitoring (TPM) system, (v) on-grid projects should pass through the E&S screening process (including pre-screening of projects for natural habitats and PCRs risks using maps and data at PPMD level), and where necessary recommended E&S instruments should be prepared reviewed and cleared by appropriate authority, (vi) close follow-up and monitoring of E&S management should be done during projects implementation, and (vii) timely and appropriately consulting and compensating program affected people.

Annual environmental, social, health, and safety performance reviews and annual audits by independent consultants have a vital role in environmental and social management. Performance reviews and audits are beneficial (i) in evaluating the performance E&S management practices, (ii) to identify major environmental, social, and safety areas of concern which needs immediate attention, and (iii) to recalibrate the E&S implementation process to cater for gaps. EEU is currently undertaking internal performance reviews at national and regional levels on a monthly, quarterly, and annual basis. Further, ESHS issues are included as one of the performance indicators of EEU's operations during regular management meetings. However, these efforts should be complemented with E&S performance reviews and audits by independent consultants which MoWE and EEU are yet to conduct. EEU and MoWE shall take a responsibility to ensure the accomplishment of annual audits and bi-annual performance review meetings that will be conducted with the engagement of Program stakeholders and other development partners.

ii. Pre-screening of Projects for Risks on Natural Habitats and PCRs

During implementation of the parent Program, there was a gap on screening of on-grid projects, including awareness of chance finds procedures by E&S staff. Further, the institutional capacity of EEU on identification, mitigation, and monitoring of impacts/risks on natural habitats and PCRs is limited in terms of trained staff and resources. Given these challenges, it is recommended to pre-screen project for risks on natural habitats and PCRs using available maps and data. The pre-screening shall be done at Program level (PPMD).

iii. Workers and Public Safety Management

Accidents involving workers and the public sometimes result in injuries and fatalities. In addition to use of PPE, such accidents usually occur due to inadequate and inappropriate work procedures (including communications), electric lines and poles collapse due to faulty installations, and lack of regular inspection and maintenance of the electric infrastructure resulting in failures and associated risks on the public. On the other hand, while influx of workers is deployed and interact with the local communities, there is a risk of Gender Based Violence (GBV) and violence against children. Also, child labor could be a risk especially when workers/daily laborers are recruited locally. The current security condition of the country poses a significant risk on Program implementation. During the current assessment, EEU and stakeholders indicated that the deteriorated security situation in certain parts of the country has impacted Program activities. Considering this, there is a need to prepare and implement a *Security Risk Assessment and Security Management Plan (SRASMP)*.

Considering these, the following action items are recommended, (i) develop Program level safe work procedures manual, (ii) detailed environmental, social, and safety requirements and associated costs should be included in contractors' contract documents, (iii) ensure implementation of safe work procedures (including communications) based on Program safe work procedures manual (to be prepared), EEU's E&S Policy and Procedure Manual (Sep 2015), EEU's Safety Policy and Procedures for Distribution O&M (Dec 2014), the Program documents such as ESMSG (June 2018), and the WBG EHS guidelines, (iv) grid connection infrastructure should be regularly inspected and maintained, (v) close follow-up and supervision of workers and public safety management will be done, and (vi) security risk assessment and security management plan shall be prepared.

During implementation of the parent Program (ELEAP), better performance on use of PPE by EEU workers observed. EEU periodically procures and distributes PPE and other safety tools to its workers up to service center level. Further, EEU regions undertake safety audits to check inventories and replenish the PPE stock. On the other hand, the performance of contractors' workers on use of PPE is generally poor. It is, therefore, recommended to keep procuring and distributing safety protection materials, tools and PPE to EEU and contractors' workers, and to ensure its utilization, EEU should put in place an enforcing mechanism to monitor the contractors' compliance on provision and use of PPE to their workers. This includes ensuring that PPE requirements are included in contract documents and use of PPE should be supervised/monitored through inspections at project level.

The current assessment identified that limited community awareness on environmental, social and safety matters. EEU shall conduct training and briefings for communities impacted by the Program activities to bring their awareness levels to the required level.

iv. Ensure proper compensations for any form of property or Land-Acquisitions and strengthening of GRM

ESSA Finding shows that grievances for not being compensated are common and consultation with Project Affected Peoples (PAPs) is not conducted systematically and documented. Compensation practices to distribution line related land acquisitions/crop or tree relocations are also lacking uniformities which may again increase vulnerabilities of disadvantaged groups. Considering this the EEU shall: i) reconsider its Compensation policy on distribution line related project impacts, ii) shall also prepare compensation procedures and manuals for distribution-line related loss or impacts. Moreover, during the parent Program (ELEAP) implementation, grievance committees were established for off-grid projects. Further, EEU has a GRM at the national level with mechanisms such as call centers, webpages, in person complaints at any EEU offices, and through comment boxes at EEU offices. However, some of the PAPs consulted indicated that these mechanisms are not accessible to them. The following action items are recommended to narrow the identified gaps, (i) accessibility of the GRM should be improved through providing additional outlets and create the program affected peoples' awareness on the existing GRM, and (ii) GRM functionality shall be strengthened.

v. Increased inclusion of indigenous peoples and vulnerable groups

EEU do have little special treatment (utility tariff considerations) or written procedures for distinct service provisions to Indigenous people or to vulnerable community members. Consulted Program beneficiaries raised challenges of electric service affordability to economically disadvantaged groups, especially costs related to initial connections and costs of power meter installation become main reasons of exclusions. Separate consultations with women headed HH, youth & women groups, elders, economically disadvantages and other vulnerable community groups is also limited. In order to address these gaps EEU shall; i) develop inclusion policies and manuals to ensure equitable treatment of indigenous people, ii)

devise mechanisms which improves service affordability and iii) conduct a separate consultation with vulnerable groups.

vi. Prevention and management of social conflict, including distributional equity gaps

When electricity service distributional equity gap sentiments are happening among communities of prior territorial disputes, risk of exacerbating social conflict is manifold. Currently the EEU has no procedures to ensure the risk of social conflict is carefully considered when new on-grid project interventions are appraised. Gaps are also observed in preventive approaches like making conflict/security-risk assessment part of E&S screening. Considering this, the following action items are recommended; i) Making social conflict/security risk assessments part of E&S screening activity, specifically for prior conflicted affected areas, ii) repeated and timely consultations with community elders, local leaders & youth groups especially when new connection is appraised in areas with, border/territorial disputes iii) application of security risk assessment and preparation of SMP should be considered in conflict-prone project areas.

The table below presents actions items recommended to be included in the Program Action Plan (PAP). These action items are based on the assessment of the borrower's systems and the performance of the parent Program (ELEAP) so far.

Table 5-1 Recommended Program Action Plan for AF-ELEAP (DLI 7)

No	Action Items	Activities	Progress Indicator	Level of Application	Responsibility	Schedule/ Time Frame	Output
Environmental, Social and Safety Management System (ESMS) AF- ELEAP ESSA Disbursement Linked Indicator 7 (DLI 7)							
1	Strengthen and maintain the Environmental and Social Management System (ESMS) from national to district level and Ensure Its Functionality	<ul style="list-style-type: none"> The ESHS structure will be extended up to existing EEU district level through assigning and training focal persons from existing staff Revise the current ESMSG and RSG (including tools in the guidelines) with focus on greater risk projects and to establish a typology of projects E&S performance at district level, including facilitating accessibility of GRM, will be a district prioritizing/readiness criteria Projects will be pre-screening for risks on natural habitats and PCRs using maps and data at program management level (PPMD) All projects (on-grid) should pass through the E&S screening process, and where necessary recommended E&S instruments will be prepared, reviewed and approved by relevant authority Close follow-up and monitoring of E&S management will be done during projects implementation 	<ul style="list-style-type: none"> Percentage (100%) of ESHS structure extended up to the existing EEU districts through assigning focal persons from existing district staff Revised ESMSG and RSG with a focus on greater risk projects District prioritizing/readiness criteria used Percentage (100%) of project pre-screening for risks on natural habitats and PCRs using maps and data at PPMD level Percentage (100%) of projects passing through ES risk and impact screening and E&S instruments prepared based on screening recommendations and approved by relevant authority. Percentage (100%) of projects regularly/periodically supervised and monitored through field inspections A TPM system implemented 	At all levels (federal, regional, district, and project levels)	MoWE and EEU	<p>Overall action item performance - during Program implementation</p> <p>Focal persons assigned at EEU districts prior program implementation</p> <p>ESMSG and RSG will be revised prior to Program effectiveness</p> <p>Capacity building training and monitoring through a TPM managed by the PPMD will be provided prior projects implementation</p>	<p>Revised ESMSG and RSG</p> <p>Projects pre-screened, screened, instruments prepared, supervision & monitoring undertaken, focal persons assigned at existing EEU districts, TPM system implemented, projects implemented addressing PAPs concerns</p> <p>Biannual performance review reports and annual audit reports</p>

No	Action Items	Activities	Progress Indicator	Level of Application	Responsibility	Schedule/ Time Frame	Output
Environmental, Social and Safety Management System (ESMS) AF- ELEAP ESSA Disbursement Linked Indicator 7 (DLI 7)							
		<ul style="list-style-type: none"> • Build the capacity of the E&S specialist and newly assigned district level E&S focal persons on E&S management through a Third Party Monitoring (TPM) system managed by the PPMD which includes training, community monitoring, and score cards • Appropriate and timely consultations with PAPs and other stakeholders will be done for on-grid projects • Conduct Annual Environment, Social and Safety Performance Reviews and Audits by independent consultant • Prepare biannual and annual environmental and social performance report and organize semi-annual review meetings with relevant stakeholders. • E&S compliance will be part of the results evidence for DLIs 	<ul style="list-style-type: none"> • Number of trained experts on ESMSG and RSG • Percentage (100%) of consultations conducted with stakeholders and PAPs • Percentage (100%) bi-annual technical review meetings conducted including all stakeholders • Percentage (100%) of reviewed and cleared annual environmental, social, health, and safety performance reviews and audit reports prepared • E&S compliance made part of the results evidence for DLIs 			<p>n and until staffing at all levels are assigned and adequately capacitated on E&S management and project delivery</p> <p>Biannually for reviews and annually for audits</p>	
2	Pre-screening of projects for risks on natural habitats and PCRs	<ul style="list-style-type: none"> • Maps and data on natural habitats/areas and PCRs will be used to pre-screen projects at the project management level (PPMD) 	<ul style="list-style-type: none"> • Percentage (100%) of project pre-screening for risks on natural habitats and PCRs using maps and data at PPMD level 	At federal (PPMD) level	EEU	During Program implementation	Projects pre-screened for risks on natural habitats and PCRs

No	Action Items	Activities	Progress Indicator	Level of Application	Responsibility	Schedule/ Time Frame	Output
Environmental, Social and Safety Management System (ESMS) AF- ELEAP ESSA Disbursement Linked Indicator 7 (DLI 7)							
3	Workers and Public Safety Management	<ul style="list-style-type: none"> Develop Program level safety procedures manual Detailed environmental, social, and safety requirements and associated costs will be included in contractors' contract documents Safety management procedure will be prepared and implemented Safe work procedures (including communications) will be implemented Grid connection infrastructure should be inspected for their structural integrity and safety Close follow-up and supervision of workers and public safety management will be done Security Assessment and Management plan will be prepared Clauses related with safety protection materials, tools, and PPE will be included in the contract documents Ensure continues awareness creation for community and program affected people on Environmental, Social, and Safety Risks of Projects 	<ul style="list-style-type: none"> A Program safe work procedures manual prepared Percentage (100%) of contract documents with detailed environmental, social, and safety requirements included Percentage (0%) of accidents and incidents reported due to lack of safe work procedures Percentage (100%) of projects supervised for compliance of health and safety procedures based on Program documents Percentage (100%) of contractors and workers COC completed Percentage (100%) contractors' workers have employment contracts Percentage (100%) of contract documents with detailed GBV and child labor prevention action plans included A <i>Security Risk Assessment and Security Management Plan (SRASMP)</i> prepared Percentage (100%) of project contract documents with 	At federal, regional, district, and project levels	EEU	<p>Overall action item performance - during Program implementation</p> <p>Program safe work procedures manual will be prepared prior to program effectiveness</p> <p>SRA and SMP, COC, GBV and child protection action plan will be prepared prior to program effectiveness</p>	<p>Safe work procedures manual prepared, contract documents prepared with detailed safety requirements and reduced accident rate, GBV and child labor action plan requirements, COC, employment contracts, security risk assessment and security management plan prepared</p> <p>Contract agreements with health and safety provisions, accidents/incidents reports</p> <p>Briefing notes and attendance lists for community awareness</p>

No	Action Items	Activities	Progress Indicator	Level of Application	Responsibility	Schedule/ Time Frame	Output
Environmental, Social and Safety Management System (ESMS) AF- ELEAP ESSA Disbursement Linked Indicator 7 (DLI 7)							
		<ul style="list-style-type: none"> Workers and public safety compliance will be part of the results evidence for DLIs 	<ul style="list-style-type: none"> safety management procedure included Percentage (100%) of project contract agreements with PPE and other safety tools requirements included Percentage (100%) of project affected communities briefed on environmental, social, health, and safety risks Workers and public safety compliance made part of the results evidence for DLIs 				creation campaigns
4.	Ensure proper compensations for any form of property or Land-Acquisitions and strengthening GRM	<ul style="list-style-type: none"> Reconsideration of EEU's policy on distribution line related loss (portion of land, crop or economic trees). Preparing compensation procedures and manuals for distribution-line related loss or impacts Accessibility of the GRM will be improved through providing additional outlets and awareness creation on the existing GRM GRM committee will be established for on-grid projects at kebele level or project specific locations 	<ul style="list-style-type: none"> Change in EEU's compensation policy for distribution line related impacts or losses. Operation manuals on compensation procedures (for distribution line project impacts) are prepared Percentage (100%) GRM committee established for on-grid projects at district levels Percentage (100%) of complaints received and processed Percentage (at least 75%) of cases addressed 	<ul style="list-style-type: none"> At Federal level At all levels (federal, regional, district, and project levels) At regional, district, service centers, and projects level 	EEU	<ul style="list-style-type: none"> Prior to program implementation Within 90 days of program effectiveness During Program implementation 	<ul style="list-style-type: none"> EEU Compensation policy for distribution line related impacts is revised Operational manuals on when & how to compensate PAPs Developed GRM guidelines and grievances addressed

No	Action Items	Activities	Progress Indicator	Level of Application	Responsibility	Schedule/ Time Frame	Output
Environmental, Social and Safety Management System (ESMS) AF- ELEAP ESSA Disbursement Linked Indicator 7 (DLI 7)							
5	Inclusion of indigenous peoples and vulnerable groups	<ul style="list-style-type: none"> Developing inclusion policies and manuals to ensure equitable treatment of indigenous people Devising mechanisms which improves service affordability Separate Consultations targeting vulnerable groups 	<ul style="list-style-type: none"> Inclusion policy document or manuals being prepared at least two strategies for service affordability are identified Percent of (100%) projects that conduct separate consultation with vulnerable groups 	<ul style="list-style-type: none"> At Federal level At Federal level and regional level At district, project level 	EEU	<ul style="list-style-type: none"> Prior to program implementation During Program implementation During Program implementation 	<ul style="list-style-type: none"> *Institutional level Inclusion policies are being developed *Improved service affordability *Summary notes of consultation and attendance lists
6	Prevention and management of social conflict,	<ul style="list-style-type: none"> Making social conflict/security risk assessments part of E&S screening Repeated and timely consultations with community elders & youth groups when new connection is appraised in areas with border or territorial disputes Conduct security risk assessment and preparation of SMP for conflict-prone project areas 	<ul style="list-style-type: none"> Percent of (100%) projects considered for security risk screening. No of community consultations done which are aiming for management of social conflict Security risk assessment & SMP is prepared for (100%) projects appraises in conflict areas 	<ul style="list-style-type: none"> At federal, regional (PPMD) level At district, project level At federal, (PPMD) level 	EEU	<ul style="list-style-type: none"> Prior to program implementation Prior to & during program implementation Prior to program implementation 	<ul style="list-style-type: none"> *All projects in conflict prone areas will pass on security risk screening and sufficient community consultations *all projects in conflict prone areas have security risk assessment & SMP

6. ANNEXURE

Annex 1 Detailed Environmental and Social Systems Analysis against the Core Principles

Annex 1.1 Core Principle 1: General Principles of Environmental and Social Management

Core Principle 1 is applicable to the AF- ELEAP due to the various activities to be undertaken to achieve the program development objectives (PDO), i.e., to increase access to electricity in Ethiopia and to enhance institutional capacity for planning and implementation of the Government’s electrification program. Activities such as on-grid electricity connections for residential and non-residential units and installation of smart meters will involve construction or installation of medium and low voltage (MV/LV) lines, service drops, and meters. In most case (particularly for on-grid last mile connections), these construction and installation activities have comparatively reduced risks and impacts on the biophysical environment while the occupational and community health and safety risks are significant. Therefore, the construction and installation activities shall be managed in conformity with Core Principle 1.

Core Principle 1: General Principle of Environmental and Social Management

Program environmental and social management systems are designed to (a) promote E&S sustainability in the Program design; (b) avoid, minimize or mitigate against adverse impacts; and (c) promote informed decision-making relating to a program’s E&S effects.

Key Planning Elements:

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

Applicability to AF- ELEAP:

- Core Principle 1 promotes E&S suitability of the AF- ELEAP which is in line with the national and implementing agencies E&S framework and requirements. Core Principle 1 is a key guideline to establish and strengthen existing environment and social management systems at the implementing agencies.
- Activities such as on-grid electricity connections for residential units and social services (health, education, and other facilities) and installation of smart meters will involve construction or installation of poles, low voltage (LV) lines, transformers, service drops, energy meters, and other accessories. These activities will impose environmental and social impacts including occupational, public health and safety impacts, impacts on physical environment, natural habitats and ecosystems, impacts on cultural heritages, socio-economic impacts, etc. These impacts should be avoided, minimized, and mitigated in line with Core Principle 1.
- Projects under AF- ELEAP should be checked for their eligibility, should undergo through E&S screening, project specific E&S instruments should be prepared (including ESMPs), and measures should be implemented and monitored. Core Principle 1 advocates these E&S management processes.

Summary of Findings:

- Reasonably sufficient strategies, policies, legal and institutional framework are available for environmental and social management at all levels. Further, the implementing agencies have developed policies, procedures, guidelines, and instruments for effective and efficient management of environmental and social matters.
- The capacity of institutions at all levels (including availability of ESHS structure, staffing, their skills, and resources) is not sufficient for satisfactory environmental and social management.
- For the parent Program, there is limited experience of scrutinizing on-grid last mile connection projects for their eligibility for funding, undertaking E&S screening, and preparation of subsequent instruments.
- Since the implementing agencies have a good foundation to build on the current ESHS management practice, they should seize this opportunity to enhance their implementation capacities.
- There are external threats emanating from the limited capacities of concerned institutions and lack of coordination between one another.

Strength:

- Ethiopia has reasonably sufficient strategies, policies, proclamations, regulations, and directives for E&S management. Among these, the *Constitution of Ethiopia* (Proc. No. 1/1995), *Environmental Organs Establishment Proclamation* (Proc. No. 295/2002), the *EIA Proclamation* (Proc. No. 299/2002), the *Environmental Policy of Ethiopia*, the *EIA Guideline* (2000), *EIA Procedural Guideline* (2003), and *Guideline for Preparation of Environmental and Social Management Plan* (2004) establish a foundation for achieving the principles of Core Principle 1. These documents provide legal and institutional framework for environmental and social management.
- MoWE has included environmental protection as one of its core values.
- EEU, through its corporate *Environmental and Social Policy and Procedure Manual*, is committed to sustainable development and conservation of nature. Further, the manual includes environmental and social management procedures including early environmental and social screening and developing management plans which are in line with Core Principle 1.
- EEU established an *Environmental and Social Management System (ESMS)* for the parent ELEAP.
- EEU has prepared an *Environmental and Social Management System Guideline (ESMSG)* and a *Resettlement System Guideline* for the parent Program (ELEAP) which will be used for AF-ELEAP, as well. These documents were prepared with the objectives of Core Principle 1. The ESMSG can be complemented by preparing *Program Safe Work Procedures Manual*, RSG can be applied for limited or no resettlement expected for on-grid projects.
- EEU has two distinct structures for environmental and social management. These are the *Corporate Environmental, Health, Safety, and Social (EHSS) Directorate* and the *Project Portfolio Management Directorate Environmental, Health, and Safety Office*. ESHS positions in these structures are maintained (except one at each currently vacant position).
- MoWE has an *Environment, Social, and Climate Change Desk (ESCCD)* which was responsible for reviewing and approving E&S instruments prepared by EEU. This experience creates a basis for further involvement and management of E&S issues for the proposed AF-ELEAP.
- There are other sector institutions responsible for E&S instruments review, approval and implementation oversight of environmental and social requirements for federal and regional projects (such as the *Environment Protection Authority*, *Ministry of Labor and Skills*, *Ministry of Women and Social Affairs*, and regional counterparts for these organizations). These institutions provide additional oversight to ensure that the objectives of Core Principle 1 are achieved.
- There is experience of providing capacity building training and awareness campaigns by EEU corporate and project portfolio management to its ESHS and other staff. Although not sufficient, this has contributed in enhancing the institutional capacity of EEU for environmental and social management.

- EEU management at all levels are committed on environmental, social, health and safety management. ESHS compliance at all levels is included as one of the utility's performance indicators (during internal evaluation of its operations) which is an added incentive to comply with and enforce E&S requirements. E&S management is among the agenda on EEU's monthly board meetings. EEU purchases PPE on time and in some cases, regions purchase extra PPE from their budgets which is indicative of EEU's commitment on ESHS management. EEU management at all levels are trying their best to support the environmental and social management efforts by its ESHS staff. This is an added value to fulfill the objectives of Core Principle 1.
- There is a good practice of undertaking E&S screening and instruments preparation for off-grid projects under the parent Program (ELEAP). Further, EEU is currently preparing E&S screening reports for rehabilitation sub-projects under ADELE. These experiences are useful in fulfilling the objective of Core Principle 1 for programs and projects administered by EEU, including the proposed AF-ELEAP.
- EEU recognizes the need to incorporate E&S requirements in contractors' contracts. A few related clauses (mostly focusing on provision of PPE) are included in contractors' contracts. Further, before selecting contractors, EEU trains and ensures that contractors satisfy EEU's ESHS requirements.
- Due to EEU's commitment and due to the hazardous nature of its work, there is a comparatively better awareness on environmental and social issues, particularly on occupational health and safety. Safety audits are often done in-house, with the focus on availability and use of PPE. This is a good foundation to build on, particularly in creating awareness of EEU staff (including the technical staff) on environmental and social issues.
- Occupational health and safety are better managed by EEU including periodic provision of PPE for its workers and awareness creation training given to its staff (including management and technical staff).
- EEU investigates and keeps records of occupational and public accidents and incidents resulting from its interventions and operations. The records help in taking lessons and avoiding similar accidents/incidents in future activities.
- EEU has established Grievance Redress Mechanism (GRM) which include call centers, a website, in person complaints, and comment boxes at EEU offices. The GRM has been indicated in EEU's Customer Service Charter and the utility is trying to make the mechanism accessible to customers.

Weakness:

- Social impacts, risks and issues received comparatively less attention in the national ESIA guidelines including a lesser emphasis on public consultations before and during the project cycle.
- In general, the capacity of Program implementing agencies (EEU and MoWE) and other sector institutions is limited to provide constant, effective, and efficient planning and oversight on environmental and social matters. The institutional capacity gap is reflected in terms of staffing (availability at all levels including EEU districts, proper educational trainings), insufficient capacity building trainings for E&S management, and resource (logistics, equipment, budget).
- There are a few currently vacant ESHS positions at the corporate EHSS Directorate and Somali region project office. For efficient management of E&S issues all ESHS positions shall be fully staffed.
- There is no ESHS structure at existing EEU districts level even though the districts participate in planning and implementation of the parent Program, the AF- ELEAP, and other projects. Similarly, there is no ESHS structure at project coordination offices which are a horizontal structure with that of the districts. Having ESHS structure at the districts levels is expected to enhance the management of environmental and social issues.
- MoWE recently restructuring results in changing the Environment and Climate Change Directorate (ECCD) to the current *Environment, Social, and Climate Change Desk (ESCCD)* under the *Water Supply and Sanitation Sector*. This requires strong collaboration between the Water Supply & Sanitation and Energy sectors on environmental and social matters and the efficiency/effectiveness

of the current structure is yet to be tested. On top of this, there are additional ES staff under each MoWE sectors whose positions are yet to be filled, and roles and responsibilities yet to be defined.

- No specific responsibility of MoWE on E&S management, particularly now that the delegation of review and approve E&S instruments has been rescinded by the federal EPA.
- Even though there a number of federal and regional institutions providing oversight on environmental and social management, their relationships and coordination with MoWE and EEU and with each other during the course of project implementation is limited and mainly focuses on participating in capacity building trainings and period reporting.
- Even though E&S assessment is done as part of projects feasibility studies, no proper E&S screening and subsequent instruments preparation were done for on-grid projects of the parent Program (ELEAP). Whether projects presumably have limited E&S impacts or not, it is expected that all projects under the Program shall undergo through the screening process to identify the need for further E&S interventions. Also, on-grid projects under the parent Program were not scrutinized by the eligibility (or exclusion) criteria. This is against the objective of Core Principle 1 and the Program's E&S requirements. Further, this could result in the following risks:
 - On-grid projects that are not eligible under the proposed Program could be implemented.
 - E&S impacts and risks of on-grid projects may not be sufficiently identified, mitigated and monitored/supervised.
 - Stakeholders concerns may not be addressed.
 - In general, on-grid projects may not receive adequate considerations on environmental and social management, however limited their impacts on the environment and social are.
- Although EEU's *Corporate Environmental, Health, Safety, and Social (EHSS) Directorate* and the *Project Portfolio Management Directorate (PPMD) Environmental, Health, and Safety Office* closely work together and collaborate in many aspects (including capacity building trainings), there seems to be a disconnect on on-grid projects implemented under the parent Program. The on-grid projects under the parent Program were implemented by the operation side rather than the project portfolio. This means that even if all projects and programs are implemented by the PPMD, certain activities such as on-grid connections are outside of the control of the PPMD apart for reporting purposes. This could result in divided responsibilities on environmental and social management between the two structures.
- Even though EEU attempts to incorporate E&S clauses in contractors' contracts, it is mostly insufficient and focuses on indemnifying EEU from any liabilities related accidents and the need to provide PPE to contractors' workers. Since detailed requirements for environmental and social management (such as PPE types, how frequent PPE should be replaced, safe work procedures, waste management requirements, etc) and associated costs are not included in contractors' documents, it is often difficult to enforce recommended measures.
- Supervision and monitoring of projects implementation by EEU vis-à-vis environmental and social management is generally poor due to resources (including staffing and logistics) limitations. Sometimes contractors are not supervised on site even once during projects implementation. This has resulted in generally poor E&S performance for works done by contractors.
- Even though EEU has better performance on occupational health and safety, other environmental and social issues receive comparatively less attention. This includes management of wastes, particularly hazardous waste.
- EEU has better performance on ensuring occupational health and safety of its workers. However, monitoring of contractors' compliance on OHS by EEU is limited. This is a major gap considering that most of the last mile connections are outsourced to contractors.
- As much as EEU's effort on managing occupational health and safety issues, accidents and incidents occur from time to time, sometimes resulting in fatalities. It was noted that most of the severe accidents result from poor communications and work procedures. Further, accidents on

communities' sometime result in fatalities and loss of property. There is a need to narrow this gap to reduce the accidents, particularly those resulting in fatalities and major injuries, not because of lack of PPE, but rather because of work procedures and miscommunications.

- Although stakeholders are informed of projects at the initial stage (since most last mile connection projects are initiated by the communities' requests), no proper consultations are done to learn the stakeholders wishes and concerns regards the on-grid projects. Also, public disclosure is not consistently practiced.
- No E&S audit has been done for the parent Program (ELEAP) so far since the process is still on going. This is a missed opportunity to evaluate the performance of environmental and social management and recalibrate the process.

Opportunity:

- MoWE and EEU could fill the currently vacant positions in their ESHS structures.
- EEU could consider extending the current environmental and social structure which stops at regional level to at least districts level for close engagement in projects and its operations.
- MoWE and EEU can engage in more capacity building trainings to enhance the implementation capacity of its ESHS staff. Further, awareness creation trainings should be continued for all staff, including the management and technical staff. Also, EEU should engage in enhancing the project affected communities' knowledge on ESHS matters.
- Program implementing agencies and other relevant sector institutions at all levels should coordinate their efforts and engage with one another on environmental and social management.
- EEU should check on-projects for eligibility for funding, undertake E&S screening, and associated instruments regardless of the size and number of projects and the perception that on-grid projects have limited impact. Only through this process can one ascertain and document that on-grid projects are managed effectively vis-à-vis environmental and social matters.
- EEU should include detailed E&S requirements (supported by targets/numbers and procedures) in contractors' contract documents for on-grid projects. Where applicable, EEU should allow contractors to cost their E&S compliance requirements so that cost will not be taken as an excuse for failing to maintain the necessary E&S standards.
- MoWE and EEU should provide a more robust and frequent supervision and oversight during on-grid projects implementation, including those projects undertaken by contractors.
- EEU should give due attention to environmental and social issues other than OHS, such as waste (including hazardous waste) management.
- EEU should give due attention to OHS measures other than providing PPE, including work procedures and communications which are expected to reduce the current accident/incident rate.
- EEU should engage stakeholders more readily before and during project implementation and public disclosure should be practiced.
- EEU should keep using public forums and media to make citizens aware of its customer service charter.
- EEU should conduct E&S audit of its projects, including the parent Program (ELEAP).
- MoWE and EEU should exploit the increasing awareness on environmental and social matters nationwide and experience obtained from prior or current projects/programs financed by international organization (including the World Bank) to deliver a more effective and efficient management of environmental, social, occupational and community health and safety matters.

Threats:

- Most of the country's policies, proclamations, regulations, and directives related to environmental and social management are not updated to cater for changes in country context, development priorities, pressing E&S issues, and institutional set-up. EPA is in the process of updating some of

the relevant documents which would provide a more robust basis to fulfill the requirements under Core Principle 1.

- The federal EPA has recently rescinded its delegation of sector environmental units to review and approve E&S instruments prepared for projects under the respective sectors. Further, the delegation of the sector environmental units to monitor the implementation of E&S measures on behalf of the EPA has been rescinded. Although this could be considered as an opportunity (since sector environmental units have a conflict of interest to enforce E&S requirements), the fact that EPA is rescinding the delegations without significant change in its current institutional capacity could result in EPA being overwhelmed with projects from all sectors and thus its involvement and responsiveness could be compromised. This in turn could affect the effectiveness and efficiency of EPA's support for the proposed AF-ELEAP.
- As indicated above, the institutional capacity of EPA, in terms of structure, staffing, and resources, could hamper the effectiveness and efficiency of environmental and social management of the proposed AF-ELEAP considering that EPA is a major stakeholder.
- EPA has not been stable for many years with frequent changes in naming and structure for the last decade or so. This could exacerbate its institutional capacity to review and approve E&S instruments and to be engaged in monitoring and auditing programs and projects such as the proposed AF-ELEAP.
- Similarly, the regional environmental agencies are not uniformly structured across regions and have sometimes unclear structures and priorities. Some regions have independent environment protection bureaus while others are structured along with other sectors such as land, mines, water, and energy. This could result in different outcomes across regions during collaborations with sector agencies such as MoWE and EEU.
- The quality of outputs from environmental and social consultants who could be engaged by EEU (or MoWE) to prepare E&S instruments and also audits is generally evaluated to be poor. This could compromise EEU's and MoWE's ability to manage environmental and social concerns.
- The current security condition in some of the intervention areas could hinder implementation of environmental and social measures as well as supervision/oversight of the process.

Risks: Consider the above SWOT analysis, the risk of fulfilling the objectives of Core Principle 1 during implementation of AF-ELEAP is determined as **Substantial**.

Annex 1.2 Core Principle 2: Natural Habitats and Physical Cultural Resources (PCRs)

AF-ELEAP activities, particularly on-grid last mile connections, may be implemented in areas within and close to natural habitats and physical cultural resources. Further, there is a chance that Program activities such as opening pits for installing electric poles and RoW clearance could result in accidental discovery of PCR. To avoid, minimize, or mitigate the effects of Program activities on natural habitats and PCR, there is a need to design and implement the Program in line with Core Principle 2. For reasons mentioned here, Core Principle 2 is applicable for AF-ELEAP.

Core Principle 2: Natural Habitats and Physical Cultural Resources (PCRs)

Program E&S management systems are designed to avoid, minimize, and mitigate adverse effects on natural habitats and physical cultural resources resulting from the Program. Program activities that involve the significant conversion or degradation of critical natural habitats or critical physical cultural heritage are not eligible for PforR financing.

Key Planning Elements:

- Identify and screen for adverse effects on potentially important biodiversity and cultural resource areas and provide adequate measures to avoid, minimize, or mitigate adverse effects.
- Support and promote the conservation, maintenance, and rehabilitation of natural habitats.
- Avoid the significant conversion or degradation of critical natural habitats.

- If avoiding the significant conversion of natural habitats is not technically feasible, it should include measures to mitigate or offset impacts or program activities.
- Take into account potential adverse effects on physical cultural property and, as warranted, provides adequate measures to avoid, minimize, or mitigate such effects.

Applicability to AF-ELEAP:

- AF-ELEAP activities, particularly on-grid last mile connections, may be implemented in areas close to natural habitats and physical cultural resources. Further, there is a chance that Program activities such as opening pits for installing electric poles and RoW clearance could result in accidental discovery of PCR. This is in line with Core Principle 2.
- Impacts on natural habitats and PCRs by Program activities should be avoided, minimized, or mitigated and to achieve this there is a need to design and implement the Program in line with Core Principle 2.

Summary of Findings:

- The country has strategies, policies, legal, and institutional framework for management of natural habitats and physical cultural resources. However, the institutional capacity of Program implementing agencies and regulatory bodies on identification, mitigation, and monitoring of impacts/risks on natural habitats and PCRs is generally poor.
- Experience during implementation of the parent Program regarding on-grid projects screening and applying chance finds procedures is limited.
- The proposed Program (AF-ELEAP) has a good opportunity to development the capacities of ESHS staff in the implementing agencies and other concerned institutions for better performance in identification, mitigation, and management of natural habitats and PCRs.

Strength:

- Ethiopia has a number of strategies, policies, legal, and institutional frameworks which are consistent with Core Principle 2 of protecting natural habitats and physical cultural resources. These include the *Environmental Policy of Ethiopia*, the *National Biodiversity Strategy and Action Plan*, *Forest Policy*, *Wildlife Policy*, *Culture Policy*, *Forest Development, Conservation, and Utilization Proclamation*, *Development, Conservation and Utilization of Wildlife Proclamation*, the *Research and Conservation of Cultural Heritage Proclamation*, and *Classification of Cultural Heritage into National and Regional Cultural Heritages Proclamation*.
- Institutions such as Environment Protection Authority, Ministry of Tourism (particularly the Cultural Heritage Authority), Ministry of Culture and Sport, the Ethiopian Forest Development, and the Ethiopian Wildlife Conservation Authority are responsible for management of natural habitats and PCRs.
- EEU's corporate *Environmental and Social Policy and Procedure Manual* recognizes that distribution lines construction and operation could lead to land use change including permanent removal of vegetation and changes to ecosystems
- Both the country framework and parent Program E&S instruments provide projects screening/exclusion criteria for protection of important and sensitive natural habitats and physical cultural resources.
- Chance finds procedure has been in place for the parent Program. Further, EEU's corporate *Environmental and Social Policy and Procedure Manual* describes procedures for accidental discovery of physical cultural resources.
- EEU has experience of changing the design or rerouting of on-grid connection projects to protect natural habitats and PCRs.

Weakness:

- The national policies and legislations classification of habitats differ from Core Principle 2 classification of habitats into modified, natural, and critical habitats. This could affect habitats identification and more importantly conservation measures.
- The institutional capacity of Program implementing agencies and regulatory bodies on identification, mitigation, and monitoring of impacts/risks on natural habitats and PCRs is limited in terms of trained staff and resources.
- A general lack of awareness and specific knowledge by the implementing agencies ESHS staff to identify and properly manage natural habitats and PCRs during Program implementation could hamper the effectiveness of E&S instruments preparation and management.
- Since E&S screening and instruments preparation is not practiced for on-grid projects implemented by the parent Program, there are risks related to the following aspects:
 - Projects screening/exclusion criteria for protecting natural habitats and PCR are not used.
 - Chance finds procedure is not well recognized by EEU, particularly at regional level.
- Natural habitats and PCRs protection efforts by EEU, particularly those related to electric lines installation, is significantly influenced by project costs. Electric lines are desired to have straight alignments for cost reasons while in certain cases it may be required to use long rerouted electric lines to protect habitats and PCRs.
- Measures recommended in project specific environmental and social instruments often lack the operational details to protect, conserve, or rehabilitate natural habitats and PCRs.

Opportunity:

- The proposed Program could engage in capacity building training of its ESHS staff specific to management of environmental and social issues related to natural habitats and cultural heritages.
- Strong emphasis should be given to projects eligibility screening and the chance finds procedure. Program ESHS staff should be trained and encouraged to apply these requirements during the E&S assessment process.

Threats:

- Identification of habitats and ecosystems is one of the conservation challenges of the country as information about the components of biodiversity is incomplete. This includes lack of information on availability of threatened and critically threatened species at specific locations, maps showing locations and extent of natural and critical habitats, land and other management plans that identify sensitive habitats. This could result in insufficient identification, mitigation, and monitoring of natural habitats in project areas.
- Similar to the above, physical cultural resources are not well identified and documented to facilitate the E&S assessment process.
- There is an overlap in responsibilities for safeguarding PCR between the EPA (as defined in the Environmental Policy of Ethiopia), Ministry of Tourism, and the Ministry of Culture and Sport, and coordination between them is generally weak.

Risks: Consider the above SWOT analysis, the risk of fulfilling the objectives of Core Principle 1 during implementation of AF-ELEAP is determined as **Moderate**.

Annex 1.3 Core Principle 3: Public and Workers Safety

The AF-ELEAP will involve a number of project workers at federal, regional, district, and service center levels. Further, the Program will hire consultants and contractors during the course of Program implementation. Given that the nature of AF-ELEAP activities, which have occupational and community health safety risks, Core Principle 3 is applicable and Program activities should be implemented in a manner that the health and safety of workers and the public is ensured.

During the current field assessment, it was observed that a contractor installing last mile connections did its work with little regard to the health and safety of its workers and the public. Construction materials (such as conductors) are temporarily stored unsafely across an individual’s compound, effectively blocking access. The contractor’s workers didn’t use PPE (such as gloves when handling conductors) and available PPE (such as pole climbing shoe) are worn out and hardly provide the required safety. Further, housekeeping of materials and equipment was observed to be poor, posing risk of slips, trips, and falls. In addition to these, it was observed that the contractor did its work in the presence of community members including children, imposing a safety risk to them. It is assumed that such practices are not unique to the particular construction site visited or contractor inspected. On the other hand, a good practice on the use of PPE was observed in another region visited during the course of this assessment.

Due to the hazardous nature of EEU’s work (projects and operations), accidents and incidents occur from time to time, sometimes resulting in fatalities. It was identified that the fatalities occurred not because of use of PPE (or lack of it). Rather, these major accidents occur due to miscommunications in handling live electric conductors or unauthorized access of switch boards and other electric network components. The accidents, in general, are related to inadequate work procedures implementation. This is an area to improve, particularly given that EEU is more focused in PPE supply/provision and apparently less attention is given on implementing safe work procedures. Similarly, community members are sometimes affected by faulty installations or damaged/loose live conductors, resulting in fatalities. Evidently, most of the severe occupational and community safety risks occur during operation of the power network, requiring special attention on work procedures and periodic maintenance of its facilities.

Core Principle 3: Public and Workers Safety

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

Key Planning Elements:

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

Applicability to AF-ELEAP:

- The AF-ELEAP will involve a number of project workers at federal, regional, district, and service center levels. Further, the Program will hire consultants and contractors during the course of the Program implementation. AF-ELEAP activities have occupational and community health safety risks

and thus Core Principle 3 is applicable and Program activities should be implemented in a manner that the health and safety of workers and the public is ensured.

Summary of Findings:

- There is sufficient legal and institutional framework for workers and public safety management.
- The institutional commitment of the implementing agencies towards ensuring workers and public safety is encouraging.
- Institutional capacity building of the implementing agencies and regulatory bodies would benefit the overall workers and public safety management.
- EEU should give more attention to safe work procedures and communication between its workers, in addition to procurement and distribution of PPE.
- EEU should give more attention to public safety, in addition to the safety of its workers.

Strength:

- Ethiopia has legal and institutional frameworks for management of workers and the public safety in the spirit of Core Principle 3. Key legal frameworks include the *Labor Proclamation*, the *Federal Civil Servants Proclamation*, *Public Health Proclamation*, *Environmental Pollution Control Proclamation*, and *Hazardous Waste Management and Disposal Control Proclamation*. Relevant institutions include Ministry of Labor and Skills (and its counterparts at regional, zonal, and woreda levels) and the Civil Service Commission.
- EEU has its own policies and procedures on occupational health safety which includes the *Safety Policy and Procedures for Distribution O&M*. The document provides detailed guidelines on work procedures and requirement to be fulfilled before commencing operation and maintenance work.
- EEU has a strong commitment (at the management level) on occupational health and safety and has experience of implementing some of the measures such as distributing PPE to its workers.
- EEU has a better experience of distributing PPE to its workers up to service center level.
- EEU keeps records of occupation and community accidents and incidents. Further, the major accidents (leading to fatalities and injuries) are investigated and compensated.
- Due to the nature of the work which demands a certain set of skills obtained through training in TVET colleges and EEU's commitment and effort to recruit all workers (including the contractors' workers) with training from TVET colleges, the risk of child labor is limited, if not non-existent. Further, at some regions EEU and its contractors verify the age of recruits (through ID cards and educational testimonies) during the onboarding process.

Weakness:

- The awareness of workers in the implementing agencies (EEU and MoWE) on occupational health and safety is not satisfactory, often resulting in non-compliance.
- The capacity of ESHS staff in the implementing agencies to enforce, supervise and monitor implementation of occupational health and safety is limited. Further, efforts in this regard are hindered by institutional capacities including staffing (especially at lower levels), resources, and budgetary constraints.
- Apart at the federal level, collaboration between and relationship with relevant institutions such as EPA (and its regional counterparts) and Ministry of Labor Skills (and its regional counterparts).
- EEU is sometimes challenged by delayed or insufficient quality purchase and distribution of PPE to its workers and in some cases its procurement process creating a bottle neck for efficient procurement and distribution of PPE.
- To ensure the safety of its workers, EEU is more focused on providing PPE while enforcing safe work procedures and improving communications between workers needs better attention. The cause of accidents leading to fatalities is testimony to the fact that use of PPE couldn't have prevented most accidents.

- Apparently, EEU is more focused on occupational health and safety while the safety of the public is not given sufficient attention commensurate with the risk. Community health safety is mainly seen from the perspective of indemnifying EEU from liabilities.
- Although EEU has comparatively better performance on ensuring OHS of its workers, the same cannot be said to contractors hired by EEU to undertake most of the on-grid connection projects.
- Occupational and public health safety requirements are not explicitly and in detail included in contractors' contract documents and are not specifically costed. This often leads to ambiguities in responsibilities and are open for debate on who much the contractors should be involved in satisfying requirements set for workers and public safety.
- Since most on-grid projects under the parent Program are outsourced to contractors, there are some labor related challenges including the following:
 - Contractors sometimes delay workers payments/wages.
 - Code of Conduct (CoC) is not available for workers and contractors alike.
 - Employment contracts are not made between contractors and their workers.
 - Workers are not fully aware of their rights and obligations.

Opportunity:

- Capacity building trainings should be given consistently to the implementing agencies' workers and the public on health and safety including safe work procedures, better communications, and use of PPE.
- EEU should create awareness of the public in project intervention areas on health and safety matters.
- Strong collaboration between the implementing agencies and relevant institutions (such as EPA and MoLS) should be encouraged to the extent possible.
- The institutional capacity of MoWE and EEU can be further developed through providing trainings for their ESHS staff, availing resources (PPE, logistics) and finance for supervision and monitoring efforts during projects implementation.
- EEU should develop and implementation of safe work procedures manual (including communication between workers), in addition to the currently practice of focusing mainly on PPE distribution.
- EEU should give more attention to the safety of the public in the project intervention areas, in line with the focus given to its workers.
- EEU should supervise or monitor its contractors more on workers and public safety.
- EEU should incorporate detailed clauses on health and safety in contractors' contract documents and should encourage contractors to cost their efforts towards health and safety management.
- Program workers should be given employment contracts, agree to a certain CoC, paid on time, and should be informed of their rights and obligations during the onboarding process.

Threats:

- In general, the country's awareness of occupational and community health and safety is poor. Safety is often seen as unnecessary, costly, and hinders the progress of projects and production. This awareness level creates a challenge for effective and efficient enforcement of health and safety measures, including for the proposed Program, AF-ELEAP. The prevailing poor awareness and experience of the country in ensuring workers and public should be improved with coordinated effort by all sectors and institutions.
- The institutional capacity of regulatory bodies is limited, and they are bogged down by lack of trained staff, resources, logistics, and finance.
- Availability and quality of PPE in the local market often results in procurement delays and in poor quality of PPE used.

Risks: Consider the above SWOT analysis, the risk of fulfilling the objectives of Core Principle 1 during implementation of AF-ELEAP is determined as **Substantial**.

Annex 1.4 Core Principle 4: Land Acquisition

ESSA Finding shows that, grievances for not being compensated are common and at times reported for EEU district offices. Consultation with Project Affected Peoples (PAPs) is not conducted systematically and documented; grievance handling mechanisms for on-grid components are often inadequate and delayed where applied. Compensation practices to distribution line related land acquisitions/crop or tree relocations are also lacking uniformities which may again increase vulnerabilities of disadvantaged groups. EEU conducts preliminary screening as part of feasibility study to determine the impact on citizens. However, the quality of this screening is not satisfactory and also varies across regions due to capacity constraints. By principle EEU's does not pay compensation for distribution line (LV) related land-acquisitions, crop or tree loses. Yet in contrary to this principle, findings in Oromia and Amhara region witness the practice of legally obligating EEU to make compensation payments.

Key Areas for Land Acquisition Systems Strengthening

- *More accommodations for potentially vulnerable groups:* Ethiopian law makes little accommodations for potentially vulnerable groups, and this shall have to be enhanced.
- *Reconsideration by EEU-Compensation policy on distribution lines:* PAPs in Oromia and SNNP raised that On-grid last mile connection activities do resulted in loss of portion of their eucalyptus, avocado trees and they urges for being compensated for their economic loss as they did invest their limited resources on them.
- *Consultation with PAPs and documentations:* Affected communities should be consulted regarding project implementation and impacts, which also needs to be documented.
- *Strengthen Grievance Handling Mechanisms:* ESSA- addendum findings showed that grievances for not being compensated are common and at times reported for EEU district offices. Consultation with Project Affected Peoples (PAPs) is not conducted systematically and GRM are often inadequate and delayed where applied

Core Principle 4: Land Acquisition

Program E&S systems manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement and assists affected people in improving, or at the minimum restoring, their livelihoods, and living standards.

Key Planning Elements:

- Avoid or minimize land acquisition and related adverse impacts.
- Identifies and addresses economic and social impacts caused by land acquisition or loss of access to natural resources, including those affecting people who may lack full legal rights to assets or resources they use or occupy.
- Provides compensation sufficient to purchase replacement assets of equivalent value and to meet any necessary transitional expenses, paid prior to taking of land or restricting access.
- Provides supplemental livelihood improvement or restoration measures if taking of land causes loss of income-generating opportunity (e.g., loss of crop production or employment).
- Restores or replaces public infrastructure and community services that may be adversely affected by the Program.
- Include measures in order for land acquisition and related activities to be planned and implemented with appropriate disclosure of information, consultation, and informed participation of those affected.

Applicability to AF-ELEAP:

On-Grid project operations may require land/ few portions of private premises and would affect crops, livelihoods, and possibly even structures. Activities for the on-grid include limited construction of medium-voltage (MV) distribution lines, installation of low voltage lines (LV). Some of these activities could require land or could affect the livelihoods of PAPs. The impact will be minimal given that these lines are passing mainly through rural areas and when they do on urban, they aligned with town structural plans, and hence activities will be limited. Nonetheless, EEU's-policy explicitly mentioned that it did not pay any compensation for distribution line activities, given the project covers all regions in the Country and each of the grid extension can be substantial; and this is one of the risks that need mitigation.

Most impacts will be related to trees and crops, perennial fruits and some small structures. There are cases where PAPs lose a fraction of their land or permanent crops and trees such as Eucalyptus trees, Avocado or Mango, and may not direct beneficiaries of the project. Loss of access to natural resources is a low risk, given that the lines do not constitute a barrier to passage. Relocation will not have an impact.

Summary of Findings:

- Ethiopia has proclamations (Proclamation No. 1161/2019) and regulations (Regulation No. 472/2020) on land acquisition procedures if carefully followed, could assure core principle 4
- Ethiopian law has clear procedures for landholders and generally extends eligibility for compensation to recognized/customary land users or even to occupiers lacking full title
- Lacking uniformities in paying compensations by EEU, which may again increase vulnerabilities of disadvantaged community members.
- The proposed Program (AF-ELEAP) has a good opportunity to benefit from Parent program capacities of ESHS staff in the implementing land acquisition procedures, RSG, compensation, prior & informed consultations
- EEU on-grid related distribution line interventions are dealing only with MV & LV distribution lines and EEU's urban operations are aligned with town's structural plans,

Strength:

- Land acquisition, especially of individual holdings, is usually the last option when land is required for public benefit purposes.
- Ethiopian peasants and pastoralists have right not to be evicted from their landholdings. (FDRE Constitution Article 40 (4), (5)). This constitutional guarantee can only be overridden for public purposes upon payment of commensurate compensation.
- Land is state-owned, and citizens have only a usufruct right over their landholding.
- A legal landholder whose holding has been expropriated is entitled to compensation at replacement cost for assets on and any permanent improvements to the land, based on the provisions of Proclamation No. 1161/2019 and Regulation No. 472/2020
- Compensation payment includes only lawful occupants of the land, but lawful occupant may not necessarily mean holder of land use right certificate. Those who customarily occupied land is legible to get payment
- There is a dispute resolution and grievance mechanism through compensation review committees, arbitration tribunals, and the court system.

Weakness:

- EEU operational guideline dictates no compensation for distribution line activities
- Consultations with On-grid project-affected people are not conducted systematically, and woreda/kebele channeled grievance handling mechanisms are slow to resolve disputes
- Lack of proper documentation of the consultation procedures at woreda or district level

- It is common to take land without compensation for on-Grid last mile connections (though this is not the case in part of Oromia & Amhara) under the crave appetite of people for electricity, and even no documentation of such voluntary donations
- Unlike the proclamations and regulation, in practice the target villages that are demanding electricity provide land 'voluntarily' for the Row in recognition of service might not benefit electricity
- No or Delayed compensation of High-risk groups such as women, children, the elderly, ethnic minorities, indigenous people, the landless, and those living under poverty.
- No clear budget or source of finance for paying compensations, when distribution line route is changed, this needs clarity, hence no challenge when it comes to project implementation
- Some regional states have issued their own directives to implement these federal laws. However, as there is no sufficient budget allocated for the purpose of payment of compensation, there have been complaints about the amount of compensation payments in most of the regional states

Opportunity:

- There are existing procedures for land acquisitions compensation, but it needs to be strengthened to include restoration of livelihoods. This could be done by coordinating with other schemes of the government at city or district level that focuses on income restoration
- Strong collaboration between the implementing agencies and relevant institutions (such as woreda, land administration bureau and BOLSA) shall be encouraged to the extent possible.
- Handling Consultations with local community as part of off-grid-connection is common, but there are gaps in documentation exercise
- It is vital to have clear budget or source of finance for paying compensation as it will not be a challenge when it comes to project implementation
- The program will try to avoid any structure, rerouting the Row, unless necessary to do so.
- EEU has documented the process of compensation for HV lines and including sex, age disaggregated data for HV-transmission line projects, such experiences might be utilized AF-ELEAP.
- Strong and readily accessible grievance redressal mechanisms were available for parent ELEAP program. Including institutional capacity strengthening of implementing sectors.

Threats:

- Down to the earth implementation of compensation to affected people is largely depends on the power of the affected individual or protective stance of local leaders, which has risk of making vulnerable groups not benefit from his/her compensation right
- EEU's compensation policy that explicitly states that it does not pay compensation for distribution line (LV) related land acquisitions, crop or tree losses.
- No special considerations for high-risk groups such as women, children, the elderly, ethnic minorities, indigenous people, landless, & those living under the poverty to ensure that they are benefiting from the project

Risks: The risk is relatively low, since minimal land acquisition for on-grid distribution line or AF-ELEAP last mile connection activities. Yet in the event of crop or perennial fruit tree loss the impact on individual livelihoods could be substantial. EEU or its contractor's site selections consider avoiding major impacts. Inability to consult with, rehabilitate and adequately compensate affected people while acquiring land or erasing crops/trees for the project activities will adversely affect livelihoods and living standards of affected people. Given the limited scope of investment activities, **these risks are deemed to be moderate.**

Annex 1.5 Core Principle 5: Indigenous Peoples and Vulnerable Groups

EEU does not have little special treatment (utility tariff considerations) or written procedures for distinct service provisions to Indigenous people or to vulnerable community members. Yet in part of Oromia and Somali regions, attempt for inclusivity approach is observed (e.g., tailored power-meter installation designs to fit local housing structure). FGD participants in SNNPR and Oromia raised challenges of electric service affordability to economically disadvantages groups, especially costs related to initial connections; costs of power meter installation or costs related to line-extension become main reasons of exclusions from electricity services.

Presence labor influx and their interactions with the local communities may poses risk of GBV, risk of Sexually Transmitted Diseases (STDs) and unwanted pregnancies. Yet ESSA findings also attest that EEU has GBV/SH related legal/institutional instruments like; Sexual Harassment (SH) Policy, Code of Conduct that is harmonized with EEU labor union collective agreement, and GBV-oriented GRM. Gaps are observed in cascading concept of GBV, what constitute sexual harassment and violation of SH policy; both to district level EEU own force as well as contractor workers. There is also a need to define GBV/SH issues in bid/procurement documents.

EEU has strong HR policy which prohibits employment below the age of 18 for all job positions. Yet contractors do lack such minimum age policies or requirement; they do age-eligibility screening of laborer workers only by physical observation. Minimum-age requirements for daily workers are not also issued in bid/procurement documents of contractors. EEU has a strong stand in community consultations, also prepared and published its customer charter by the year 2019. The charter will have a pivotal role in creating understanding between citizens and the company. Yet gaps are observed in handling separate, culturally appropriate community consultations with women and other potentially vulnerable groups of the community.

According to ESSA findings, EEU has good stand in receiving, entertaining and responding to submitted grievances from customers or local community members in ELEAP project operation areas. EEU has also established toll free call center services in Addis Ababa (#905), Dire Dawa, Bahir Dar, Jigjiga/Somali (#9337) by which customers could login project complaints, service-related grievance or ethics and corruption related accusations. On top of all above strengths, system gaps are still observed in establishing local or Program-operation related grievance handling system (issue of accessibility), including written based procedures for submitting, receiving/processing site-specific complaints.

Key Areas of Vulnerable Groups Systems Strengthening

- *EEU shall develop social inclusion policy and its implementation procedures:* EEU shall develop policy and procedures to ensure that the possible presence/needs of vulnerable groups and underserved people are considered when new project investments are appraised.
- *Build capacity of EEU-Staff:* on identifying vulnerable groups, EEU's operational system shall also re-consider vulnerable groups that may be affected by its grid extension activities and to guide screening to detect presence of underserved or vulnerable groups.
- *Consultations targeting vulnerable groups:* a separate consultations women headed HH, youth & women groups, elders, economically disadvantages and other vulnerable groups shall have to be commenced. It is also important to strengthen the social side of EIA and ensure capacity building directed specifically at impact screening, management and effects on vulnerable groups.
- *GRM & Citizen Engagement Strengthening:* Create awareness in the most vulnerable and underserved communities about presence of complaint handling system for grievances related to the project, procedures for accessing GRM, understanding how the GRM functions. District or operation level GRM for on-Grid project impacts (On-grid construction, kebele or new connection) GRM shall be established through establishing kebele level grievance handling committee by

which both villagers & EEU are represented. EEU shall clearly define what constitute GBV in bid/procurement, including code of conduct requirements for contractors' workers, including GBV action plan to evaluate contractor's GBV response

Core Principle 5: Indigenous Peoples and Vulnerable Groups

Program E&S systems give due consideration to the cultural appropriateness of, and equitable access to, program benefits, giving special attention to the rights and interests of indigenous peoples, and to the needs or concerns of vulnerable groups.

Key Planning Elements:

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

Applicability to AF-ELEAP:

As AF-ELEAP is implemented all over the country, including emerging regions, there are people who are vulnerable and underserved who need special assistance in various regions of Ethiopia

Summary of Findings:

- Limited identification vulnerable groups by parent ELEAP program
- EEU lacks clear guidance and procedures to manage special inclusions or measures targeting vulnerable and indigenous groups
- The cost for new connection is beyond the payment for connection service that may include costs for pole/s energy meter installations among others, which raised issue of affordability
- There are some tailored power-meter installation designs or inclusivity approaches to fit local housing structure
- AF-ELEAP program involves some labor-influx in to intervention villages; hence their interactions with the local communities have risk of GBV, sexually transmitted diseases
- There is also little/no labor inspection and audits of contractors/cooperatives for risks of Child labor both by EEU side & regional BOLSA bureaus.

Strength:

- The Constitution recognizes the existence of many ethnic groups, including historically disadvantaged and vulnerable groups, as well as the right to their identity, culture, language, customary livelihoods, socioeconomic equity, and justice.
- Improved staff management and training on Parent-ELEAP, hence contributes to the applicability of these principles to the additional finance
- The government systems have also embedded in the constitution for citizen engagement through Consultation and Public Participation
- The Constitution provides (Article 50(4)) that: "adequate power shall be granted to the lowest units of government to enable the people to participate directly in the administration of such units.
- Updated labor proclamation (1156/2019) sets "minimum age for hazardous work as 18 years old, also includes electric transmission among hazardous work list
- Established stakeholder management strategies within the systems as part of parent-ELEAP current AF to capitalize or strengthen systematize projects consultation
- EEU HR-policy also prohibits employment under 18-years of age at any unit/Job position.

Weakness:

- limited Inclusion of vulnerable groups and meaningful consultations with them, also documentation
- Vulnerable groups such as the poor, women, people with disability and the elderly may not afford payments for new connections
- Limited Provision of special support and consideration to remote and pastoral communities
- In accessible GRM or GRM options for underserved people & remote pastoral communities
- No standalone- culturally sensitive GBV-reporting or GRM mechanisms at project operation sites
- Contractors/Cooperatives recruit/screen age of workers only by physical or only by eye examination which increase child labor risks
- No stand-alone GRM committee at district level, GRM focal persons at formal gov't structures should be provided with training in working with illiterate and vulnerable community

Opportunity:

- Capacity of vulnerable groups could be enhanced through extensive consultations so that they can more benefit from AF-ELEAP project
- Presence of previous subsidy mechanism for initial new-connection or power meter installations that help vulnerable group/underserved people afford new connection
- Existed Community Care Collations (CCCs), women groups, youth groups and other community forums to facilitate community conversations in targeting special groups such as women, traditional leaders and other vulnerable groups
- Ensure that women's groups and women in the community are adequately represented in the arrangements for the provision of compensation to build confidence in the GRM system, and to post and publicize examples of successful GRM cases so that citizens become aware that the system is working.
- EEU has GBV/SH related legal or institutional instruments like Sexual Harassment (SH) Policy, Code of Conduct (COC)"

Threats:

- No Procedural manuals or policies to ensure equitable treatment of vulnerable groups that may be affected by its grid-extension activities.
- Limited awareness by local communities on presence of GRM and their right to log-in complaints
- Skill gaps by EEU ESHS staff to identifying vulnerable groups, making vulnerability screening to detect the presence of vulnerable groups and measures for consultation
- Weak procurement processes and procedures for equitable access to program benefits by the vulnerable & underserved community members
- Barriers that hinder progress towards achieving the objective of increased equity brought by corruption, cultural, ethnic and gender disparities

Risks: Inability to improve the inclusion of poor and vulnerable groups. The design will consider concerns of vulnerable groups and underserved people, as a minimum access condition for the local government, **these risks are deemed to be low to moderate**. Appropriate level of consultation with underserved and vulnerable communities and application of procedures for equitable treatment of vulnerable groups will also be part of risk management action.

Annex 1.6 Core Principle 6: Social Conflict

ESSA Addendum findings witness operational level challenges of ensuring distributional equity of new-electricity connections among all rural communities in Ethiopia which could lead to unintended social conflicts. When distributional equity gap sentiments are happening among communities of prior territorial disputes, risk of exacerbating social conflict is manifold. Consultations with regional EEU regional/District

staff indicate that the available institutional system for responding to above social conflict dynamics mainly depends on local administration or public level consultations and elders' arbitrations. Though such kinds of consultations could mainly help in de-escalating tensions after conflict is breakout, gaps are observed in preventive approaches like making conflict-risk assessment part of E&S screening. Broader issues of civil unrest & ethnic conflict in many parts of Ethiopia could remain to be risk of Social-conflict which may poses program implementation risks.

Key Areas of Social conflict mgt Systems Strengthening

- *Screening*: Making social conflict risk assessments part of E&S screening activity
- *Enhancing capacity of EEU staff*: EEU staff or feasibility study team members skills on conducting efficient conflict risk assessment and conflict management plans.
- *AF-ELEAP EEU needs to develop policy and procedures*: policy to ensure risk of social-conflict is carefully considered when potential connection investments are appraised.
- *Conflict prevention and planning*: when new connection feasibility studies are conducted, planning unit of EEU shall re-consider presence of potential jurisdictional or pre-existing territorial disputes which poses the risk of social-conflict
- *Repeated and timely consultations*: Systematic consultations with community elders, local leaders and youth, especially when new connection is appraised in areas with jurisdictional/border disputes or ethnic conflicts.

Core Principle 6: Social Conflict

Program E&S systems avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

Key Planning Elements:

- Considers conflict risks, including distributional equity and cultural sensitivities.

Applicability to AF-ELEAP:

- The program is designed to yield significant social benefits to all citizens and to improve distributional equity. However, there can be issues of distributional equity in extension of electric service and gap in service responsive ness, compensation payments which might lead to conflict.
- In past years Ethiopia is facing repeated ethnic and jurisdiction related conflicts across multiple regions of the country. In the context of AF-ELEAP, issues of civil unrest could remain to be topic of social-risk consideration that poses program implementation risks.
- There have been local grievances regarding broad governance issues, land use and land conversions in some areas of the country. Social tensions can significantly affect the capacity of the program to deliver services in particular in the regions with the highest ongoing social tensions.

Summary of Findings:

- When distributional equity gap sentiments are happening among communities of prior ethnic conflicts or territorial disputes, risk of exacerbating social conflict is manifold.
- When social conflicts emerge between adjacent communities for whatsoever reason, there exists a repeated trend of attacking/distracting electric line which goes to identified rivalry group.

Strength:

- Most of regional EEU districts has established regional steering committee, composed of regional presents, regional peace & security bureau managers that will act collaboratively when social conflicts are emerged in relation to distributional equity or any other grid transmission issues

Weakness:

- No procedures to ensure that the risk of social-conflict is carefully considered for any on-grid program interventions

- Limited community conversations and conflict prevention sensitization intervention by EEU, especially when appraising new connection interventions in jurisdictional or ethnic boundaries

Opportunity:

- Repeated and timely community consultations with community elders' groups might be used as conflict prevention or tensions de-escalation platforms in overall EEU's conflict prevention initiatives

Threats:

- Poor practice or Limited EEU procedure in making social conflict risk assessments part of E&S screening activity

Risks: These risks are deemed to substantial; Distributional equity gaps may exacerbate social conflicts. If citizens do not receive compensation for asset losses and support to restore livelihoods, there could be conflict, vandalism of infrastructure, causing delays in project implementations and become obstacle for sustainability. Where the distribution line goes through a village and that village is not benefiting from the project, the residents could resist the lines construction and hence delay. Mitigation will be consultation, communication and enhanced transparency in ELEAP supported activities.

Annex 2 List of Institutions and Individuals Consulted (April 28 – May 31, 2022)

No	Name of Informant	Administrative Level	Institution / Organization	Position	Contact Details
1	Tsigereda Atinafu	Federal	Ministry of Water and Energy	Electrification directorate director	0911430624
2	Adisalem Mebiratu	Federal	Ministry of Water and Energy	ELEAP/ADEL project Coordinator	0945662134
3	Endalkachew Abebe	Federal	MoWE	ELEAP project expert	
4	Tesfu Kidane	Federal	MoWE	DOE M&E Expert	
5	Getinet Fetene	Federal	Ministry of Water and Energy	MoWE's Environment & Climate change directorate expert (EIA)	
6	Daneil Asrat	Federal	Ministry of Water and Energy	ELEAP M&E individual Consultant to DOE	0911768842
7	Lemlem Misganaw	Federal	Ethiopian Electric Utility (EEU)	Projects Portfolio directorate director	Mob: 0917806830 leminat2004@yahoo.com
8	Dagimhiwot Fantahun	Federal	Ethiopian Electric Utility (EEU)	EEU, EHS Directorate Director	Mob: 0911127737
9	Josiyas Zena	Federal	Ethiopian Electric Utility (EEU)	Projects portfolio office EHS manager	Mob:0910082705 jossizena@gmail.com
10	Hulunayew	Federal	EEU	Project expert	0985692140
11	Hussen Mohamed	Federal	Ethiopian Electric Utility (EEU)	National-UEAP-electric supply manager	Mob: 0912175614 hussendem377@gmail.com
12	Jisa Kassa	Regional	EEU Oromia region	UEAP Oromia Project Mg't chief officer	Mob: 0923130008 @yahoo.com
13	Melkamu	Regional	EEU Oromia region	Project planning & engineering head	
14	Ifa	Regional	EEU Oromia region	Project Contract head	
15	Dechisa	Regional	EEU Oromia region	Env'tal expert under EHS team member	
16	Temesgen Techa	Regional	EEU Oromia region	Junior Environmentalist	
17	Frehiwot	Regional	EEU Oromia region	Junior OHS Expert	
18	Siraj Awel	Regional	EEU Oromia region	Social expert, EHS team member	
19	Elsabet Asefa	Regional	EEU Oromia region	Social expert, EHS team member	
20	Birtkuan Shimeles	Regional	EEU Oromia region	EHS manager@oromia EEU utility wing	0911352418
21	Kinfe Negash	Regional	EEU southern region	SNNPR-EEU Executive Director	Mob: 0988052140 @yahoo.com
22	Megersa Tesema	Regional	EEU southern region	Manger -portfolio-Hawassa area coordination office	Mob:0932547693
23	Fasikaw Bahiru	Regional	EEU southern region	SNNPR-Region/operation EHS-manager	Mob:

No	Name of Informant	Administrative Level	Institution / Organization	Position	Contact Details
24	Getinet Feleke	Regional	EEU southern region	Regional projects-portfolio mgt coordination office manager	Mob:0913319953
25	Dereje Gelan	Regional	EEU southern region	Social-expert under project- portfolio mgt	Mob:
26	Behalilu Wezgire	Regional	EEU southern region	Environmental-expert under project- portfolio mgt unit/office	Mob:
27	Adamu Asirat	Regional	EEU southern region	OHS-expert under project- portfolio mgt unit	Mob:
28	Abate Anebo	Kebele	Aleta-wondo area, Abeja kebele	Abeja kebele secretary	
29	Yohanes Woterra	Kebele	Aleta-wondo area, Abeja kebele	Kebele head	
30	Abraham Musse	Kebele	Aleta-wondo area, Abeja kebele	Community member	
31	Tune Hamiso	Kebele	Aleta-wondo area, Abeja kebele	Religious-leader	
32	Fiche Tora	Kebele	Aleta-wondo area, Abeja kebele	Community member	
33	Mesfin Tafesse	Kebele	Aleta-wondo area, Abeja kebele	Community member	
34	Kebo Gebiba	Kebele	Aleta-wondo area, Abeja kebele	Community member	
35	Fikau Suna	Kebele	Aleta-wondo area, Abeja kebele	Community member	
36	Tsegaye Bekele	Kebele	Aleta-wondo area, Abeja kebele	Community member	
37	Tsehay Mekonin (F)	Kebele	Aleta-wondo area, Abeja kebele	Worreda admin facilitator/coordinator	
38	Tekelu Tona	Kebele	Aleta-wondo area, Abeja kebele	Community member	
39	Medasa Siraro (F)	Kebele	Aleta-wondo area, Abeja kebele	Community member	
40	Mengistu Yirga	Kebele	Wondo genet area, Edo-kebele	kebele coordinator	
41	Mesele Mamo	Kebele	Wondo genet area, Edo-kebele	Religious-leader	
41	Eluso Hujaba	Kebele	Wondo genet area, Edo-kebele	Community member	
43	Elias Dengiso	Kebele	Wondo genet area, Edo-kebele	Community member	
44	Tirunesh butti	Kebele	Wondo genet area, Edo-kebele	Community member	
45	Shure Mentu	Kebele	Wondo genet area, Edo-kebele	Community member	

No	Name of Informant	Administrative Level	Institution / Organization	Position	Contact Details
46	Belayneh bedaso	Kebele	Wondo genet area, Edo-kebele	Community member	
47	Mulugeta Buzayew	Kebele	Wondo genet area, Edo-kebele	Community member	
48	Belete Berasa	Kebele	Wondo genet area, Edo-kebele	Local Milishia	
49	Kalid Teha	Regional	EEU Somali region	Somali region EEU CEO	Mob: 0935985508 @yahoo.com
50	Ali Seid	Regional	EEU Somali region	Regional project portfolio office manager	Mob: 0920438025
51	Zewdu Azanaw	Regional	EEU Somali region	Region Operation/utility side EHS head	Mob: 0911571845
52	Tadele Sintayew	Regional	EEU Somali region	Regional Project portfolio EHS manager	Mob: 0930706568
53	Yehiwotneh Gemech	Regional	EEU Somali region	Project planning & engineering manager	Mob: 09-04243783
54	Desalegn chane	Regional	EEU Somali region	Social-specialist-project portfolio	Mob:094832032
55	Muhamud Hassen	Kebele	Somalia region, Shebelle kebele	Worreda advisor/ secretary	
56	Abdulahi Abdukeim	Kebele	Shebelle kebele	Worreda finance worker & dweller	
57	Shake-Mohamed Abditahir	Kebele	Somalia region, Shebelle kebele	Religious elder from 02 kebele	
58	Aden Habib	Kebele	Somalia region, Shebelle kebele	Community elder from 03 kebele	
59	Ommer Abdi	Kebele	Somalia region, Shebelle kebele	dweller from kebele 01	
60	Abdiaziz Faraha	Kebele	Somalia region, Shebelle kebele	Dweller from kebele 04	
61	Ahmed Yassin@	Kebele	Somalia region, Shebelle kebele	4-kebeles electrification coordinator	
62	Damtew Debebe	Kebele	Somalia region, Shebelle kebele	Somali Region-EEU-Jigjiga district staff	
63	Birhanu Oljira	District	Adama District	District director	Mob: 0911750385
64	Mitiku Bedada	District	Adama District	Adama district project portfolio coordinator	Mob: 0911159848
65	Eyosiyis Zena	Federal	EEU, Corporate	Corporate Project portfolio- EHS manager	
66	Abera Yami	Kebele	Adama district, Kuribiri kebele	Kebele Manager	Mob: 0912253557
67	Bekele Nigusse	Kebele	Kuribiri kebele	Vice kebele head	Mob: 0912808456
68	Mesfin Deneke	Kebele	Kuribiri kebele	Head of kebele	0912655110
69	Tegene Teshome	Kebele	Kuribiri kebele	political wing manager	0940214552
70	Alemayew Telila	Kebele	Kuribiri kebele	Security sector head	0912226847

No	Name of Informant	Administrative Level	Institution / Organization	Position	Contact Details
71	Abinet Fikadu	Federal	Ministry of Labour and skills	Senior OHS expert	Mob: 0913851603
72	Tirualem Belete-	Federal	Ministry of Labour and skills	OHS team leader	0912811621
73	Mulugeta Alemu	Federal	Federal Environmental protection Authority	Senior Environmental & social impact Expert	Mob: 0911 678286

Annex 3 Partial View of Stakeholders Consultations



Picture 1 – Discussion with Somali Region EEU



Picture 2 – Public Consultation in Somali Region



Picture 3 – Worker using Climbing Shoe for Work-at-Height, SNNP Region



Picture 4 – Conductor Preparation Work in Progress, SNNP Region (No PPE Used)



Picture 5 – Public Consultation in SNNP Region



Picture 6 – Consultation with MoWE

Annex 4 AF ELEAP ESSA Addendum Stakeholders Consultation Workshop Summary**1. Introduction**

Stakeholders' consultations with institutions and beneficiaries are important in the planning process and preparation of the proposed Additional finance Ethiopian Electrification Program (AF-ELEAP). Regular consultations with stakeholders is pertinent to ensure successful assessment and identification of environmental, social and safety impacts, recommendations of appropriate measures and sound implementation of safeguards instruments.

The most important step during planning and screening process that helps to identify key issues and to determine how the concerns of all parties will be addressed is proper handling and implementation of stakeholder consultations with most relevant, front-line program implementing institutions, and potential local partners which have a stake in program implementation, monitoring or supervision. In this regard, MoWE and EEU who are the main implementing institutions are responsible to ensure effective participation of relevant stakeholders through timely and reiterated public consultation.

2. Minutes of the Consultation Workshop

A stakeholder Consultation Workshop on the Draft AF-ESSA addendum report is organized by the World Bank country office at Capital Hotel, Addis Ababa, on August 23, 2022. Total of (29) participants, drawn from MoWE, EEU (both from, head office, project portfolio and regional offices), Ethiopian Environment protection Authority (EEPA), Ministry of Labour and Skills (MoLS) and from WB have participated in the workshop to collect additional information and obtain feedback on draft AF-ESSA-Addendum report. This consultation summary outlines the outputs of this full day stakeholders consultation workshop activities. The comments, questions and reflection of participants are also captured to ensure all deliberations and inputs are included in the appropriate sections of the AF-ESSA addendum.

List of Workshop participants by Institution and Region

N	Name	Institution	Region	Title / Position	Email
1	Seyoum Teshome	EEU	Somali region	EHS Officer	Seyoumteshome19@gmail.com
2	Zewdu Azanaw	EEU	Somali region	ESHS Manager	Zewdua3@gmail.com
3	Huluager Ayalew	EEU	Amhara	EHS Officer	huluay@gmail.com
4	Mesfin Kebede	EEU	Amhara	ESHS Manager	mesfinkbede@gmail.com
5	Mulunesh Lendebo	EEU	SNNPR	EHS Officer	Landmulu64@gmail.com
6	Birhanu Abera	EEU	SNNPR	EHS Manager	Berhanuabera340@gmail.com
7	Mulugeta Yimam	EEU	Gambela	Safety Manager	Mule291872@gmail.com
8	Yirgalem Zewde	EEU	Gambela	Safety Officer	Yigralemzewde11@gmail.com
9	Ewenetu Aysheshem	EEU	Afar	Social Specialist	Ewunetu1991@gmail.com
10	Yigermal Tafere	EEU	Afar	Environmentalist	twyigermal@gmail.com

N	Name	Institution	Region	Title / Position	Email
11	Thewdros Alemayehu	EEU	Addis	EHS Officer	tedyenlla@gmail.com
12	Lechisa Takele	EEU	Oromia	Environmentalist	lechisat@gmail.com
13	Abinet Fikadu	MoLS	Addis Ababa	OHS Officer	abnetfikadu@gmail.com
14	Seyoum Techane	EEU	Addis Ababa, Corporate EEU	Env't Analyst	seyoumtechane@gmail.com
15	Addisalem Mebrahtu	MoWE	Addis Ababa	Project Coordinator	Adimebrahtu24@gmail.com
16	Tesfahun Abadi	EEU	Addis	EHS Officer	tesfahunabadi@gmail.com
17	Berhanu Dinku	EEU	Addis	EHS Officer	Berhanudinku466@gmail.com
18	Elsabet Assefa	EEU	Oromia	Social Specialist	Elesabetasefa2021@gmail.com
19	Thomas Zewdie	EEU	Addis Ababa, Corporate EEU	Social Analyst	tzewdie@gmail.com
20	Wondimagegn Zemedkun	EEPA	Addis Ababa	Expert (ESIA)	Wondye07@gmail.com
21	Tefera Getaneh	EEPA	Addis Ababa	ESIA Expert	Teferagetaneh2018@gmail.com
22	Zebidar Alemneh	MoWE	Addis Ababa	Director	Zealemneh@gmail.com
23	Nigus Agonafir	MoWE	Addis Ababa	Expert (Safeguard)	Agoabe2005@gmail.com
24	Josiyas Zena	EEU	Addis Ababa, Portfolio office	EHS Manager	jossyzena@gmail.com
25	Selam Tarekegn	WB	World Bank	Env't Specialist	sneda@worldbank.org
26	Samson Kifle	WB	World Bank	Consultant	saye1@worldbank.org
27	Bisrat Kassahun	WB	World Bank	Consultant	bkgetbisrat@gmail.com
28	Chalie Mengistu	WB	World Bank	Consultant	cmengistu@worldbank.org
29	Etsubdink Tesfaye	WB	World Bank	Team Assistant	emengesh1@worldbank.org

3. Workshop Opening and Introductory Session

After the end of workshop attendee registration, a welcoming and program opening speech has been delivered by workshop organizers from the World Bank teams, followed by self-introduction of participants both from World Bank side and representatives of invited stakeholders. Following this, briefing on workshop agenda and statements on expected outcomes is given by Mr. Chalie from World Bank AF-ESSA task team. During his speech Mr. Chalie mentioned that the Parent

ELEAP program has been implemented nationwide since 2018 and progressing in satisfactory manner, he also highlighted that currently additional financing is requested by government of Ethiopia to enable the program achieve additional grid-connections aligned with Government's National Electrification Program (NEP).

4. Presentations

Following the official opening and introductory session of the consultation workshop, the first session of the presentation on draft AF-ESSA report is delivered both by environment and social safeguard consultants in a rotation. By the middle of these presentations, the consultants have also conceded Q&A sessions so that active participation of workshop attendees is ensured. This first phase of the presentation, among other covers the following topics; Overview on PforR Financing, AF-ELEAP program description, methods and objectives of AF-ESSA addendum, the six core principles that are guiding ESSA preparation, and anticipated Environmental and social impacts from the program.

After lunch-break, the second phase of the presentation is followed (Early afternoon). In this phase of the presentation, AF-ESSA team members (both Environment and social safeguard consultants) have made presentations on major findings from Borrower's Environmental and Social Management Systems assessment in accordance with the six core principles and study team recommended measures to strengthen system Performance. They also present suggested Program Action Plans (PAP). Thereafter, most part of the afternoon session is allocated for participants' feedback and their reflections on proposed program action plan items. This afternoon session was very much participatory and even hot debates have been made between presenters and attendees as well as within workshop participants, hence full participation of program stakeholders is assured.

5. Summary Points from Question and Reflection Session

During this hot participatory question and participant's reflection session a number of critical questions are raised both on ESSA-addendum findings and on suggested program action plan activities. The main essence of issues raised, arguments and final concluding remarks are presented below.

- a. **Assignment of E&S focal person at district level:** The need for assignment of E&S focal persons from existing staff at district level EEU structures and consideration by EEU management for arranging incentives (top-up payments) for those focal persons so that commitment will be enhanced from the assigned focal persons.

Participants both from EEU corporate office and regional districts stated the limited number of EHS staff at regional level which lead to insufficient supervision and training on required E&S safeguard activities across all service centers under regional EEU offices. Though employment off new EHS staff at all district level is not viable at this stage, assignment of focal person from existing staff is indicated to be most feasible option of ESMS strengthening.

- b. **Mandatory E&S screening for all AF-ELEAP sub-projects:** Absence of full range E&S screening for on-grid project activities is indicted by the parent program implementation period, yet for the upcoming program sub project activities the necessity of screening is confirmed by participants both from EEU and MoWE. In connection to this point a participant from MOWE asked the practicality of doing E&S screening for each of new on-grid connection

activities as most of the densification interventions are performed in already grid-connected towns or former operation areas. As part of addressing this question, participant from EEPA stated the possibility of performing E&S screening process as a cluster intervention area than as consideration of individual HH connection.

- c. **Monitoring and supervision of EEU's contractors:** Participants from Oromia EEU regional office reflected on the need for assuring supervision and monitoring of project contractors or cooperatives on fulfillment of the required qualification and skills of workers who have been used by those contractors, not only on initial awarding of contract but on subsequent contract activity undertakings. Also necessities of adding additional clauses on the bid-contract document stating responsibilities on PPE provisions, policies on child-labour, GBV and workers code of conduct.
- d. **EEU's compensation policy on distribution line related impacts:** both presenters and Participants from EEU agreed on the fact that EEU operational policy dictates not paying compensations for impacts or losses related to distribution-line activities so far as the organization. Participant from EEU head office also mentioned his fear that EEU might not afford additional service provision if it is asked to pay compensation to each of Household level vegetation clearing outcomes or space taking for pole erecting, he also added existing risk of abusing compensation claims loops in favor of personal gains than greater community level outcomes. Finally participants agreed on reconsideration of EEU's compensation policy on distribution line related impacts together with detail operation manuals.
- e. **Utilization of insulated grid-extension wires:** A participant and an environmentalist analyst from EEU-corporate office raised issues of birds strike and the need for assuring/financing utilization of insulated (not only plastic-coated) grid-extension wires on performing new program connection undertakings so that impacts on birds-collision could be mitigated. The repeated incidents of Electric-collisions on Egyptian-Eagle bird specious are happening in the rift-valley areas of ELEAP program operation sites.

The program impact section of the (AF-ELEAP) ESSA-report shall include discussions on this anticipated impact of Bird-strikes from MV line grid-connection interventions. Moreover, potential partner organization which is working on birds' protection is also indicated for more strategic resources on this (Ethiopian Wild-life Natural History Society (E WNHS)).

- f. **Anticipated E&S risks from the new construction activities:** Participants from MOWE-stated that the AF-ELEAP project-concept note indicates the presence of some office construction activities, for MoWE as main program oversight entity, yet the AF-ESSA report did not raised nay points on anticipated E&S risks from this new construction activities of the additional finance and ESSA team members admits the inclusion of such risks in the final ESSA report if the revised Program concept not includes such scope of work.
- g. **Enhancing coordination b/n EEU Corporate office and EEU Project portfolio:** Participant from EEU-corporate office also mentioned about the observed poor coordination and collaborative planning of E&S safeguard activities between EEU-project portfolio directorate and EEU corporate head office. Hence future collaborative planning and coordinated E&S safeguard program activities is recommended to be consider for the upcoming AF-ELEAP program implementation activities by this two distinct units/departments of EEU.


- h. **Additional capacity building training to EEU'S Health and safety staff:** Participants both from Corporate EEU and regional EEU offices mentioned the observed skill and specialized knowledge gaps on electric power related OHS procedures among EHS staff of EEU. Hence the need for additional capacity building training to EEUs Health and safety staff is entailed as most of them are graduates of less-related discipline than being directly related to OHS backgrounds.
- i. **Limited staffing arrangement in MoWE:** Workshop Participants from MoWE mentioned that currently MoWE have a limited number of E&S staffing who could involve in oversight and supporting AF-ELEAP program implementation as the re-structuring MOWE- ESCCD directorate resulted in smaller number of available E&S staff in MoWE. Increased commitment and assignment of specifically responsible AF-ELEAP supporting team or focal persons is expected from MoWE for upcoming program interventions.
- j. **Revision and Updating ESMSG and RSG of the parent Program:** The need for revising and updating parent ELEAP ESMSG and RSG in line with recommended program action plans, specifically relating to compensations for distribution line related program impacts and establishment of district/ project site level GRM for all on-Grid connection interventions.
- k. **Discussion and Lobbying of EEU management for enhanced E&S commitment:** Participants from EEU underline the relevance of WB-task team arrangement of separate discussion and lobby meeting with EEU higher officials. Such discussions could help in convincing the relevance of arranging and supporting necessary logistic and vehicle (car) support to region and district level EHS staff so that they could efficiently implement and supervise environment, social and OHS safeguard activities. Participants boldly stated that the commitment from EEU's higher management shall still be enhanced.
6. **Selected Photos of Consultation Workshop Participants and AF ELEAP ESSA Addendum Presenters (taken on August 23, 2002, at capital Hotel, Addis Ababa)**



**Additional Financing Ethiopia Electrification Program
(AF ELEAP) P178895**

Stakeholders Consultation Workshop
on
**Environmental and Social Systems Assessment (ESSA)
Addendum Findings**

**23 August 2022
Addis Ababa**

 **THE WORLD BANK**
IBRD - IDA

1



7. Scanned Copies of Workshop Participants Attendance Sheet



Consultation Workshop on Environmental and Social System Assessment (ESSA)
for Additional Finance (AF) Ethiopia Electrification Program (ELEAP).

Capital Hotel | Addis Ababa | August 23, 2022

No	Name	Institution	Title / Position	Email	Mobile
1	Seyoum Techane	EEU	Environmental Analyst	seyoum.techane@gmail.com	0911127505
2	Berhanu Abera	EEU	En Health Specialist	berhanuabera34@gmail.com	0911555154
3	Mulugeta Yimam	EEU	Safety manager	mule291972@gmail.com	0917833986
4	Yizalem Zewude	EEU	safety officer	yizalem.zewude@gmail.com	0917482747
5	Munnetsh Landebo	EEU	EHS officer	landemul1164@gmail.com	0936534466
6	Hulway Ayalew	EEU	EHS officer	hulway@gmail.com	0918062363
7	Adisalem Mebrahtu	MOWE	Project Coordinator	adisamebrahtu24@gmail.com	0945662134
8	Tesfahun Abachi	EEU	EHS officer	tesfahunabachi@gmail.com	0911405668
9	Berhanu Dinku	EEU	" "	berhanudinku466@gmail.com	0911709133
10	Elsabet Assefa	EEU	Social Specialist	elsabetassefa@gmail.com	0935362288
11	Thomas Zewde	EEU	Social Analyst	tzewdie@gmail.com	0966257480
12					
13					
14					
15					



Consultation Workshop on Environmental and Social System Assessment (ESSA)
for Additional Finance (AF) Ethiopia Electrification Program (ELEAP).

Capital Hotel | Addis Ababa | August 23, 2022

No	Name	Institution	Title / Position	Email	Mobile
1	Wandimagegn Zemedkun	FEPA	expert (ESIA)	wandye07@gmail.com	0922980492
2	Tetere Getaneh	FEPA	ESIA expert	teteregetaneh2018@gmail.com	0911806173
3	Zelewde Alemnesh	MowE	Director	zealemnesh@gmail.com	0947372157
4	Nigus Agonafir	MowE	expert (safeguard)	ngobaberos@gmail.com	0913056013
5	Chale Karra	WB	Social dev. Co	cmensistv@worldbank.org	0918722836
6	Bisnet Kassahun	WB	Social dev. consultant	bkgethaisnet@gmail.com	0911786214
7	Selam Tanekapu	KIB	Environmental spe.	Selam@worldbank.org	0913640468
8	Samsir Kifle	WB	Environmental consultant	samsir1@worldbank.org	0912663990
9	Jaslyar Zena	EEU	EHS Manager	jassyzena@gmail.com	0910082705
10					
11					
12					
13					
14					
15					



Consultation Workshop on Environmental and Social System Assessment (ESSA)
for Additional Finance (AF) Ethiopia Electrification Program (ELEAP).
Capital Hotel | Addis Ababa | August 23, 2022

No	Name	Institution	Title / Position	Email	Mobile
1	Zewdu Azaraw Beley	EEU	Regional EHS Mgr	Zewduaz@gmail.com	0911571845
2	Mesfin Kebede	EEU	Amhara " "	Mesfinkebede@gmail.com	0913138944
3	Yigelmaw Tafete	EEU	Environmentalist	taw.yigermaw@gmail.com	0942421148
4	Ewunetu Absheshim	EEU	social specialist	ewunetu1991@gmail.com	093086164
5	Tedros Alemayehu	EEU	EHS officer	tedyentla@gmail.com	0913919690
6	Lechisa Tadele	EEU	Environmentalist(EHS)	lechisat@gmail.com	0920023193
7	Seyoum Teshome	EEU	EHS officer	seyoumteshame1999@gmail.com	0911071063
8	Abinet firadu	MQLS	OSH officer	abnetfiradu@gmail.com	0912851603
9					
10					
11					
12					
13					
14					
15					