Federal Democratic Republic of Ethiopia
Ministry of Water Resources

Water Supply and Sanitation Project

Resettlement Policy Framework

Final

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# CONTENTS

## 0. SCOPE OF THE ASSIGNMENT – INTRODUCTION

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCOPE OF THE ASSIGNMENT</td>
<td>1</td>
</tr>
<tr>
<td>SCOPE AND CONTENTS OF THIS REPORT</td>
<td>1</td>
</tr>
<tr>
<td>KEY DEFINITIONS</td>
<td>2</td>
</tr>
</tbody>
</table>

## 1. DESCRIPTION OF THE PROJECT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL DESCRIPTION OF THE WSS PROJECT</td>
<td>3</td>
</tr>
<tr>
<td>Project Objectives</td>
<td>3</td>
</tr>
<tr>
<td>Project Components</td>
<td>3</td>
</tr>
<tr>
<td>Project Approach</td>
<td>4</td>
</tr>
<tr>
<td>Project Implementation Responsibilities</td>
<td>5</td>
</tr>
<tr>
<td>POTENTIAL LAND IMPACTS OF PROJECT ACTIVITIES</td>
<td>6</td>
</tr>
<tr>
<td>Demand-Responsive Approach and Community Involvement</td>
<td>6</td>
</tr>
<tr>
<td>WSS Activities with Potential for Land Acquisition and/or Displacement</td>
<td>6</td>
</tr>
</tbody>
</table>

## 2. LEGAL FRAMEWORK

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>THE CONSTITUTION OF ETHIOPIA, 1995</td>
<td>7</td>
</tr>
<tr>
<td>Protection of the Right to Private Property</td>
<td>7</td>
</tr>
<tr>
<td>Ownership of Land and of Immovable Assets Built on Land</td>
<td>7</td>
</tr>
<tr>
<td>Expropriation and Resettlement</td>
<td>7</td>
</tr>
<tr>
<td>THE CIVIL CODE OF THE EMPIRE OF ETHIOPIA, 1960</td>
<td>8</td>
</tr>
<tr>
<td>Expropriation for Public Interest</td>
<td>8</td>
</tr>
<tr>
<td>Indirect Expropriation</td>
<td>9</td>
</tr>
<tr>
<td>LAND TENURE REGIME IN ETHIOPIA</td>
<td>9</td>
</tr>
<tr>
<td>RURAL LAND ADMINISTRATION PROCLAMATION, 1997</td>
<td>10</td>
</tr>
<tr>
<td>REGIONAL LAND REGULATIONS</td>
<td>10</td>
</tr>
<tr>
<td>ENVIRONMENTAL AND WATER SUPPLY POLICIES</td>
<td>10</td>
</tr>
<tr>
<td>WORLD BANK SAFEGUARD POLICY ON INVOLUNTARY RESETTLEMENT</td>
<td>10</td>
</tr>
</tbody>
</table>

## 3. PRINCIPLES, OBJECTIVES, AND PROCESSES

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRINCIPLES AND OBJECTIVES</td>
<td>12</td>
</tr>
<tr>
<td>Regulatory Framework</td>
<td>12</td>
</tr>
<tr>
<td>Minimization of Displacement</td>
<td>12</td>
</tr>
<tr>
<td>Livelihood Restoration</td>
<td>12</td>
</tr>
<tr>
<td>Compensation</td>
<td>13</td>
</tr>
<tr>
<td>PROCESSES</td>
<td>13</td>
</tr>
<tr>
<td>Overview of the ESMF Process</td>
<td>13</td>
</tr>
<tr>
<td>Overview of the RPF Process</td>
<td>14</td>
</tr>
<tr>
<td>Census of Affected Assets and Affected Households</td>
<td>15</td>
</tr>
<tr>
<td>Resettlement Action Plan</td>
<td></td>
</tr>
<tr>
<td>Abbreviated Resettlement Plan</td>
<td></td>
</tr>
</tbody>
</table>

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F. Giovannetti Consultant
February 2004
0. SCOPE OF THE ASSIGNMENT – INTRODUCTION

SCOPE OF THE ASSIGNMENT

0.1 By contract with the Ministry of Water Resources of the Federal Democratic Republic of Ethiopia, under World Bank financing, and within the general framework of the World Bank assisted Water and Sanitation Project, independent consultant Frederic Giovannetti has been assigned to develop:

- An Environmental and Social Management Framework (ESMF) with the following objectives:
  (i) screen for potential environmental and social impacts due to the implementation and management of investments in this regard;
  (ii) identify and apply appropriate mitigation measures; and
  (iii) monitor the implementation of these measures;
- A Resettlement Policy Framework, that describes the procedures for assessing compensation for losses of property and income as a result of the construction of water supply facilities in villages and towns;
- An assessment of the institutional capacity for mitigating as well as implementing these measures;
- An appropriately costed Environmental Mitigation Plan (EMP) for the entire project to facilitate its implementation.

SCOPE AND CONTENTS OF THIS REPORT

0.2 This report is the draft Resettlement Policy Framework (RPF) for the Water Supply and Sanitation Project. It has been prepared in December 2003 and January 2004 by Frederic Giovannetti, an independent consultant specialized in environment and resettlement, and Ato Mateos Makiso, an Ethiopian environmental expert sub-contracted by F.Giovannetti.

0.3 The development of a RPF is a requirement for projects that may entail involuntary resettlement under the World Bank safeguard policy on involuntary resettlement (OD 4.12, December 2001). This RPF is to be endorsed by the Government of the Federal Democratic Republic of Ethiopia.

0.4 This report includes the following chapters:
- Description of the Project
- Legal Framework
- Affected People and Eligibility
- Principles, Objectives and Processes
- Resettlement and Compensation Packages
- Implementation
- Grievance Mechanisms
- Monitoring and Evaluation
- Arrangements for Funding

0.5 Appendix 1 presents the list of acronyms used throughout this document.

0.6 Appendix 2 provides a list of documents used for the development of this report.
KEY DEFINITIONS

0.7 **Project**: The WSS Project.

0.8 **Sub-Project**: A water supply and/or sanitation project within the WSS Project benefiting one rural community or one town.

0.9 **Project-Affected Person (PAP)**: A person that loses assets and/or usage rights and/or income generation capacities (e.g., land, structures, crops, businesses) because these assets/rights/capacities are located in land to be acquired for needs of the Project. Not all PAPs are displaced due to the Project, but all are potentially affected in the maintenance of their livelihood.

0.10 **Host Communities**: Communities receiving resettled people as a result of involuntary resettlement activities.

0.11 **Replacement Cost**: The method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account. With regard to land and structures, "replacement cost" is defined as follows:

- For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes.

- For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes.

- For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes.

- In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset.

- Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard.
1. DESCRIPTION OF THE PROJECT

GENERAL DESCRIPTION OF THE WSS PROJECT

Project Objectives

1.1 The development objective of the Water and Sanitation Project would be increased access to sustainable water supply and sanitation services, for rural and urban users, through improved capacity of stakeholders in the sector and better management of water resources. Accordingly, the project is designed to build the capacity of all stakeholders, both public and private, to plan, construct, and maintain water and sanitation facilities. In the process:

- Several thousand rural water supply schemes and more than 100 town water supplies will be improved.
- Improved institutional arrangements and capacity for planning, implementation and management of water supply and sanitation services in a decentralized environment will be obtained;
- As well as increased water supply and sanitation coverage with improved efficiency, quality and sustainability of services in urban and rural communities.

1.2 As a result of these sustainability-orientated objectives, the WSS Project will include environmental and social components aimed at mitigating any potential adverse environmental or social effect.

Project Components

Rural Water Supply and Sanitation

1.3 Funding would be provided (i) to increase the capacity of participating woredas to effectively manage their rural water supply and sanitation programs, (ii) to increase the capacity of participating communities to effectively manage their water supply and sanitation facilities, and (iii) to ensure that well functioning water supply schemes are in place in participating communities.

Urban Water Supply and Sanitation

1.4 Funding would be provided (ii) to increase the capacity of participating water boards/committees and operators to effectively manage their water supply and sanitation facilities, and (ii) to ensure that well functioning and properly utilized urban water supply systems and improved sanitation are in place in participating towns and cities. Cities with established water boards would be supported to develop financial management systems, business plans and establish creditworthiness for their entities before they could qualify to borrow for their expansion and further development.

Water Resources Development Fund (WRDF)

1.5 Works in larger urban centers with existing water supply and sanitation systems that need to be expanded or improved would be financed under the project on an on-lending basis, consistent with the Government's policy on cost recovery for urban water supply and sanitation. WRDF would be the implementing agency for these projects, responsible for appraisal of proposed projects and monitoring and evaluation.
Ministry of Water Resources component

1.6 The MWR will be responsible for overseeing the National WSS Program. The project will support program management, monitoring and evaluation, equipment for water quality testing and training centers, web site development, applied research, facilitation of a practitioners network, and job specific capacity building.

Project Approach

1.7 Each Region will have its own Water Supply and Sanitation Program, which will outline the current state of water supply and sanitation in the region, the objectives and principles of the program, the strategies for improving rural and urban water supply and sanitation and water resources management and a detailed implementation plan.

1.8 For urban water supply in towns and cities a three-step approach will be followed:

- **Step 1: Capacity Building:** This will entail technical assistance to regions to facilitate the transformation process, and to urban water utilities to build capacity by training board members and operators, implementing financial systems, improving operations, preparing business plans, rehabilitating essential equipment, and preparing expansion designs.

- **Step 2: Implementation:** This will entail technical assistance to urban water utilities to implement business plans and rehabilitate and expand facilities in towns that have not previously benefited from grant financing for rehabilitation and expansion.

- **Step 3: Investment:** This will entail investment financing to financially viable utilities for longer-term expansion, through cash revenues and commercial lending institutions.

1.9 The regional water bureaus will be responsible for managing the regional programs, and in collaboration with local government officials will be responsible for reviewing facilities and management plans including designs, tender documents, social/environmental assessments and resettlement action plans.

1.10 For rural water supply, implementation will be through local government water and sanitation programs. It is expected that (i) local governments will manage the program – planning infrastructure, allocating resources between communities, and contracting with local contractors and service providers; (ii) communities will plan and manage their own facilities, while (iii) the private sector will provide goods and services needed to plan, construct and maintain facilities. The regional water bureaus will work with local government officials to review community facilities and management plans, including social/environmental assessments and resettlement action plans.

1.11 Overriding Project principles are the following:

- Access to water is a right, however it is also recognized as an economic good, and its service has to be paid for;

- A demand-responsive approach is promoted rather than a supply-driven approach; urban and rural communities that demonstrate willingness to put in place appropriate institutional arrangements and cost recovery mechanisms are prioritized in the program;

- Ownership and management autonomy are devolved to the lowest possible local level, in line with the decentralization policy adopted by the Government of Ethiopia;

- Meaningful involvement of all stakeholders, including the private sector, throughout all Project phases is promoted so as to improve efficiency in service provision;

- Full cost recovery for urban schemes, and recovery of operation and maintenance cost for rural schemes, are required to ensure their sustainability;
Planning for sanitation and hygiene is integrated with water supply;

Cost effective design – ongoing initiatives to prevent over-design and provision of service level that is unaffordable to the community and, therefore, not sustainable;

Equity – design of the program to improve service throughout the Region on a systematic basis over time so that all towns and communities are eventually served, though each cannot receive an equal allocation of investment funds every year;

Promotion of conservation-based water supply development,

Transparency – promotional activities to ensure that the rules of engagement are well understood by all stakeholders;

Participatory monitoring and evaluation - monitoring and evaluation carried out in a participatory manner with capacity building approach, with dissemination of results so that the program can be improved by feedback;

Gender – inclusion of activities and rules of engagement that ensure participation by women in decision making and project implementation;

Refocusing government institutions to facilitate and conduct M&E rather than implement;

Coordination across Regional Bureaus and Woredas to plan and implement the program.

Project Implementation Responsibilities

1.12 This project would introduce significant changes in the way water supply and sanitation projects are identified, appraised, prioritized, financed and implemented. It is designed to be implemented in a decentralized manner in parallel with the country's overall decentralization program, which is changing the roles, responsibilities and placement of government personnel at all levels.

1.13 The Government of Ethiopia has established the Water Resources Development Fund (WRDF) to channel financing of urban water supply and sanitation and irrigation schemes consistent with its policy objectives. Accordingly, the Fund is to provide long term loans on the basis of cost recovery principles. The project would seek to support the development of WRDF to appraise projects and borrowers and to channel financing efficiently. It is expected regional bureaus and municipalities would support water boards and woredas with proposal preparation, implementation of capacity building measures and budgetary funds for investment (grant/cost sharing) and possibly guarantees, as well, so that they could qualify for loans from WRDF.

1.14 The Project would be implemented through the following institutions:

- The Ministry of Water Resources (MWR) will be the lead institution for the Project and will be responsible for overall coordination and monitoring of the project and for implementation of Federal level components of the project. It is envisaged that the project coordination office, which manages implementation of the on-going Water Supply Development and Rehabilitation (WSDR) Project, will continue to play a coordination role for the proposed Project, but substantial implementation responsibilities will be decentralized to sub-national level institutions. Coordination with relevant institutions such as Ministry of Health in the area of sanitation will also be essential.

- The Ministry of Federal Affairs (MFA) is responsible for, among other things, overall support to the emerging and pastoralist regions and would, therefore, be expected to play a coordinating role in development of a strategy and implementation plan for these regions.

- The Regional Water Resources Development Bureaus (Regional Bureaus) are to be responsible for (i) overall coordination of project activities within the region, including monitoring and
evaluation, (ii) promotion of project activities to communities, (iii) prioritization and appraisal of investment and capacity building proposals by local governments and communities within the region, (iv) implementation of capacity building at the regional level and (v) provision of support to local governments

- The Regional Steering Committees will facilitate coordinated implementation. Comprising of the heads of relevant bureaus, they would be the final authority to make decisions.

- A project implementation support team comprised of two full-time staff in each region, supported by a designated unit within the regional bureaus, will be the lead technical team at the regional level.

- The Woreda administrations, town municipalities, utility offices and rural communities are to be the primary implementers of individual projects and will be directly responsible for initiation, preparation and implementation of contracts for capacity building and physical improvements in their respective localities.

1.15 For planning purposes, the initial investment in the National WSS Program is assumed to be about US$120m, of which about US$80m would be financed by IDA, up to $20m by the regional governments, and at least $20m by AfDB and/or other donors.

**POTENTIAL LAND IMPACTS OF PROJECT ACTIVITIES**

**Demand-Responsive Approach and Community Involvement**

1.16 Two main principles of the WSS Project are that it will be demand-responsive, and with as much involvement as possible of the beneficiary town or community in the planning, financing and implementation of their water and sanitation systems. This has the following implications on potential land acquisition and displacement impacts and on the development of this RPF document:

- The WSS Project will be consisting of multiple town/community sub-projects which are not known in details at the current stage, because they will be developed following the initial stages of regional team establishment and capacity building, and following a request by the town or community;

- The technical components of these projects are not known either at this stage, as each town/community will be able to select their choice option among several technical possibilities, depending on the level of service they can afford, on the local water resources, and on their financial, technical and institutional capacities.

1.17 As a result, this RPF must accommodate the various sub-project technical designs that may be considered by each town or community.

**WSS Activities with Potential for Land Acquisition and/or Displacement**

1.18 Main activities under the WSS Project that may entail land acquisition and/or displacement are the following:

- Wells (both hand dug and drilled);
- Water intakes from surface water bodies;
- Raw water treatment plants and storage facilities;
- Water distribution networks including pipelines, public standtaps;
- Waste water treatment plants.
2. LEGAL FRAMEWORK

THE CONSTITUTION OF ETHIOPIA, 1995

2.1 The Constitution of the Federal Democratic Republic of Ethiopia, 1995, includes provisions that protect the Ethiopian citizens' rights upon private property and set the conditions for deprivation of such property for State or public interest.

Protection of the Right to Private Property

2.2 Article 26 of the Constitution states that “Everyone shall have the right to his privacy and physical integrity. This right shall include protection from searches of his person, his home, his property and protection from seizure of property under his possession.”

Ownership of Land and of Immovable Assets Built on Land

2.3 The Constitution of Ethiopia, under Article 40, makes a clear distinction between:

- *Land*, an inalienable common property of the nations, nationalities and peoples of Ethiopia (“the right to own rural and urban land as well as natural resources belongs only to the state and the people”), and

- *Immovable property built on the land*: “Every Ethiopian shall have the full right to the immovable property he builds on the land and to the improvements he brings about on the land by his labour or capital”.

2.4 The State owns all Ethiopian land, both rural and urban. However, the Constitution recognizes usage rights, especially in the rural areas (“the right of Ethiopian peasants to free allotment of land and not to be evicted therefrom is guaranteed”), and full ownership over developments or improvements built on State land. This includes the right to alienate developments, to remove them, or claim compensation for them.

Expropriation and Resettlement

Provisions

2.5 Under Article 40, the Constitution provides that “without prejudice to the right to private property, the State may expropriate private property for public use with the prior payment of adequate compensation”. The use of the words “prior” and “adequate”, in line with the Universal Declaration of Human Rights, is of particular significance in the Ethiopian context.

2.6 Under Article 44, the Constitution states that “Everyone who is uprooted from the place of his residence by virtue of programmes undertaken by the Government, or one whose livelihood has been affected shall have the right to receive adequate monetary or other alternative compensation, including transfer, with assistance, to another locality.”

Comments

2.7 In contrast with the laws of most countries, which provide only for sheer monetary compensation and do not mention resettlement as an option, the Constitution of Ethiopia provides for *either compensation or resettlement*. The eligibility for compensation/resettlement is broad as it encompasses “one whose livelihood has been affected”. Ethiopia can be regarded in this respect as one of very few countries in the world to have a livelihood-oriented legal approach to compensation/resettlement, rather than the usual asset-oriented approach. This is all the more notable since it is, in this respect, fully consistent with World Bank policies on involuntary resettlement that
consider both impacts on livelihoods and impacts on assets as the basis for eligibility to assistance for resettlement.

**THE CIVIL CODE OF THE EMPIRE OF ETHIOPIA, 1960**

**Expropriation for Public Interest**

*Provisions*

2.8 The Civil Code of the Empire, although it refers to a general legal background (the Constitution and laws of the Empire) which is no longer relevant, contains provisions related with expropriation for public interest that appear to form the only detailed applicable framework for compensation in Ethiopia.

2.9 Civil Code provisions apply to immovables under private property, which at the time when the Civil Code was passed did include land. However, immovables do not include land any more (as land is now State property, by contrast with the situation prevailing during the Empire), and immovables should therefore now be understood as including structures, plantations, improvements of various kinds made to land, etc...

2.10 Articles 1460 to 1488 of the Civil Code ("Expropriation") set the conditions and particulars of expropriation. Main features are as follows:

- Expropriation can be applied only subject to a declaration of public interest, which has to be consulted upon by the general public through a procedure of public inquiry;  
- Immovables requiring expropriation are determined by the competent authorities;  
- Owners and usufructuaries are notified of the authorities' intention to expropriate, and can object;  
- The owners and usufructuaries have to inform the authorities of the compensation amount they claim; compensation can be in kind (in the form of substitution land);  
- In case the authorities disagree with this proposal, an arbitration committee fixes the amount; the affected individual can appeal to Court if he/she disagrees with the proposed amount;  
- The amount of compensation is to be fixed according to the valuation of the damage, assessed "on the day when the Committee makes its decision", and "taking into account the increase of value arising from the construction of public works";  
- Where affected people appeal to Court, the expropriation order is suspended until the Court makes its decision and the owner may stay within one year from the appeal; after this one year period, the expropriating authorities may take possession subject to having deposited the amount determined by the Committee.

*Comments*

2.11 The Civil Code of the Empire uses an "asset-oriented" approach to valuation and compensation, which is understandable for regulations enacted in 1960. In this sense, it can be regarded as in contradiction with the more recent Constitution, which has a "livelihood-oriented" approach, as mentioned above (see § 2.7). However, the procedural requirements of the Civil Code (declaration of

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1 During which procedure "any interested party may... express his views or criticize the contemplated project" (Article 1465-3).
public interest, claim for compensation from the affected person, arbitration committee, appeal to Court) can be used\(^2\) as a framework for compensation and resettlement.

2.12 Neither the Constitution nor the Civil Code provide guidelines for the calculation of compensation. For instance, there is no reference to “market value” or “net present value” or any other methodology.

**Indirect Expropriation**

*Provisions*

2.13 The Civil Code provides (Article 1486) that works that are carried out within one month or less and which do not impair the normal exploitation of the immovable, and the installation of underground pipes or aerial lines, poles and pylons can be carried out by way of “indirect expropriation”. “Indirect expropriation” is a simpler, expedited expropriation process, but the Civil Code (Article 1487) explicitly prohibits its use where dwelling houses are affected. In contrast with “normal” expropriation, in the case of “indirect expropriation”, the authorities may carry out the works and the owners will seek compensation later (within three years).

*Comments*

2.14 This latter provision, if applied, would contravene Constitutional requirement that compensation be “prior”, as well as World Bank safeguards. However, subject to compensation being paid in advance to abide with more recent Ethiopian law and WB policies, this process as described in the Civil Code may provide an adequate framework for small works where a declaration of public interest is not required.

**LAND TENURE REGIME IN ETHIOPIA**

2.15 As mentioned above (§ 2.3 and 2.4), rural and urban land belongs to the State. In this respect, the present Constitution does not repeal the nationalization of land instituted by the Derg regime. However, redistribution of land and forced resettlement during the Derg regime have resulted in a counter-productive feeling of insecurity of tenure that the federal and regional states now attempt to mitigate. In an attempt to build more confidence in land tenure, the Constitution states that “The right of Ethiopian peasants to free allotment of land and not to be evicted therefrom is guaranteed.”

2.16 Several regional states (including Amhara and Tigray) are now building on the constitutional provisions to improve security of tenure, albeit within the general framework of State ownership of land. Leases are being introduced, that would guarantee lessees a long-term right of usage.

2.17 Where leases are concluded between a regional administration and peasant farmers, it does not seem that these leases are reflected in any cadastral documentation (including maps) kept at woreda or region level.

2.18 Still, the general principle remains, that in case of expropriation, land usage is not an entitlement for monetary compensation, and only developments (such as trees, crops, structures) give an entitlement for compensation. However, land usage is regarded in Ethiopia as an entitlement for resettlement (the *bona fide* user of a piece of land is entitled a right to a similar piece of land in the resettlement site).

\(^2\) And is used indeed, for instance by the Ethiopia Electricity and Power Corporation (EEPCO) for dam-related resettlement, like the World Bank-supported Gilgel Gibe resettlement project.
RURAL LAND ADMINISTRATION PROCLAMATION, 1997

Provisions

2.19 Proclamation N° 89/1997 “Federal Rural Land Administration Proclamation” establishes the following:

- It confirms the Constitution principle that land is a common property of the Nations, Nationalities and Peoples of Ethiopia, and that it cannot be subject to sale or exchange;
- It establishes the principles of rural land administration, which is devolved to the Regions;
- It recognizes the lawfulness of “holding rights” over land;
- It confirms and details the Constitution principle that holding rights on land can be assigned to peasants and nomads, and that these are to be secured from eviction and displacement;
- It provides various details with respect to redistribution of land, including that this redistribution is a Region responsibility;
- It establishes the possibility for Regions to perceive fees for the use of land and forest.

Interpretation

2.20 In terms of eligibility for resettlement and compensation, “holding rights” as per this proclamation can be interpreted as usage rights over land. In other words:

- Private property of land is not recognized and therefore there can be no compensation for lost land;
- Usage rights are recognized, therefore the private holding of crops and developments on publicly held land is lawful.

REGIONAL LAND REGULATIONS

2.21 Several Regions of Ethiopia have taken steps to develop regional land regulations. These will need to be reviewed as part of the development of specific Resettlement Action Plans (RAPs) or Abbreviated Resettlement Plans (ARPs) – see details on RAPs and ARPs in section 3.

ENVIRONMENTAL AND WATER SUPPLY POLICIES

2.22 Environmental regulations and policies are reviewed in detail in the ESMF document. They contain few provisions relevant to resettlement. However, EIA guidelines developed in 2000 by the Federal Environmental Protection Agency stipulate that any project that entail the displacement/resettlement of more than 100 families fall under Schedule 1 as per EIA guidelines, which means that they have to be submitted to a full EIA. Details are provided in Section 2 of the ESMF.

2.23 Water supply policies do not contain detailed guidance on involuntary resettlement.

WORLD BANK SAFEGUARD POLICY ON INVOLUNTARY RESETTLEMENT

2.24 OP 4.12 “Involuntary Resettlement” is to be complied with where involuntary resettlement, impacts on livelihoods, acquisition of land or restrictions to natural resources, may take place as a result of the project; it includes requirements that:

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3 “Holding rights” are defined as “the right any peasant shall have to use rural land for agricultural purposes as well as to lease and, while the right remains in effect, to bequeath it to his family members, and includes the rights to acquire property thereon, by his labour or capital, and to sell, exchange or bequeath same”.

(a) Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.

(b) Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.

(c) Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

2.25 According to OP 4.12, the resettlement plan or resettlement policy framework should include measures to ensure that the displaced persons are

- informed about their options and rights pertaining to resettlement;
- consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and
- provided prompt and effective compensation at full replacement cost (see 0.10) for losses of assets attributable directly to the project.

2.26 If the impacts include physical relocation, the resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are

- provided assistance (such as moving allowances) during relocation; and
- provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site.

2.27 Where necessary to achieve the objectives of the policy, the resettlement plan or resettlement policy framework also include measures to ensure that displaced persons are

- offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living; and
- provided with development assistance in addition to compensation measures, such as land preparation, credit facilities, training, or job opportunities.

2.28 Under its safeguard policy, the World Bank does not disburse against cash compensation and other resettlement assistance paid in cash, or against the cost of land (including compensation for land acquisition). However, it may finance the cost of land improvement associated with resettlement activities. The practical implication of this provision is that wherever land or structures have to be compensated for, this needs to be financed by the borrower.
3. PRINCIPLES, OBJECTIVES, AND PROCESSES

PRINCIPLES AND OBJECTIVES

Regulatory Framework

3.1 Any impact of the WSS Project on land and/or people (land acquisition, resettlement, livelihood restoration of affected people) will be addressed in compliance with the Constitution of Ethiopia, with other Ethiopian regulations, and with the World Bank safeguard policy in involuntary resettlement (OP 4.12). Where there are inconsistencies or discrepancies between Ethiopian laws and the World Bank policy, then the World Bank requirements will be followed.

Minimization of Displacement

3.2 In line with the World Bank safeguard policy OP 4.12, the WSS Project will minimize displacement through the following design procedures:

- Wherever inhabited dwellings may potentially be affected by a component of a sub-project, the sub-project shall be redesigned (facility relocation, rerouting) to avoid any impact on such dwellings and to avoid displacement/relocation accordingly;
- The same applies to structures used for commercial activities and other businesses;
- Wherever the impact on the land holding of one particular household is such that this household may not be sustainable in the long term, even if there is no need to physically displace this household, the sub-project shall be redesigned (facility relocation, rerouting) to avoid any such impact;
- For major water works like raw water treatment plants, minimization of land impact will be factored into site and technology selection and design criteria;
- Costs associated with displacement and resettlement will be internalized into sub-project costs to allow for fair comparison of processes and sites;
- To the extent possible, Project facilities will be located on public spaces;
- Pipelines, public taps, other linear infrastructures (power lines) required by the WSS Project will be routed inside existing right-of-ways (roads, streets, power lines) wherever possible.

Livelihood Restoration

3.3 World Bank safeguard principle is that where people are affected by land take, the aim of resettlement should be that they should “no worse-off if not better off” after the resettlement has taken place.

3.4 Where impact on land use is such that people may be affected in the sustainability of their livelihoods, preference will be given to land-for-land solutions rather than sheer cash compensation, in consistency with the Constitution of Ethiopia and with OP 4.12. This applies to people who are not necessarily physically displaced but who are affected by a land loss that affects their sustainability.

3.5 Where necessary, affected people will be monitored in the rehabilitation of their livelihood, during and after the transition period.

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4 "Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs."
3.6 Livelihood restoration measures will be assessed in relevant RAPs and ARPs depending upon the specific situation of the considered location. They may include the following:

- Agricultural development measures (agriculture, livestock),
- Micro-finance support (savings and credit), and other small business development activities,
- Skill development and training.

Compensation

3.7 Compensation principles will be as follows:

- Compensation shall be paid prior to displacement;
- Compensation will be at replacement value.

3.8 By contrast with the depreciated or net value of a structure\(^5\), the "replacement value" (see also 0.10) of structures includes the full cost of materials and labor required to reconstruct a building of similar surface and standing. In other words, the affected person must be able to have their structure rebuilt in a different location using the compensation paid for the old building.

**PROCESSES**

**Overview of the ESMF Process**

3.9 Figure 1 presents an overview of the process that all sub-project will undergo as per the Environmental and Social Management Framework.

**Figure 1: ESMF Process – Environmental Baseline Assessment and Environmental Review**

3.10 The Environmental and Social Management Framework proposed the requirement that every sub-project within the WSS be submitted to an Environmental Baseline Assessment (EBA). This is the stage where, amongst others, potential land requirements will be assessed together with land acquisition impacts, including displacement.

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\(^5\) Depreciation (or wear) coefficients are usually applied by Government valuers. This would not be acceptable under WB policies.
3.11 The EBA results in the sub-project being categorized in one of three categories (A: most significant impacts, to C: most benign impacts). Any project classified in category A needs to be reviewed in terms of design, siting, or routing, so as to minimize impacts. Any sub-project that may involve the displacement of permanent housing will be classified as Category A, and will be redesigned, resited or rerouted to avoid such displacement.

**Overview of the RPF Process**

3.12 The following figure presents an overview of the identification/review process proposed under this RPF to address specifically land impacts and displacement/resettlement needs at sub-project level.

**Figure 2: RPF Process**

- **Environmental Baseline Assessment**
  - **Land Impact Identified**
    - Less than 200 Affected People and less than 10% of incomes affected
    - Development of an Abbreviated Resettlement Plan (ARP), including the results of a census of affected assets and people
    - See Annex 5 for the contents of an ARP
    - Approval of ARP by World Bank
  - More than 100 Affected People
    - Development of a Resettlement Action Plan (RAP), including the results of a census of affected assets and people
    - See Annex 4 for the contents of a RAP
    - Approval of RAP by World Bank
  - No Land Impact Identified
    - Standard ESMF Process (see ESMF Document)
Census of Affected Assets and Affected Households

3.13 Where land acquisition must take place, and whatever the extent of the land acquisition, a census will be carried out to inventory affected assets and affected households. Appendix 3 presents frameworks of forms to be used for this census, namely:

- Affected plot form,
- Affected structure form,
- Affected household form.

Resettlement Action Plan

3.14 The Resettlement Action Plan will be used where more than 200 individuals are displaced or their income is affected by more than 10%. The outline of a RAP is given in Appendix 4. All RAPs need World Bank approval prior to commencing resettlement activities.

Abbreviated Resettlement Plan

3.15 The Abbreviated Resettlement Plan will be used where less than 200 individuals are displaced or their income is affected by more than 10%. The outline of an ARP is given in Appendix 5. The project must keep documentation and provide reports that detail what actions were taken in these areas. All ARPs need World Bank approval prior to commencing resettlement activities.
4. AFFECTED ASSETS, AFFECTED PEOPLE AND ENTITLEMENTS

LAND

Estimates of Surfaces Potentially Required

4.1 The following table shows orders of magnitude for the potential land requirements of each of the water supply and sanitation systems that may be considered under the WSS Project (the numbering of systems refers to that in the ESMF):

Table 1: Estimated Land Requirements for Systems Considered Under the WSS Project

<table>
<thead>
<tr>
<th>System</th>
<th>Typical Surface Needed (Estimates)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1 - Rural Hand-Dug Well with Hand-Pump</td>
<td>100 sq.m.</td>
</tr>
<tr>
<td>R2 - Rural Drilled Well with Hand-Pump</td>
<td>100 sq.m.</td>
</tr>
<tr>
<td>R3 - Rural Drilled Well with Submersible Pump and small distribution system</td>
<td>1,000 sq.m.</td>
</tr>
<tr>
<td>R4 &amp; R5 – Spring catchment with on-site storage and distribution</td>
<td>1,000 sq.m.</td>
</tr>
<tr>
<td>R6 – Surface Water Catchment (Pond, Dam, Run-Off...)</td>
<td>5,000 sq.m.</td>
</tr>
<tr>
<td>R7 – Pastoral Open Well</td>
<td>500 sq.m.</td>
</tr>
<tr>
<td>R8 – Pastoral Well with Submersible Pump (with Generator or Solar)</td>
<td>5,000 sq.m.</td>
</tr>
<tr>
<td>U1 – Spring catchment, treatment and gravity distribution system</td>
<td>Overall 5,000 sq.m.</td>
</tr>
<tr>
<td>U2 – River intake (run of river), treatment works and pressure distribution system</td>
<td>Variable from 5,000 sq.m. up to several hectares</td>
</tr>
<tr>
<td>U3 – River intake (with dam), treatment works and pressure distribution system</td>
<td>Variable from 5,000 sq.m. up to several hectares</td>
</tr>
<tr>
<td>U4 – Well(s) with submersible pumps, treatment and pressure distribution system</td>
<td>5,000 sq.m.</td>
</tr>
<tr>
<td>U5 – Combination of the above</td>
<td>Variable</td>
</tr>
<tr>
<td>U6 – Rehabilitation or expansion of existing system</td>
<td>Variable</td>
</tr>
<tr>
<td>Latrines and other individual sanitation systems</td>
<td>10 to 50 sq.m. per system</td>
</tr>
<tr>
<td>Piped sewerage system and waste water treatment works</td>
<td>Variable depending on extent of system and process</td>
</tr>
</tbody>
</table>
Categorization of Land Needs

4.2 Land required for the Project may fall under the following three categories:

- Land permanently required for construction and operation (example: footprint of a permanent facility like a well or a treatment plant);
- Land temporarily required for the duration of construction activities (example: access track that will be reclaimed after construction, or staging area that a contractor will use for the duration of construction of a given facility);
- Rights-of-Way, i.e. land that can still be used by its former users during operation of the facility subject to certain restrictions (example: power line corridor, pipeline corridor).

Land Tenure Regimes

Ownership and Usage Rights

4.3 As mentioned above, Ethiopian law does not recognize individual ownership of land. Land is owned by the state, in urban as well as in rural areas. In rural areas, land is primarily managed through traditional manners, and seldom do individuals hold documents ascertaining their usage rights over and. Although there may be local variations, farmland is typically used under individual customary rights while grazing land is held under community customary rights. In urban areas, land usage is formalized through leasing agreements.

4.4 In rural areas, land is usually allocated at local level by community chiefs or elders and farmers’ associations.

Tenancy and Sharecropping

4.5 Several types of tenancy and sharecropping systems can be practiced in Ethiopia:

- “Erta” is a typical sharecropping arrangement whereby a farmer who has land provides all farm inputs and land tax while another farmer with no land ploughs, sows, and harvests. The two farmers then share the yield equally;
- Other common sharecropping arrangements include oxen belonging to one farmer being used to plow another farmer’s plot, the service being eventually paid by a certain share of the harvest.

4.6 Land can also be informally leased for one or more crop seasons to investors or tenants.

OTHER POTENTIALLY AFFECTED ASSETS

4.7 Together with land, other immovable assets could potentially be impacted by construction of a sub-project, for instance the following:

- Buildings, whether inhabited or not,
- Other structures (wells, channels, agricultural or commercial buildings, etc...),
- Trees and perennial crops,
- Annual crops.

ENTITLEMENTS

4.8 All affected assets (and related affected people, i.e. owners and users of the said affected assets) located within the footprint of a sub-project shall be inventoried. Only affected assets identified during the census will be eligible for compensation. Appendix 3 presents frameworks to be used for this census.

4.9 The following table presents the relationship between impacts and entitlements.
### Table 2: Impact / Entitlement Matrix

<table>
<thead>
<tr>
<th>Type of Impact</th>
<th>Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent loss of land</td>
<td>No cash compensation for loss of land as Ethiopian law does not recognize private ownership of land, therefore no compensation for loss of land. Replacement by a piece of land of equal or better potential.</td>
</tr>
<tr>
<td>Temporary land take</td>
<td>Replacement by a piece of land of equal or better potential, or cash compensation for income lost during the period where plot was not usable by user.</td>
</tr>
<tr>
<td>Destruction of uninhabited structure</td>
<td>Cash compensation at replacement value or replacement by a structure or equal or better quality.</td>
</tr>
<tr>
<td>Destruction of inhabited dwelling</td>
<td>Resettlement in similar dwelling in a location with equal or better economic/agricultural potential.</td>
</tr>
<tr>
<td>Destruction of annual crop</td>
<td>Compensation of lost harvest at market price.</td>
</tr>
<tr>
<td>Destruction of perennial crop</td>
<td>Compensation of lost income for a certain period of time to be determined following regional/woreda practice.</td>
</tr>
<tr>
<td>Destruction of trees</td>
<td>Compensation of lost income for a certain period of time to be determined following regional/woreda regulations and practice.</td>
</tr>
</tbody>
</table>
5. RESETTLEMENT AND COMPENSATION

METHODS FOR VALUATION OF AFFECTED ASSETS

5.1 Overall, valuation will be consistent with regional rules and practice, and with the World Bank requirement that any lost asset be valued at replacement value (see 0.10).

5.2 Delimitation of plots and related crops will be done using local committees including affected persons themselves, their neighbors, and community leaders and elders.

5.3 Valuation of structures will be undertaken on a case-by-case basis using rates available at region/zone/woreda level, after a check that these rates are based on reasonable “replacement value” assumptions. Wear coefficients will not be applied, consistent with the “replacement value” requirement (see 0.10). In the absence of established rates, valuation will take into account reconstruction value, calculated from local contractors’ quotations, taking labor into consideration.

5.4 Valuation of annual crops will be based on the income lost, ie. on the market value of the lost harvest, which will be established using available rates or through a rapid survey of market prices observed in the vicinity of the concerned location.

5.5 Valuation of perennial crops will be the sum of the following factors:
   - Loss of income during the period needed to re-establish the crop, ie. value of the harvest (based as above on market prices) for the number of harvests lost during the period of re-establishment of the crop;
   - Value of seedlings needed to re-establish the crop, and of all agricultural inputs needed to re-establish the crops as it was;
   - Value of any perennial developments required to cultivate the crop, if relevant.

5.6 Valuation of timber trees will be based on the market price of timber that could be sold when the tree is fully grown.

RESETTLEMENT AND COMPENSATION

Resettlement – Land Replacement

5.7 As mentioned above (see Project Principles, § 3.2), any sub-project that is assessed as potentially impacting inhabited dwellings or households’ livelihoods will be redesigned, resited, or reroute. Therefore, the WSS Project is not expected to cause any physical resettlement, be it caused by physical displacement (impact on dwellings) or economic displacement (impact on livelihoods).

5.8 However, as mentioned at Table 2, any impact on land will be mitigated through replacement of the affected plot by a plot of equal or better potential, ie:
   - Either of similar agricultural/economical characteristics and similar surface,
   - Or of greater surface if the agricultural/economical potential is less than that of the lost plot.

5.9 Rural water supply sub-projects will have a very limited footprint, and experience in rural water supply projects indicates that in most cases communities are able to deal themselves with land

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6 For instance, if the re-establishment of a given crop takes 5 years up to the return of a normal productivity, the compensation for this perennial will be based on 5 years of harvest.
replacement issues, as long as the principles along which this must be done are made clear to them. In towns, land replacement will be dealt with by town councils.

**Compensation**

5.10 Most if not all impacts on land, structures and crops will therefore be mitigated through compensation, in-cash or in-kind, following asset valuation as above described.

5.11 Experience in various countries has shown that a fraction of compensation recipients may misuse cash compensation as they would receive an amount of money that they are not prepared to manage. This particularly applies to rural people. They may engage in poorly considered investments or simply dilapidate the money. Experience in Ethiopia has shown that such behavior was rare and that the vast majority of people wisely used compensation they received in such projects as the Demobilization or Emergency Recovery packages recently funded by the World Bank. However, it is advisable that an in-kind compensation option be available to affected people who may feel themselves vulnerable to misuse of large amounts of cash.

5.12 Options for items served as part of in-kind compensation can be as follows:

- Agricultural equipment such as ploughs, hoes, etc...
- Agricultural inputs (fertilizers, seeds, seedlings, etc...),
- Construction materials and equipment, such as corrugated iron sheets, cement bags, brick moulds, small tools, etc...
- School equipment (books, stationery).

5.13 In-kind items will be valued at their purchasing price and their value will be deducted from the value of the total cash compensation due.

5.14 Compensation will be paid (or in-kind items delivered) prior to land being vacated.
6. IMPLEMENTATION RESPONSIBILITIES

6.1 Paragraph 1.14 above describes the responsibilities of the different levels involved. The following table presents those related with resettlement and compensation.

<table>
<thead>
<tr>
<th>Level</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affected People</td>
<td>- Participate in valuation commissions</td>
</tr>
<tr>
<td></td>
<td>- Participate in censuses</td>
</tr>
<tr>
<td></td>
<td>- Participate in monitoring</td>
</tr>
<tr>
<td>Rural Communities (Rural Water Supply)</td>
<td>- Deal with land replacement at community level for rural water sub-projects</td>
</tr>
<tr>
<td></td>
<td>with minor land impact</td>
</tr>
<tr>
<td></td>
<td>- Participate in valuation commissions (community leaders and elders) and</td>
</tr>
<tr>
<td></td>
<td>in censuses</td>
</tr>
<tr>
<td></td>
<td>- Participate in monitoring</td>
</tr>
<tr>
<td>Woredas (Rural Water Supply)</td>
<td>- Check on land replacement arrangements made by communities</td>
</tr>
<tr>
<td></td>
<td>- Organize valuation commissions</td>
</tr>
<tr>
<td></td>
<td>- Check on censuses</td>
</tr>
<tr>
<td></td>
<td>- Pay compensation</td>
</tr>
<tr>
<td></td>
<td>- Participate in monitoring</td>
</tr>
<tr>
<td>Towns (Urban Water Supply)</td>
<td>- Deal with land replacement at community level for rural water sub-projects</td>
</tr>
<tr>
<td></td>
<td>with minor land impact</td>
</tr>
<tr>
<td></td>
<td>- Organize valuation commissions</td>
</tr>
<tr>
<td></td>
<td>- Check on censuses</td>
</tr>
<tr>
<td></td>
<td>- Pay compensation</td>
</tr>
<tr>
<td></td>
<td>- Participate in monitoring</td>
</tr>
<tr>
<td>Regional Project Implementation Support</td>
<td>- Support woredas and towns in the organization of resettlement planning</td>
</tr>
<tr>
<td>Team</td>
<td>(valuation commissions, censuses, payment of compensation)</td>
</tr>
<tr>
<td></td>
<td>- Select consultants to develop Abbreviated Resettlement Plans (ARPs) and</td>
</tr>
<tr>
<td></td>
<td>Resettlement Action Plans (RAPs)</td>
</tr>
<tr>
<td></td>
<td>- Participate in monitoring and evaluation (possibly through consultants for</td>
</tr>
<tr>
<td></td>
<td>the most significant resettlement activities, if any)</td>
</tr>
<tr>
<td>Regional Water Bureaus</td>
<td>- Support woredas and towns in the organization of resettlement planning</td>
</tr>
<tr>
<td></td>
<td>(valuation commissions, censuses, payment of compensation)</td>
</tr>
<tr>
<td></td>
<td>- Hire consultants to develop ARPs and RAPs based on Support Teams’ selection</td>
</tr>
<tr>
<td>Federal Level</td>
<td>- Monitor compliance of resettlement activities with this RPF, Ethiopian</td>
</tr>
<tr>
<td></td>
<td>law and OP 4.12</td>
</tr>
<tr>
<td>NGOs</td>
<td>- Participate in monitoring</td>
</tr>
</tbody>
</table>
7. GRIEVANCE MANAGEMENT MECHANISMS

POTENTIAL GRIEVANCES/DISPUTES

7.1 In practice, grievances and disputes that arise during the course of implementation of a resettlement and compensation program may be related to the following issues:

- Disagreement on plot boundaries, either between the affected person and the expropriation agency or between two neighbors,
- Disputed ownership of a given asset (two or more affected people claim that the affected asset is theirs),
- Disagreement on plot/asset valuation,
- Successions, divorces, and other family issues resulting in disputed ownership or disputed shares between inheritors or family members,
- Where affected people opt for a resettlement-based option, disagreement on the resettlement package (the location of the resettlement site does not suit them, proposed housing or resettlement plot characteristics/agricultural potential are not adequate in their view),
- Disputed ownership of businesses and business related assets (quite usually, the owner and the operator of a business may be distinct individuals, which give rise to disputes in the event of compensation).

PROPOSED GRIEVANCE MANAGEMENT MECHANISM

Registration of Grievances

7.2 As long as one of their sub-projects entails resettlement and/or compensation, the implementation agencies (ie. woreda for rural water supply, town for urban water supply) shall establish a register of resettlement/compensation related grievances and disputes. The existence and conditions of access to this register (where, when, how) shall be widely disseminated within the community/town as part of the consultation undertaken for the sub-project in general.

7.3 Any grievance that may arise from the Compensation/ resettlement action plan will be filed at first instance to the implementation agency of the sub-project, and will be registered by the agency for further action using the above mentioned register.

First Instance – Amicable Settlement

7.4 While there are courts of law for handling grievances, local communities may often be reluctant to expose family members to courts of law, which could trigger the separation of families or worsen conflicts between neighbours. Also, courts of law may be viewed as slow and involving somewhat complicated procedures. People may prefer such matters to be first handled by a “first instance” mechanism, on the model of traditional dispute-resolution mechanisms.

7.5 In such compensation and resettlement operations, it usually appears that many grievances have roots in misunderstandings, or result from neighbor conflicts, which usually can be solved through adequate mediation using customary rules. Most grievances can be settled with additional explanation efforts and some mediation. This is why a first instance of dispute handling will be set up with the aim of settling disputes amicably.

7.6 This first instance will consist of the following members:

- Implementation agency (ie. woreda for rural water supply and town for urban water supply);
- Local NGO (chairperson),
• Local representatives of Project Affected Persons (2 to 5).

7.7 When a grievance/dispute is recorded as per above-mentioned registration procedures, mediation meetings will be organized with interested parties. Minutes of meetings will be recorded.

7.8 The existence and procedural details related with this first instance mechanism will be widely disseminated to the community/town inhabitants as part of the consultation undertaken for the sub-project in general.

 Appeal to Court

7.9 Courts of law shall be considered as a “last resort” option, which in principle should only be triggered where first instance amicable mechanisms have failed to settle the grievance/dispute. However the Constitution allows any aggrieved person the right of access to court of law.
8. MONITORING AND EVALUATION

GENERAL OBJECTIVES OF EVALUATION AND MONITORING

8.1 Evaluation and monitoring are key components of the Resettlement Policy Framework. They have the following general objectives:

- Monitoring of specific situations or difficulties arising from the implementation, and of the compliance of the implementation with objectives and methods as set out in this Resettlement Policy Framework;
- Evaluation of the mid- and long-term impacts of the Resettlement and Relocation Action Plan on affected households' livelihood, environment, local capacities, on economic development and settlement;

8.2 Monitoring aims to correct implementation methods during the course of the Project, as required, while evaluation is intended at checking whether policies have been complied with and providing lessons learnt for amending strategies and implementation in a longer term perspective. Monitoring will be internal and evaluation external.

MONITORING

Scope and Content

8.3 Monitoring will be directed at the following aspects:

- Social and economic monitoring: follow-up of the status of displacees/resettlers, cost of housing in the displacement area, re-establishment of livelihoods including agriculture and other activities;
- Technical monitoring: supervision of infrastructure and housing construction where relevant, commissioning and testing of the technical components of the resettlement housing;
- Grievances and grievance management system;
- Assistance in livelihood restoration: agriculture and business re-establishment and assistance.

8.4 The WSS Project will keep the following statistics on an annual basis:

- Numbers of households and individuals affected by Project activities,
- Numbers of households and individuals relocated as a result of Project activities and their destinations,
- Amounts of compensation paid,
- Number of grievances registered,
- Construction: indicators relevant to the works being carried out.

8.5 An annual monitoring report will be developed internally by the Minister of Water Resources at federal level based on annual reports prepared by the Regions.

8.6 NGOs will be associated to monitoring activities, with variable scope and responsibilities depending upon capabilities.

EVALUATION

Evaluation objectives

8.7 Reference documentation for the evaluation will be the following:

- This Resettlement Policy Framework;
The Ethiopian laws and regulations as described above in Section 2 and as they stand in January 2004;

The applicable World Bank Safeguard Policies as they stand in January 2004, i.e. OP 4.12 “Involuntary Resettlement”.

8.8 The evaluation has the following specific objectives:

- General assessment of the compliance of the implementation of resettlement activities with objectives and methods as set out in this document;
- Assessment of the compliance of the implementation of resettlement activities with laws, regulations and safeguard policies as stated above;
- Assessment of resettlement and relocation procedures as they have been implemented;
- Evaluation of the impact of the resettlement and relocation programs on incomes and standard of living, with focus on the “no worse-off if not better-off” requirement;
- Identification of actions to take as part of the on-going monitoring to improve the positive impacts of the programme and mitigate its possible negative impacts, if any.

Evaluation Process

8.9 Evaluation of resettlement activities will be part of general assessment and review activities undertaken for the Project as a whole.

REPORTING

8.10 As presented in the ESMF, Regional Water Bureaus will develop an annual environmental monitoring report to the review of the Ministry of Water Resources and EPA. The report contents is detailed in the ESMF.

8.11 These regional reports will be consolidated and summarized into a federal level annual report to be prepared by the Ministry of Water Resources.

8.12 Environmental and Social reports prepared at both regional and federal level will include the description of resettlement and compensation activities.

9. ARRANGEMENTS FOR FUNDING

9.1 According to its Involuntary Resettlement policy (OP 4.12), “the Bank does not disburse against cash compensation and other resettlement assistance paid in cash, or against the cost of land (including compensation for land acquisition). However, it may finance the cost of land improvement associated with resettlement activities.”

9.2 As a result, the IDA loan under which the WSS will be funded cannot finance cash compensation or land acquisition for resettlement purposes.

9.3 Compensation and land acquisition for resettlement sites (if any need) will be funded by the communities and towns benefiting from the WSS Project. This requirement will be an excellent incentive for minimizing land impacts through appropriate design, siting and routes.

9.4 In the unlikely event where resettlement housing would need to be constructed, this can be funded by the IDA loan, as well as related consulting services, supervision, monitoring and evaluation.
APPENDIX 1: LIST OF ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARP</td>
<td>Abbreviated Resettlement Plan</td>
</tr>
<tr>
<td>EA</td>
<td>Environmental Assessment</td>
</tr>
<tr>
<td>EBA</td>
<td>Environmental Baseline Assessment</td>
</tr>
<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
</tr>
<tr>
<td>EMP</td>
<td>Environmental Management Plan</td>
</tr>
<tr>
<td>EPA</td>
<td>Ethiopian Environmental Protection Agency</td>
</tr>
<tr>
<td>ESIA</td>
<td>Environmental and Social Impact Assessment</td>
</tr>
<tr>
<td>ESMF</td>
<td>Environmental and Social Management Framework</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MWR</td>
<td>Ministry of Water Resources</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
</tr>
<tr>
<td>OD</td>
<td>Operational Directive</td>
</tr>
<tr>
<td>OP</td>
<td>Operational Policy</td>
</tr>
<tr>
<td>OPN</td>
<td>Operational Policy Note</td>
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<td>Resettlement Action Plan</td>
</tr>
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<td>RECC</td>
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<td>Resettlement Policy Framework</td>
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APPENDIX 2: BIBLIOGRAPHY

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APPENDIX 3: FRAMEWORK FOR THE CENSUS OF AFFECTED ASSETS AND AFFECTED PEOPLE

**AFFECTED PLOT SHEET**

Reference:

<table>
<thead>
<tr>
<th>Location:</th>
<th>Kebelle:</th>
<th>Woreda:</th>
<th>Zone:</th>
<th>Region</th>
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<tbody>
<tr>
<td>GPS Coordinates:</td>
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Surface:

Description of soil:

<table>
<thead>
<tr>
<th>Perennial Crops:</th>
<th>Owner:</th>
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<tbody>
<tr>
<td>1</td>
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<tr>
<td>2</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Annual Crops:</th>
<th>Owner:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<tr>
<td>2</td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>Trees:</th>
<th>Owner:</th>
</tr>
</thead>
<tbody>
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<td>2</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Structures:</th>
<th>Channels:</th>
<th>Owner:</th>
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<table>
<thead>
<tr>
<th>Anti-erosive structures:</th>
<th>Owner:</th>
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<tbody>
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<table>
<thead>
<tr>
<th>Buildings:</th>
<th>Owner:</th>
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<tbody>
<tr>
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<table>
<thead>
<tr>
<th>Users:</th>
<th>Surface used:</th>
<th>Regime of tenure:</th>
</tr>
</thead>
<tbody>
<tr>
<td>User 1:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>User 2:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>User 3:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>User 4:</td>
<td></td>
<td></td>
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</table>

Valuation proposal (details of calculation on attached sheet):

- Land usufruct:
- Crops:
- Structures:

Proposed distribution of compensation:

User 1:
User 2:
User 3:
User 4:

Date: Prepared By:
AFFECTED BUILDING SHEET

Reference:
Location: Kebelle: Woreda: Zone: Region
GPS Coordinates:
Owner: Address:

Description:
Permanent Non permanent
Surface: Number of rooms:
Walls: Material Condition
Roof: Material Condition
Floor: Material Condition
Annexes outside: Latrine: Bathroom: Kitchen: Others:
Additional features:

Permanently Inhabited: By: Regime of occupation:
Periodically Inhabited: By: Regime of occupation:

Valuation proposal (details of calculation on attached sheet):

Proposed distribution of compensation:
User 1:
User 2:
User 3:
User 4:

Date: Prepared By:
AFFECTED HOUSEHOLD SHEET

Household Reference:
Location: Kebelle: Woreda: Zone: Region

Reference of Affected Asset:
Type: Structure Plot Crop
Reference of Affected Asset Sheet:
Location: Kebelle: Woreda: Zone: Region

Household Information:
Head of Household: Name: Age: Sex:
Identity Document: Type: Number:
Composition of Household:

<table>
<thead>
<tr>
<th>Number</th>
<th>Name</th>
<th>Relationship with Household Head</th>
<th>Sex</th>
<th>Age</th>
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<tr>
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Socio-Economic Information:
Occupations:
Head of Household:
Other members of Household:
Number: Occupation:
Number: Occupation:
Number: Occupation:
Number: Occupation:
Total Estimated Household Cash Income:
Education level of Household Members:
Number: Level:
Number: Level:
Number: Level:
Number: Level:
Project Impact:
Assessment of the Impact of the Loss of the Affected Asset on Household’s Livelihood:

Proposed Compensation or Resettlement Package
Household’s Wishes

Proposed Package

Proposed Livelihood Restoration Package:
Household’s Wishes

Proposed Package
APPENDIX 4: OUTLINE OF A RESETTLEMENT ACTION PLAN

Reference: OP 4.12, annex A.

1. Description of the sub-project and of its potential land impacts
   1.1 General description of the project and identification of the project area
   1.2 Potential impacts. Identification of
      1.2.1 the project component or activities that give rise to resettlement;
      1.2.2 the zone of impact of such component or activities;
      1.2.3 the alternatives considered to avoid or minimize resettlement; and
      1.2.4 the mechanisms established to minimize resettlement, to the extent possible, during
      project implementation.

2. Objectives. The main objectives of the resettlement program.

3. Socioeconomic studies. The findings of socioeconomic studies to be conducted in the early stages of
   project preparation and with the involvement of potentially displaced people, including
   3.1 the results of a census survey covering current occupants of the affected area to establish a
   basis for the design of the resettlement program and to exclude subsequent inflows of people
   from eligibility for compensation and resettlement assistance;
   3.2 standard characteristics of displaced households, including a description of production
   systems, labor, and household organization; and baseline information on livelihoods
   (including, as relevant, production levels and income derived from both formal and informal
   economic activities) and standards of living (including health status) of the displaced
   population;
   3.3 the magnitude of the expected loss—total or partial—of assets, and the extent of displacement,
   physical or economic;
   3.4 information on vulnerable groups or persons as provided for in OP 4.12, para. 8, for whom
   special provisions may have to be made; and
   3.5 provisions to update information on the displaced people's livelihoods and standards of living
   at regular intervals so that the latest information is available at the time of their displacement.

4. Other studies describing the following
   3.6.1 land tenure and transfer systems, including an inventory of common property natural
   resources from which people derive their livelihoods and sustenance, non-title-based
   usufruct systems (including fishing, grazing, or use of forest areas) governed by local
   recognized land allocation mechanisms, and any issues raised by different tenure
   systems in the project area;
   3.6.2 the patterns of social interaction in the affected communities, including social networks
   and social support systems, and how they will be affected by the project;
   3.6.3 public infrastructure and social services that will be affected; and
   3.6.4 social and cultural characteristics of displaced communities, including a description of
   formal and informal institutions (e.g., community organizations, ritual groups,
   nongovernmental organizations (NGOs)) that may be relevant to the consultation
   strategy and to designing and implementing the resettlement activities.

4. Legal and Institutional Framework.
   4.1 Summary of the information included in this RFP
   4.2 Local legal specificities if any
   4.3 Local institutional specificities
4.3.1 identification of agencies locally responsible for resettlement activities and NGOs that may have a role in project implementation;

4.3.2 assessment of the institutional capacity of such agencies and NGOs; and

5. Eligibility. Based on this RPF, definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

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

7. Resettlement measures:

7.1 Description of the packages of compensation and other resettlement measures that will assist each category of eligible displaced persons to achieve the objectives of the policy (see OP 4.12, para. 6).

7.2 Site selection, site preparation, and relocation. Alternative relocation sites considered and explanation of those selected.

7.3 Legal arrangements for regularizing tenure and transferring titles to resettlers.

7.4 Housing, infrastructure, and social services.

7.5 Environmental protection and management.

7.6 Community participation. Involvement of resettlers and host communities

7.7 Integration with host populations. Measures to mitigate the impact of resettlement on any host communities

8. Grievance procedures. Affordable and accessible procedures for third-party settlement of disputes arising from resettlement; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.

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

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

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

12. Monitoring and evaluation. Arrangements for monitoring of resettlement activities by the implementing agency, supplemented by independent monitors as considered appropriate by the Bank, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of the impact of resettlement for a reasonable period after all resettlement and related development activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.
APPENDIX 5: OUTLINE OF AN ABBREVIATED RESETTLEMENT PLAN

Depending on the extent of the displacement, an ARP should be between 10 and 25 pages, including annexes.

1. Brief Description of the Sub-Project
2. Sub-Project Land Needs
   2.1 Land Needs
   2.2 Justification and Minimization
3. Census Survey of Displaced Persons and Valuation of Assets
   3.1 Methodology
   3.2 Results
      3.2.1 Affected Assets
      3.2.2 Socio-Economic Features and Affected People’s Livelihoods
4. Description of Compensation and Other Resettlement Assistance
5. Consultation with Displaced People
6. Procedures for Grievance Redress
7. Monitoring and Evaluation
8. Institutional Responsibilities and Arrangements for Implementation
9. Timetable, Budget and Funding Arrangements