FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

ETHIOPIAN ELECTRIC AND POWER CORPORATION (EEPCO)
Aluto Geothermal Power Plant Expansion Project
Phase III

RESETTLEMENT POLICY FRAMEWORK (RPF)

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January, 2014
# Table of Contents

EXECUTIVE SUMMARY................................................................. 1

PREFACE ................................................................................... 6

1. INTRODUCTION ...................................................................... 7

1.1. OBJECTIVES OF THE POLICY FRAMEWORK .................. 7

1.2. PROJECT COMPONENTS .................................................... 7

1.3. PROJECT LOCATION .......................................................... 9

2. LEGAL FRAMEWORK FOR EXPROPRIATION AND COMPENSATION .... 10

2.1. EXPROPRIATION LAW ......................................................... 11

2.2. COMPENSATION LAW ....................................................... 11

2.3. EEPCo’S STRATEGY FOR EXPROPRIATION AND COMPENSATION .... 13

2.4. WORLD BANK OPERATIONAL POLICIES AND PROCEDURES FOR INVOLUNTARY RESettlement (OP 4.12) .................... 13

3. INSTITUTIONAL FRAMEWORK ............................................. 15

3.1. FEDERAL AND REGIONAL ENVIRONMENTAL ORGS ........ 15

3.2. SECTORAL ENVIRONMENTAL ORGS ................................ 15

3.3. EEPCo’S ORGANIZATIONAL STRUCTURE/FRAMEWORK ....... 15

4. OPERATIONAL PROCEDURES .............................................. 19

4.1. INSTITUTIONAL ARRANGEMENT ........................................ 19

4.2. PLANNING PRINCIPLES AND PROCESS ......................... 20

  4.2.1. Project Identification .................................................... 20

  4.2.2. Project Preparation ...................................................... 21

  4.2.3. Project Implementation .................................................. 24

5. SOCIO-ECONOMIC BACKGROUND OF PAPS ....................... 25

5.1. SOCIO – CULTURAL AND ECONOMIC LANDSCAPE OF PAPS ... 25

5.2. ETHNIC COMPOSITION AND LANGUAGE .......................... 25

5.3. LAND USE .................................................................... 25

5.4. ECONOMIC ACTIVITY ....................................................... 26

5.5. HOUSING CONDITION ........................................................ 26

6.1. IMPACTS ON ECONOMIC ACTIVITIES ........................... 27

6.2 IMPACTS ON HOUSING ...................................................... 28

6.3. IMPACTS ON CULTURAL, HISTORICAL AND ARCHEOLOGICAL SITES .......................................................... 28

6.4 HEALTH AND SAFETY ......................................................... 29

6.5 IMPACTS ON VULNERABLE GROUPS ............................... 29

ASSISTANCE TO VULNERABLE PEOPLE .................................... 30

6.6. CONSULTATION ON THE PROJECT AND RESettlement POLICY FRAMEWORK ...... 31

WHY PUBLIC CONSULTATION: OBJECTIVES ............................... 31

CONSULTATION METHODOLOGY ............................................ 32

MAJOR FINDINGS OF PUBLIC CONSULTATIONS ..................... 32

MEETING HELD ON MAY 31, 2013, 10:30 A.M. ......................... 33

  Briefing on the Aluto Geothermal Power Plant Expansion Project, Phase III .......................... 33

  Views of the Community on the Project and Raised Issues ....................................................... 35

  Views of Communities at Golba Aluto Kebele ........................................................................... 35

  Discussion with the Youth ........................................................................................................ 37

  Discussion with Women Group ................................................................................................. 38

  Discussion with Adami Tulu-Jido-Kombolcha Woreda Administration .................................. 40

POSITIVE IMPACTS .................................................................. 41

NEGATIVE IMPACTS ................................................................. 42
# LIST OF ACRONYMS AND ABBREVIATION

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADLI</td>
<td>Agricultural Led Industrialization</td>
</tr>
<tr>
<td>ARCCH</td>
<td>Authority for Research and Conservation of Cultural Heritage</td>
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<tr>
<td>BP</td>
<td>Bank Procedures</td>
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<tr>
<td>CBO</td>
<td>Community Based Organization</td>
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<td>EA</td>
<td>Environmental Assessment</td>
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<td>EPA</td>
<td>Environmental Protection Authority</td>
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<td>EEPCO</td>
<td>Ethiopian Electric Power Corporation</td>
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<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>EMT</td>
<td>Environmental Monitoring Team</td>
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<td>AGPRPPIII</td>
<td>Aluto Geothermal Power Plant Expansion Project Phase III</td>
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<td>EREDP</td>
<td>Ethiopian Rural Energy Development and Promotion Center</td>
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<td>ESIA</td>
<td>Environmental and Social Impact Assessment</td>
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<td>FDRE</td>
<td>Federal Democratic Republic of Ethiopia</td>
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<tr>
<td>GCRC</td>
<td>Gross Current Replacement Cost</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>HIV/AIDS</td>
<td>Human Immuno Deficiency Virus/Acquired Immuno-Deficiency Syndrome</td>
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<td>ICS</td>
<td>Inter-connected System</td>
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<td>IDA</td>
<td>International Development Association</td>
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<td>IEC</td>
<td>Information, Education and Communication</td>
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<td>MoFED</td>
<td>Ministry of Finance and Economic Development</td>
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<td>NGO</td>
<td>Non-Government Organization</td>
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<td>OP</td>
<td>Operational Policy</td>
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<td>PAP</td>
<td>Project Affected Persons</td>
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<td>PIU</td>
<td>Project Implementation Unit</td>
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<td>PSDP</td>
<td>Power Sector Development Programme</td>
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<td>RAP</td>
<td>Resettlement Action Plan</td>
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<td>ROW</td>
<td>Right of Way</td>
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<td>RPF</td>
<td>Resettlement Policy Framework</td>
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<td>SCS</td>
<td>Self-contained System</td>
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<td>SE</td>
<td>Supervision Engineer</td>
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<tr>
<td>SIA</td>
<td>Social Impact Assessment</td>
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<tr>
<td>STD</td>
<td>Sexually Transmitted Disease</td>
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<td>TOR</td>
<td>Terms of Reference</td>
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<tr>
<td>UNAIDS</td>
<td>United Nations Joint Programme for HIV/AIDS</td>
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<td>WB</td>
<td>World Bank</td>
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EXECUTIVE SUMMARY

Introduction

The purpose of the RPF is to clarify the policies, principles and procedures that will govern the mitigation of adverse social impacts induced by Aluto Geothermal Power Plant Expansion Project Phase III.

It is found useful to have a policy document establishing principles and procedures that will govern the mitigation of adverse social impacts induced by Aluto Geothermal Power Plant Expansion Project Phase III operations, to share with various stakeholders in the Power sector.

The rationale for preparing this RPF is that:

a) The Aluto Geothermal Power Plant Expansion Project’s exact location of the drilling pads, access roads and transmission line are not identified. The Project components are expected to have some significant social impacts.

b) EEPCo found it useful to have a policy document establishing principles and procedures that will govern the mitigation of adverse social impacts induced by the Project operation to share with various stakeholders in the power sector, and

c) Ensure that investments are carried out in an environmental and socially sustainable manner.

The current Ethiopian situation reveals that only 48.5 % of the population has access to electricity.

The population’s limited access to electricity constitutes a major barrier to economic development and to the provision of social services. To overcome this situation the government of Ethiopia is contemplating to supply reliable power supply to urban and rural towns.

In light of this, the government of Ethiopia contemplates to develop the geothermal resources of the country and enhancing the generation capacity through Aluto Geothermal Power Plant Expansion Project Phase III

The Implementing Agency

Ethiopian Electric Power Corporation (EEPCo) is the implementing agency under the Ministry of water and Energy.
Project Components

The Aluto Geothermal Power Plant Expansion Project Phase III has the following components:

- Drilling of 20 Deep geothermal wells,
- Heat gathering system (from geothermal wells to the power house),
- 70 MW power plant construction including switchyard,
- 132 KV 13 km transmission line from the proposed Aluto power plant to Adami Tulu substation,
- Substation construction at Adami Tulu, and
- Access road construction.
**Background**

Ethiopia has a potential to generate about 45,000 MW electric power from hydro, 5,000 MW from geothermal and 1,350 GW from wind power. Currently only about 5% of its potential resources has been harnessed.

Generation source of EEPCo is dominantly hydropower. About 99.3% of the energy comes from the hydropower plants and the other power projects under construction are predominantly hydro based. Recently two wind power plants, Ashegoda and Adama I wind farms, with 81 MW capacities began supplying electric power to the national grid. It is obvious that Ethiopia’s energy generation capacity is likely to be affected by climatic change/drought and variability. To overcome this problem the energy diversification/mix is very important.

Number of electrified towns and rural villages under EEPCo are more than 6,317. Ethiopia has low per-capita level of electricity consumption and a small proportion of its population has access to electricity service, i.e., 48.3% (facts in brief, 2011/12). The overwhelming majority of the population relies on traditional sources of energy (i.e., firewood and dung) which in turn is contributing to deforestation and soil degradation.

Currently, the Ethiopian Government has embarked upon various plans and programs to explore and develop different energy resources (i.e., wind, geothermal, solar and hydropower) to achieve the major goals of accelerating economic growth and reducing poverty.

Geothermal is one of the energy resources of the country. Along the Ethiopian Rift Valley, about 14 sites (i.e., Dalol, Tendaho, Abbe, Teo, Danab, Meteka, Dofan, Fantale, Kone, Gedemsa, Tulu Moye, Aluto Langano, Corbetti and Abaya) were investigated for their geothermal energy potential which extends some 400 km NNE from latitude of 60 N to latitude of 90 N. From amongst these sites, EEPCo owns and operates the Aluto Geothermal Power Plant Expansion Phase III.

A feasibility study on geothermal power development at the Aluto geothermal field has been conducted by consulting firms Ernst and Young ShinNihon LLC, Japan External Trade Organization (JETRO) and West Japan Engineering Consultants.

In order to meet the increasing demand for electricity in Ethiopia, EEPCo has established a project named Aluto Geothermal Power Plant Expansion Project Phase III to generate 70 MW electric Power from geothermal resource at Alto.

Access and reliable supply of electricity could contribute and make a real difference in improving the lives of poor people, and enhance socio-economic development. Lack of access to electricity constrains development and affects the progress of a country. Therefore, improving access to electricity is thus essential to bring development to a nation and improve the lives of the population by using it as a poverty reduction instrument.
The programme will underpin Ethiopia’s Sustainable Development and Poverty Reduction Programme and Agricultural Led Industrialization (ADLI) strategy. In other words, the program will play a crucial role in helping to achieve the Millennium Development Goals and Growth and Transformation Plan (GTP).

The implementation of the project components under the Aluto Geothermal Power Plant Expansion Project Phase III might create adverse social impacts on the lives of the population living in the project areas. Consequently, to minimize the adverse social impacts, such as loss of property and assets, income loss, involuntary resettlement and relocation, EEPCo has designed this resettlement/ rehabilitation policy framework.

The overall purpose of the Resettlement Policy Framework is to clarify the principles for the mitigation of adverse of social impacts, such as involuntary resettlement and relocation induced by project implementation. The Project components are expected to have some negative impacts because of the project activities. Since the exact locations of the project components are not identified at the ESIA study period, EEPCo can only prepare Resettlement Policy Framework (RPF) at this time.

The operational objective of the resettlement policy framework is to provide guidelines to stakeholders and partners participating in mitigating adverse social impacts of the projects, and to ensure that PAPs will not be impoverished by the adverse social impacts of the Project.

EEPCo’s Environmental Monitoring Team will monitor and properly address adverse environmental and social impacts in its power sector development works and make power generation and transmission services environmentally and socially sound and sustainable.

On the basis of the government's policies and proclamations and with due consideration of the experiences of different stakeholders, including the international financial institutions, EEPCo has developed an environmental guideline for the electric power sector. The guideline is used as EEPCo’s operational manual, which helps to properly address adverse environmental and social issues by avoiding or minimizing them.

EEPCo’s resettlement policy framework clarifies the policies and guidelines for resettlement and compensation, the legal framework for expropriation of land, as per the FDRE constitution and other related proclamations and World Bank policies on involuntary resettlement, including valuation methods. RPF also clarifies how to mitigate adverse social impacts, such as HIV/AIDS, loss of income, etc.

The RPF will ensure that Project Affected Persons (PAPs) are:

a) Compensated for loss of assets at replacement cost;

b) Assisted in case of resettlement/relocation;
c) Have their income earning capacity restored, and

d) Have their living conditions improved in relation to the situation, prior to resettlement or relocation.

The RPF is complemented by Environmental and Social Assessment (ESIA) that assesses key environmental and socio-economic factors that require consideration; identifies and forecast the possible positive and negative impacts on the environment resulting from the proposed project; identifies the impact of the project on the surrounding community; identifies vulnerable and historically underserved groups that may be exclude from the program and be adversely affected as a result, and the necessary impact mitigating measures; assesses any potential adverse environmental and social impacts of the project and determine whether the program is likely to trigger the World Bank social safeguards policies; and, recommends in the early stage of program preparation, the appropriate measures towards addressing World Bank requirements on safeguards triggered by the program (OP4.01, OP/BP 4.10 and OP/BP 4.12).
PREFACE

The Ethiopian Electric Power Corporation (EEPCo) plan to implement the Aluto Geothermal Power Plant Expansion Project Phase III. The proposed geothermal project has great significance in increasing the power supply of the country and the energy mix is an important factor in the country where energy supply is dominated by hydropower generation.

The implementation, however, expected to induce positive and negative social impacts; e.g. job creation, income generation from selling food to workers, loss of strips of land for the project activities and HIV/AIDS. The RPF has been prepared to safeguard against adverse social impacts of project activities. The RPF provides the necessary institutional and policy framework to mitigate adverse social impacts during project implementation.

The objective of the Resettlement Policy Framework (RPF) is to clarify resettlement principles, organizational arrangements, and criteria to be applied in the implementation of Aluto Geothermal Power Plant Expansion Project Phase III. The implementation of the resettlement plan should be consistent with the policy framework.

The RPF will be valid for all project activities executed by EEPCo, particularly when IDA funds are to be used.

The policy framework is the result of reviews of various project documents and legal and policy documents, such as the Constitution of the Federal Democratic Republic of Ethiopia (FDRE) and World Bank Operational Policy (OP 4.12) on Involuntary Resettlement.
1. INTRODUCTION

1.1. Objectives of the Policy Framework

The overall purpose of the RPF is to clarify the policies, principles and procedures that will govern the mitigation of adverse social impacts induced by the Aluto Geothermal Power Plant Expansion Project Phase III implementation.

EEPCO is the implementing Agency for the Aluto Geothermal Power Plant Expansion Project Phase III.

The key objective of the framework is to provide EEPCo with operational instrument in addressing resettlement operations in order to ensure that Project Affected Persons (PAPs) will not be impoverished by the adverse social impacts of the project.

The policy framework will ensure that: a) Project Affected Persons (PAPs) are compensated for loss of assets at replacement cost; b) PAPs are assisted in case of resettlement/relocation; c) their income earning capacity is restored, and d) their living conditions are improved in relation to the situation, prior to resettlement or relocation.

Through the rural electrification program the access to electricity has reached 48.3%. The programme will underpin Ethiopia’s Sustainable Development and Poverty Reduction Programme and Agricultural Led Industrialization (ADLI) strategy. In other words, the program will play a crucial role in helping to achieve the Millennium Development Goals and the Growth and Transformation Plan (GTP).

The rationale for preparing this RPF is that:

a) The Project components are expected to have some negative impacts because of the project activities. Since the exact locations of the project components are not identified at the ESIA study period, EEPCo can only prepare Resettlement Policy Framework (RPF) at this time.

b) EEPCo found it useful to have a policy document establishing principles and procedures that will govern the mitigation of adverse social impacts induced by the Project implementation to share with various stake holders in the power sector, and

c) Ensure that investments are carried out in an environmental and socially sustainable manner.

1.2. Project components

The project components under the Aluto Geothermal Power Plant Expansion Project Phase III are:

1. Drilling of 20 Deep geothermal wells,
2. Heat gathering system (from geothermal wells to the power house),
3. 70 MW power plant construction including switchyard,
4. 132 KV 13 km transmission line from the proposed Aluto power plant to Adami Tulu substation,
5. Substation construction at Adami Tulu, and

1. Drilling of Deep geothermal wells

Drilling of twenty (20) deep geothermal wells was planned in the third phase of the Aluto Geothermal Power Plant Expansion Project. The drilling of the twenty deep geothermal wells will be carried out around the existing Aluto Langano Geothermal power plant.

In order to expand the Aluto Geothermal Resource to its full potential, a study on the power development has been conducted by GSE and Japanese Consultants.

The deep geothermal wells were intended to produce 70 MW electric power, adding to the generation capacity of the country. Energy diversification is also very important, since most of the country’s power generation (about 99.3 %) depends on hydropower.

The twenty geothermal deep wells will be excavated in the project component with the following main activities:

- Drill well site preparation, that is excavation of top soil and compaction of the ground at the drill pads in order to create stable ground capable of carrying the “rig and its structure”. Usually the pads have dimensions of: 170 m (L) X 75 m (W), 100 m(L) X 50 m (W) and 100 m (L) X 80 m (W).
- Excavation of the soil to form ponds for the disposal of drilling effluents. The ponds have dimensions of: 50 m (L) X 25 m (W) X 2 m (D) (D=depth), 50 m (L) X 40 m (W) X 2 m (D) and 40 m (L) X 40 m (W) X 2 m (D).
- Transportation of the rig and its accessories to the project site.
- Drilling of 2,500 meter deep six geothermal wells using circulating water and testing.
- Disposal of the drilling effluents to evaporation ponds.
- Well testing of the twenty wells to be drilled.

2. Heat gathering system

Heat gathering system includes pipe lines that took steam from geothermal wells to the power house. The pipes will be laid on the surface of the earth which has limited impact related to hindering movement of people and cattle from one site to the other. The pipes are also hot and as a mitigation measure the pipes has to be shielded.

3. Power Plant Construction, including switchyard

70 MW power plant construction including switchyard are planned in phase III geothermal expansion project. The power plant requires 150 m X 150 m of land and the location is already identified. It has permanent impact on the farm land.
4. Transmission Line Construction

132 kV transmission line from the proposed Aluto power plant to Adami Tulu substation, 30 km is planned in the project. According to Ethiopian Electricity Agency Directive 132 kV overhead electric lines requires 30 m right off way (ROW).

5. Substation Construction

Substation construction is planned at Adami Tulu existing substation. EEPCo owns the Sub-station at Adami Tulu with sufficient land to accommodate the new proposed substation. No land acquisition is anticipated for this project component.

6. Access road construction

Access road construction is anticipated to the proposed drilling pads and ponds and requires land acquisition.

1.3. Project Location

The Aluto Geothermal Power Plant Expansion Project Phase III will be carried out around the existing Aluto Langano Geothermal Power plant area, which is administratively located within the central – southern part of the main Ethiopian Rift Valley about 200 km south east of Addis Ababa in-between lakes Ziway and Langano, in Oromia Regional State, Adami Tulu –Jido- Kombolcha Woreda.

Aluto Geothermal field is located at geographic coordinates of latitude 7° 793’ North and longitude 38° 798’ East.
The country is composed of nine regional states and two Metropolitan City Administrations under the Federal Administration.
2. Legal Framework for Expropriation and Compensation

2.1. Expropriation Law

The Federal Democratic Republic of Ethiopia by signing the credit agreements for the Aluto Geothermal Power Plant Expansion Project Phase III with the International Development Association (IDA) committed itself to abide by the World Bank policy on involuntary resettlement. Thus, the legal framework of the Aluto Geothermal Power Plant Expansion Project Phase III is based on the Constitution of FDRE as transcended into EEPCo’s procedures and World Bank Operational Policies (OP 4.12) on involuntary resettlement.

According to the Constitution of the Federal Democratic Republic of Ethiopia (FDRE), land is a public property and cannot be subject to sale or to other means of exchange. In other words, alienating land by sale, mortgage or any form of transfer with respect to land is prohibited. Ownership of land is vested on the State while citizens have only usufruct rights over land.

The rights regarding the latter may be considered “private property” and any interference of the usufruct right, such as expropriation, shall entail compensation. A usufruct right gives the user of the land the right to use the land and the right to benefit from the fruits of her/his labor. This may include crops, trees, etc. found on the land or any permanent works (such as buildings, etc.).

This is clearly provided in Article 40.7;

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

The FDRE Constitution further states, among other things, that the owner of such rights is entitled to compensation and that the particulars shall be determined by law. Article 40.8 in turn strengthens this by stating that private property may be compensated if expropriated by the government for public purposes.

The expropriation of land holdings set out in the FDRE Constitution and in the proclamation 455/2005 is mostly in agreement and in line with World Bank policies.

2.2. Compensation Law

The Aluto Geothermal Power Plant Expansion Project Phase III must include an effective and sustainable resettlement strategy, offering adequate compensation and incentives for loss of land and other sources of livelihood (e.g., loss of income, crop, trees, housing and other structures), and for investments made on land by PAPs in accordance with the law.

The Constitution of the Federal Democratic Republic of Ethiopia (FDRE) has several provisions which have direct policy, legal and institutional relevance for the appropriate
implementation of the resettlement/rehabilitation plans prepared by development projects and programmes.  

Article 44 No.2 of FDRE Constitution states that:

“All persons who have been displaced or whose livelihoods have been adversely affected as a result of state programs have the right to commensurate monetary or alternative means of compensation, including relocation with adequate state assistance.”

The Constitution also guarantees people whose livelihood is land based and pastoralists the right to have access to land as well as protection against eviction from their possession (Article 40.4 and 40.5). Article 40.8 also states that;

“Without prejudice to the right to private property, the government may expropriate private property for public purposes subject to payment in advance of compensation commensurate to the value of property.”

In July 2005, the Government of Ethiopia has issued a new proclamation, “Proclamation to provide for the expropriation of land holdings for public purposes and payment of compensation”, No. 455/2005. This proclamation has several articles on the determination of compensation, compensation for displacement, valuation procedures, establishing property valuation committees, and on complaints and appeals. The proclamation gives power to Woreda and urban administrations to expropriate and use land for public services.

Part two, article 3, No.1 of the proclamation No. 455/2005 states that:

“A Woreda or an urban administration shall, upon payment in advance of compensation in accordance with this proclamation, have the power to expropriate rural or urban landholdings for public purpose where it believes that it should be used for a better development project to be carried out by public entities, private investors, cooperative societies or other organs, or where such expropriation has been decided by the appropriate higher regional or federal government organ for the same purpose.”

Proclamation No. 455/2005 also provides displacement compensation for rural land holdings. Part Three of article 8 states that:

“A rural landholder whose land holding has been permanently expropriated shall, in addition to the compensation payable under article 7 of this proclamation, be paid displacement compensation which shall be equivalent to ten times the average annual income he secured during the five years preceding the expropriation of the land.”
The proclamation also states that in urban areas, PAPs will be provided with a plot of land (land for land compensation) for their expropriated land to be used for the construction of house, and also be paid compensation for displacement.

2.3 EEPCo’s Strategy for Expropriation and Compensation

It is the objective of EEPCo to avoid or reduce to a minimum level, the detrimental environmental and social impacts and effects of the project operations, on the livelihood of those people to be served by power generation and electrification programme. However, if adverse social impacts induced by project operations are inevitable, EEPCo’s Resettlement Policy Framework stresses that PAPs should be consulted and compensated for loss of their properties and other inconveniences.

To achieve the social mitigation goal, EEPCo will allocate budget for compensation payment expected during project implementation. EEPCo in consultation with Woreda administration for rural areas and with municipalities for the town sections shall establish property valuation committees as per proclamation 455/2005, article 10, and number 1-3.

The legal requirements are verified by EEPCo’s legal division. The compensation estimate will be confirmed and payment will be effected by the Project Accountant.


World Bank Operational Policy (OP 4.12) on involuntary resettlement serves as operational guidelines for IDA-funded projects.

The World Bank, in its Operational Policy (OP 4.12) states the overall policy objectives of involuntary resettlement as follows:

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 (For more details, refer to Annex).
EEPCo commits itself to adopt OP 4.12 as working documents in the implementation of resettlement and rehabilitation of PAPs. The commitment of EEPCo to comply with the requirements of World Bank’s Operational Policies (OP 4.12) has been demonstrated by various power development projects undertaken by the Ethiopian Electric Power Corporation.

In case of conflicts between the FDRE law and Bank Policy, Bank policy will prevail as the Resettlement Framework and will be part of an international credit agreement between the Government of Ethiopia and the Bank.
3. INSTITUTIONAL FRAMEWORK

Ethiopian Electric Power Corporation Aluto Geothermal Power Plant Expansion Project will implement the project.

3.1. Federal and Regional Environmental Organs

In order to implement the legal requirements at different hierarchy, it was found mandatory that institutional arrangement should be made.

To this effect, the establishment of the Environmentally Protection Authority - EPA - was realized with Proclamation No. 9/1995. Later, the re-establishment of the Federal EPA, along with the Regional Bureaus, was made through Proclamation No. 295 / 2002 to “… ensure that all matters pertaining to the country’s social and economic development activities are carried out in a manner that will protect the welfare of human beings as well as sustainably protect, develop and utilize the resource bases on which they depend for survival”.

The EPA and the Regional environmental organs, inter alia, have the following major duties and responsibilities.

a) To prepare environmental protection policy and laws; and upon approval follow up their implementation.

b) To prepare directives and systems necessary for evaluating the impact of social and economic development projects on the environment ; monitor and supervise their implementation ; and

c) to prepare standards that help in the protection of soil, water and air as well as the biological systems they support, and follow up their implementation.

3.2. Sectoral Environmental Organs

Following the establishment of the Federal EPA and the Regional Environmental Protection Bureaus, establishment of environmental units within Sectoral Ministries was proposed as a positive and proactive measure to consider environmental protection while appraising and implementing projects. That is, mainstreaming environmental protection through undertaking the Correspondent environmental management activities at different stages of the project cycle. The Sectoral environmental monitoring units have a direct functional relationship with the EPA.

3.3. EEPCo’s Organizational Structure/Framework

The Ethiopian Electric Power Corporation (EEPCo) is engaged in the business of electricity generation, transmission, distribution, sales and other related activities. Presently EEPCo’s main supply is from the inter-connected system (ICS), which is mostly supplied from hydropower plants, and the self-contained system (SCS) which
consists of mini-hydropower plants and a number of isolated diesel generating units which are widely spread over the country.

EEPCo is organizationally structured under the Ministry of Water and Energy, and operationally it is sanctioned by a Board of Directors. EEPCo’s Board of Directors is composed of higher-level Government officials including Ministers. The organizational structure of EMT within EEPCo is depicted as follows:

The Environmental Monitoring Team (EMT) is responsible for addressing major environmental and social issues in power sector development works and ensuring that power generation, transmission and distribution services are environmentally and socially sound and sustainable. EMT is responsible for monitoring the environmental and social impacts in different power projects, to ensure that the Environmental and Social Impact Assessment, Resettlement Action plan, Resettlement Policy framework and Environment and social Management Plan are applied during the construction period and contractors are complying with the technical specifications stated in the contract agreement.
MINISTRY OF WATER AND ENERGY

BOARD OF Director DIRECTORS

Chief Executive Officer CEO of EEPCO

CORPORATE PLANNING

Environmental Monitoring Team

Strategic Management and programming

Research and Development Development

Generation Construction Executive Officer

Aluto Geothermal Expansion Power Plant Project Phase III

EEPCo’s organization Structure
EMT carries out the monitoring of projects usually in the presence of the contractor’s representative and project’s environmental office personnel. Relevant stakeholders (FEPA, The Federal Ministry of Health or Regional Health Bureaus and Ministry of Water and Energy) may also undertake monitoring activities independently/jointly in accordance with their own schedule.

The EMT is formally established under the Corporate Planning Department. Staffs currently working in the EMT include a Team Coordinator, one Environmentalist, and three Sociologists. The team, to carry out its duties and responsibilities, needs to strengthen and build the capacity of the staff through training and skills upgrading. It also needs to have sufficient resources (such as vehicles, computers, digital camera, photo copy machine, GPS, etc..) to run its day-to-day activities.

After periodic site monitoring, EMT submits its monitoring report to EEPCo’s Corporate Planning, the Project Office, and EPA and Ministry of Water and Energy for review as per EPA’s Environmental Procedural Guideline of 2003. The project office will establish an environmental and social team that will monitor and coordinate the execution of compensation payment to be made for PAPs as per the compensation estimate to be carried out by the property valuation committee. The Environmental and Social team is expected to submit copies of their progress reports to EMT on a regular basis.
4. OPERATIONAL PROCEDURES

4.1. Institutional Arrangement

EEPCo is the implementing agency of the Aluto Geothermal Power Plant Expansion Project Phase III.

The Environmental Monitoring Team (EMT) will be the responsible body for the preparation of the RPF and monitoring the resettlement activities.

The implementation of the project and the mitigation of adverse social impacts will therefore be executed by EEPCo according to the Ethiopia’s compensation law and regulation and the World Bank’s operational policy on involuntary resettlement requirements.

EEPCo’s operational procedures cover three phases of the project cycle. These are:

- Project identification and pre-feasibility study phase,
- Feasibility study and preliminary design phase,
- Detailed design phase,
- Contract document preparation phase,
- Contract tendering phase,
- Construction (erection) and supervision phase, and
- Operation phase.

The basic principles regarding resettlement/rehabilitation requirements will be identified at the project preparation phase, as this is the phase that defines most of the actions that need to be taken during project implementation.

Stakeholders include a range of Actors: Government institutions and organizations at Federal, Regional and Woreda level; Multilateral and Bilateral organizations, Private Enterprises (national and international); Non-governmental Organizations (NGOs) and PAPs.

The key stakeholders include the Ministry of Water and Energy, Ministry of Finance and Economic Development (MoFED), EEPCo, Regional Governments, the Federal Environmental Protection Authority (FEPA), the Authority for Research and Conservation of Cultural Heritage (ARCCH) and the PAPs.

PAPs and the other key stakeholders will be consulted in the course of the project cycle in order to assure that adverse social impacts are addressed properly. Among the stakeholders; FEPA and ARCCH will be encouraged to participate in the preparation of mitigation measures for adverse social and cultural impacts that might be identified in the implementation of the project. EMT shall submit the draft TOR and ESIA report to Ministry of Water and Energy (MoWE) for review.
4.2. Planning Principles and Process

The Environmental Monitoring Team (EMT) is responsible for the preparation of mitigation measures for adverse social and environmental impacts. The EMT is accountable for planning and monitoring while, the Project Implementation Unit (PIU) is accountable for the implementation of the expropriation/compensation procedures.

The EMT will provide the general direction and guidelines in the planning process of expropriation and compensation tasks, facilitate and coordinate mitigation measures for the adverse social impacts within the project, and monitor and document the implementation process of RAP.

The Environmental Monitoring Team (EMT) is responsible for the preparation of Resettlement Action Plan. It is also responsible for conducting a household census of Project Affected Persons (PAPs), establishing compensation committees, assessing and establishing compensation rates, providing compensation payment for PAPs, and carrying out resettlement or relocation of PAPs as per the RAP.

Woredas and Urban Administrations (or Municipalities) will facilitate land acquisition required for the project as per proclamation No. 455/2005 Part Two article 3.

“A Woreda or an urban administration shall, upon payment in advance of compensation in accordance with this proclamation, have the power to expropriate rural or urban landholdings for public purpose where it believes that it should be used for a better development project to be carried out by public entities, private investors, cooperative societies or other organs, or where such expropriation has been decided by the appropriate higher regional or federal organ for the same purpose.”

Since Aluto Geothermal Power Plant Expansion Project Phase III is a public entity, both Woreda and urban administrations will play a major role in the facilitation of land acquisition required.

4.2.1. Project Identification

At project identification phase, Environmental Social Impact Assessment (ESIA) of the projects will be conducted with the aim of determining whether or not a project(s) would require detailed Resettlement Action Plans (RAP) as specified in the World Bank (WB) operational policies.

The principles of compensation/rehabilitation will be triggered wherever there will be land acquisition, loss of income, loss of assets, or adverse social impacts including loss of resources of livelihood. If the ESIA findings reveal that project operations will cause involuntary resettlement or that 10% of assets will be affected, a Resettlement Action Plan (RAP) has to be prepared, however, if less than 200 persons are affected an abbreviated RAP will be prepared. The RAPs must also receive final approval from the EPA and World Bank prior to compensation and commencing project activities.
The World Bank Operational Policy (OP 4.12) addresses involuntary resettlement of PAPs. The policy states:

“Bank experience indicates that involuntary resettlement under development projects, if unmitigated, often gives rise to severe economic, social, and environmental risks: production systems are dismantled; people face impoverishment when their productive assets or income sources are lost; people are relocated to environments where their productive skills may be less applicable and the competition for resources greater; community institutions and social networks are weakened; kin groups are dispersed; and cultural identity, traditional authority, and potential for mutual help are diminished or lost.”

EEPCo’s Environmental Monitoring Team (EMT) is responsible for the preparation of Terms of Reference (TOR) for consultancy services regarding ESIA and RAP. The TOR is supposed to be prepared in line with EEPCo’s Environmental Impact Assessment Procedural Manual and the Resettlement/Rehabilitation Policy Framework.

The EPA will be responsible for review and evaluation of the Terms of References (TOR) prepared by EMT for the consultancy services regarding ESIA and RAP and the World Bank will provide clearance. The EPA and the World Bank will also review the Resettlement Action Plan (RAP) and the Environmental and Social Impact Assessments (ESIA) for projects implemented by EEPCo. Monitoring reports of subprojects carried out by EMT shall also be submitted to EPA for its appropriate review.

RAPs must also receive final approval from the World Bank prior to compensation and commencement of project activities.

The main issues to be addressed by the ESIA will include: demography; land tenure and land use; socio-economic structure; public consultations with PAPs, identification of the adverse social impacts of the project, preparation of mitigation measures for adverse social impacts, and preparation of reinforcement measures for positive impacts.

4.2.2. Project Preparation

The number of PAPs is a useful tool in the planning process of a RAP. The World Bank’s safeguards policy OP. 4.12 on involuntary resettlement specifies:

“A draft resettlement plan that conforms to this policy is a condition of appraisal (see Annex A, paragraphs. 2 - 21) for projects referred to in paragraph 17(a) above. However, where impacts on the entire displaced population are minor, or fewer than 200 people are displaced, an abbreviated resettlement plan may be agreed with the borrower (see Annex A, paragraph 22). The information disclosure procedures set forth in paragraph 22 apply.” (See OP. 4.12. Annex 1).
Experience from EEPCo’s similar projects, however, shows that the final number of PAPs is confirmed after the detailed design work preparation is finalized. The alignment of the center line of the distribution line will be the most critical work that will determine the number of PAPs. Any estimation of the number of PAPs before the design of the center line must be considered as preliminary work. Projects would therefore benefit from establishing the center line of the distribution immediately. That would not only advance and enhance the reliability of a RAP but it would also help the project office to better prepare the relocation plan and compensation estimates.

The first objective of the ESIA will be to determine whether the adverse impacts of project operations trigger involuntary resettlement and the preparation of a resettlement action plan (RAP). Among the tasks to be considered in the TOR of the RAP are: the number of PAPs; an analysis of host community’s willingness to accommodate PAPs; an analysis of PAPs willingness to be relocated to identified areas; an analysis of the capacity of the receiving area(s) to sustain additional population under the conditions introduced by the resettlement operations.

One of the key activities to be conducted at this stage is a socio-economic survey that serves as a background for the RAP. A household census survey will be conducted, describing the extent of the social impacts, thus identifying villages and households affected by the project as well as preliminary identification of resettlement sites. The boundaries of land owned by the various groups affected should also be described. The household survey will contain general household data such as:

- List of all affected households;
- Information on family size, gender and age;
- Educational background;
- Occupation for each member of the household;
- Land ownership, tenure arrangements, inheritance regulations;
- Sources of income
- Inventory of wealth indicators: Land size, house type/size, crop type/annual/perennial, number and type of livestock
- Means and ownership of transportation;
- Distance to market places, work places, schools, and health facilities; and
- Network of social and religious institutions;
The survey would estimate the extent to which the affected families will experience loss of assets, including control over resources, as well as infrastructure and social services available and disturbed or affected by the project. The survey should further describe Woreda and Kebele level organizations and institutions, traditional village councils, religious groups, etc., that could later participate in the planning and implementation of the resettlement options. Expected changes in demography and health impacts should also be addressed. At this stage, all PAPs will be listed in order to avoid an influx of people trying to take advantage of the compensation and rehabilitation. A cutoff date will be proclaimed. That means, a date from which eligibility for compensation will be terminated. New inhabitants coming to the project affected areas will not be considered for compensation.

The household census survey and the preparation of a RAP for Bank-funded projects will be carried out by independent professionals (consultants). The TOR for the preparation of the RAP will be drafted by EEPCo’s EMT and its focus will be on the following:

- Land tenure, household survey; socio-economic baseline study;
- Selection of resettlement area and provision for alternative sites;
- Technical design alternatives to avoid resettlement;
- Organizational structures;
- Participation of both resettled and host communities, including also community institutions or organizations from both groups and NGOs;
- Plan and design of development assistance to cover both project affected persons (PAPs) and host community;
- Impact on marginal groups, old people, women, ethnic minorities and pastoralists;
- Cultural identity and preservation;
- Access to training, employment and credit facilities,
- Housing, including criteria for house plot allocation, infrastructure and social services;
- State of natural resources, land suitability and carrying capacity at resettlement site estimated at least two generations ahead taking into account population and livestock growth, as well as water availability and water quality;
- Immediate as well as foreseen health implications at resettlement site in relation to water-borne diseases, nutrition, environmental hygiene, availability of clinics or other health extension services, hazardous chemicals, toxic wastes, food
contamination and the work environment; Possibilities and constraints regarding assimilation or integration of resettled into host communities;

• Staff requirements, staff training needs, necessary equipment,

• Cost estimation, budget, and synchronized resettlement implementation action plan with the distribution line implementation schedule;

• The RAP will provide specific compensation rates and standards, and;

• Monitoring and evaluation procedures.

4.2.3. Project Implementation

At the launching of each town’s electrification “project”, stakeholders will be consulted to establish planning principles and work arrangements that aim at the identification and mitigation of adverse social impacts to be induced by project operations. Prior to the commencement of civil works, social impact assessment/baseline study, valuation of properties and payment of compensation will be effected. Civil works and compensation will not begin until a RAP has been properly prepared and final approval given by EPA and the World Bank. Progressively, all PAPs will be consulted in the process, be it in the context of resettlement/compensation, in the context of mitigating adverse impacts on religious and cultural heritages, or in the context of mitigating other project-related social impacts.

Likewise, prior to project launching, Regional Governments, Zonal and Woreda Administrations will be consulted by EEPCo and EREDPC as per the established procedures. That is, EEPCo will present the project to Regional, Zonal and Woreda Administrations.

The Project office will consult with relevant Woreda and present the project prior to implementation.

The RAP will be carried out parallel to the project construction schedule. Compensation of PAPs will be paid prior to land acquisition. After the mobilization phase, the Project Manager will be requested to elaborate distribution line or the right-of-way reports. The report should present all obstacles identified in the corridor line after completion of the detail design.

The PIU will be responsible for the day to day implementation of the RAP and it will work in close collaboration with Woreda and urban administrations, and with Kebele administration in the rural areas. The PIU will be reporting its progress to EMT.
5. SOCIO-ECONOMIC BACKGROUND OF PAPS

5.1. Socio – Cultural and Economic Landscape of PAPs

The ultimate aim of the Aluto Geothermal Power Plant Expansion Project Phase III (AGPPEPP III) is to generate 70 MW electric power to be supplied to Adami Tulu substation and connection to the national grid; and consequently, it will affect the various social and cultural landscapes of the proposed project area. Social Assessments will be conducted in projects that have been screened to have major social impacts in terms of compensation and relocation of project affected persons.

The majority of the Country’s population is principally engaged in agricultural activities (farming and livestock keeping). The populations living in the presumed AGPPEPP III project areas are sedentary cultivators supporting their livelihood from the traditional agricultural production and rearing of cattle.

During the preparation of the projects, socio-economic surveys will be conducted in order to establish: detailed information about categories of PAPs; the extent of impacts; provide the basis for determining eligibility and for estimating resettlement/rehabilitation costs; and establishing baseline information for monitoring and evaluation.

5.2. Ethnic Composition and Language

Based on interview and Focus Group Discussion carried out in the field sites, review of related literatures, as well as, by field observation major ethnic groups, language and religious were identified and recorded in general project affected area. Accordingly, analysis of the survey result reveals that the Oromo ethnic group is in the project area. In the project affected woreda, Oromiffa is used for office work and communication purposes.

5.3. Land Use

The area of Adami Tulu – Jido – Kombolcha Woreda is 141,990 km² and the total number of the kebeles under this local administration is 43, Adami Tulu – Jido – Kombolcha Woreda being one of them. The average land holding size in the Woreda is 3 – 4.5 hectares per person.

The agricultural land cover of the Woreda is about 58.2% which is the largest of all land use. The water body (Lakes Ziway and Langano) also constitutes about 20.6%, of the total land use system, the forest land cover is about 11 %, land allocated for construction purpose is about 6.2% and uncultivable land cover is about 3.8%.

The project area is used mainly as farmland and grazing land, with houses dotting around the farmlands. EEPCo owns this area which has existing geothermal pilot power generation facilities in service, with eight geothermal wells drilled around them. Currently one deep geothermal well known as LA 9 is under construction.
5.4. Economic activity

Economic activity involves the production of goods and/or services for sale or exchange and production of certain products for consumption and sale. The populations living in Aluto Geothermal Power Plant Expansion Project Phase III (AGPPEPP III) area is sedentary cultivators supporting their livelihood from the traditional agricultural production and rearing of cattle.

The farming techniques they practice are still traditional type of cultivation system mainly of oxen ploughing.

The common annual crops grown in the project areas are maize, wheat, barley, teff, millet, soya bean, and lentils.

The major economic activities around the project area are mixed farming, that is, make their living out of agriculture and rearing of domestic animal.

5.5. Housing Condition

Housing is one of the basic needs for human beings. Housing condition (standard and quality) is one of the manifestations that shows the economic growth of a country, since it has a direct relationship to the economic development and wealth of a nation.

The Aluto geothermal area and its environs support multiple land use systems consisting of grass roofed Tukuls for dwelling and other purposes, agricultural land, grazing land, Aluto geothermal power plant, 7 geothermal wells and 1 reinjection well, a well under construction.

The exact sites for the drilling of geothermal wells and the line route for the transmission line are not known at this stage. For this reason it is not possible to identify houses to be affected by the third phase of the Aluto Geothermal project.

After identifying the exact location for drilling of the 20 deep geothermal wells and the line route for the 132 KV Transmission line, the project office needs to identify affected houses and make necessary measures according to the Ethiopian Expropriation of Land Holdings for Public Purposes and Payment of Compensation Proclamation and the World Bank Involuntary Resettlement Policy.
6. SOCIAL IMPACTS

General

The adverse social impacts induced by the different construction will be monitored and mitigation measures planned. The detailed design of the project will be cried out taking in to account the mechanisms to reduce the adverse social impacts. Each project will provide a report on the distribution line or (ROW) loss of assets and loss of access to assets and services and the number and location of persons to be affected by project operations.

The impacts of Aluto Geothermal power plant Project require land for Phase III activities. The project activities that require land are: Drilling of deep geothermal wells, Power plant construction, Transmission line construction and Access Roads.

Land requirement could be temporary or permanent and it differs during construction phase and operation phase of the project.

The Aluto Geothermal Power Plant Expansion phase III project requires land for the drilling of deep geothermal wells, Power plant construction and for Transmission line. Therefore Land acquisition anticipated as the main social impacts in the project implementation. Proper mitigation measures are recommended related to compensation payment, preparing replacement land, Relocation of affected households, provision of training for project affected persons in skill development, etc.

The positive social impacts include the creation of short-term job opportunities and skill transfer to the local people. In the long term, the availability of a regular supply of electricity will contribute to the development and growth of small scale businesses, which in turn will create employment opportunities and increase income. Social service delivery institutions would provide improved services; new skills and knowledge could also be transferred to the area; and local market opportunities developed.

6.1. Impacts on Economic Activities

Ethiopia is a country with significant agro-ecological and cultural diversity. Substantial variations amongst regional states are observed in terms of size and density of population, settlement pattern, natural resources, and in areas of economic activity.

Agriculture is the backbone of Ethiopia’s economy; small-scale family farming is the dominant mode of production. Nearly 85% of the economically active population is engaged in agricultural activities. The sector contributes about 45% to the national GDP.

The availability of electric power has direct impact on the economic activities of the population both in the urban or rural towns. The principal objective of AGPPEPP III in a given area is to promote socio-economic development. Electricity creates a new economic sphere by attracting investment projects and other socio-economic activities, which were absent in an area.
Over the long term, the availability of a regular supply of electricity would contribute to development and growth. Small-scale businesses would increase, which in turn would create employment opportunities and increase income. The growth and development of small-scale businesses and enterprises will include the establishment of agro-processing industries, commercial enterprises and irrigation facilities.

Social service delivery institutions will also provide improved services. New skills and knowledge could also be transferred to the area. Market opportunities could be developed; and in general, improved living condition will be created and maintained.

6.2 Impacts on Housing

Most houses in rural Ethiopia are made from wood and mud having thatched roofs. In urban centers, most houses are constructed from wood and mud, bricks and hollow blocks having corrugated iron sheet roof. In general, the standard of housing construction in Ethiopia is very low and poor quality. In most parts of rural Ethiopia, all the members of a household and the livestock share the same room.

The exact sites for the drilling of geothermal wells and the line route for the transmission line are not known at this stage. For this reason it is not possible to identify houses to be affected by the third phase of the Aluto Geothermal project.

After identifying the exact location for drilling of the 20 deep geothermal wells and the line route for the 132 KV Transmission line, there is a need to identify affected houses and make necessary measures according to the Ethiopian Expropriation of Land Holdings for Public Purposes and Payment of Compensation Proclamation and the World Bank Involuntary Resettlement Policy.

6.3. Impacts on Cultural, Historical and Archeological Sites

During the field assessment, the study team has made a search in the project areas both from key informants in the field and from literature reviews if there are any significant heritages liable to be affected by the project. The search was mainly focused on archeological, anthropological, cultural and religious artifacts.

So far, there are no significant archeological, cultural, historical and religious artifacts found along the proposed Aluto Geothermal Power Plant Expansion Project Phase III project that would be impacted.

During the construction period, where there are any accidental “chance of finding” of some archeological artifacts on the project affected area, the construction work forces shall be informed to let their immediate supervisor know and report to EEPCo’s corporate planning and the project office as well. Then EEPCo will report to the Authority for Research and Conservation of Cultural Heritage (ARCCH) about the findings.
6.4 Health and Safety

The major impact on health and occupational safety is related to the work force engaged in construction of substation, access road construction, power plant construction, drilling of 20 deep geothermal wells and transmission line work in Aluto Geothermal Power Plant Expansion Project Phase III

Such project involves mobilization of labor force. The proposed project designed to use the local labor force, the risk of the transmission of communicable diseases like STI’s and HIV/AIDS in the work site is expected. During the operation phase of the project, impacts are mainly related to electric shock.

6.5 Impacts on Vulnerable Groups

Vulnerable groups include women headed households, households victimized by HIV/AIDS that are headed by children, households made up of the aged or handicapped and whose members are socially stigmatized (as a result of traditional or cultural bias) and economically underserved.

Although during the recent ESIA study in the project area, there are no vulnerable groups which need special assistance. The project will use the following approach in identification of Vulnerable People:

Vulnerable people are people who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits. Vulnerable people potentially eligible for specific assistance under this Resettlement Policy Framework are those who are affected by the Project land acquisition, compensation and resettlement activities.

Vulnerable people include:
- Disabled persons, whether mentally or physically;
- Seriously ill people, particularly people living with HIV/AIDS and other illnesses;
- The elderly, particularly when they live alone;
- Households whose heads are children;
- Households whose heads are female and who live with limited resources;
- Households whose heads have no or very limited resources;
- Widows and orphans; and
- Any project-affected groups or populations who are underserved socially, economically, and/or culturally and for whom the project needs to pay special attention.
Assistance to Vulnerable People

The project will assist vulnerable people insofar as they are affected by the project related displacement and resettlement process. Such assistance may include the following activities:

- Identification of vulnerable people and identification of the cause and impacts of their vulnerability, preferably through an identification mechanism devised with, and implemented by the beneficiary community; this step is critical because often vulnerable people do not participate in community meetings, and their disability/vulnerability may remain unknown;
- Identification of required assistance at the various stages of the process: negotiation, compensation, moving;
- Implementation of the measures necessary to assist the vulnerable person; and
- Monitoring and continuation of assistance after resettlement and/or compensation, if required, and/or identification of those entities, whether Governmental or not, that could sustain the Program’s assistance beyond its period of activity.

Assistance may take the following forms, depending upon vulnerable persons’ requests and needs:

- Assistance in the compensation payment procedure (e.g., specifically explain the process and procedures, make sure that documents are well understood);
- Assistance in the post payment period to secure the compensation money and reduce risks of misuse/robbery;
- Assistance in moving: providing vehicle, driver and assistance at the moving stage, assist the person in identifying his/her resettlement plot;
- Assistance in building: providing materials, workforce, or building houses;
- Counseling in matters such as family, health,
- Assistance during the post-resettlement period, particularly if the solidarity networks that the vulnerable person was relying on have been affected: food support, health monitoring, etc.; and
- Health care if required at critical periods, particularly the moving and transition periods.

The PAPs to be impacted by any land take are likely to be non-homogenous groups; the risks highlighted in this RPF differentially affect various categories of people. Therefore, avoidance is the first response to risks that should be considered. Recognizing risks upfront and their financial implications is often a powerful stimulus to search for an alternative that eliminate the need for displacement or cuts down its size. This is technically possible in this project. Therefore, during implementation of the project, the findings of the social impact assessment will be operationalized to identify the areas or sites where resettlement, due to land acquisition or restriction of access to resources, is likely to have impact. At that stage, if it is unavoidable, OP 4.12 calls for the preparation of separate stand-alone Resettlement Action Plans (RAPs) consistent with the guidelines provided in this RPF. The following procedural guidelines will apply when it is determined that a RAP would be developed.
(i) All potential PAPs should be identified (through a scoping exercise) and informed about their options and rights pertaining to compensation for land and assets to be acquired by the sub-project(s);

(ii) PAPs must be consulted about land acquisition and compensation and offered technical and financial options, including the most economically feasible alternatives; and

(iii) PAPs should receive reasonable compensation at full replacement cost for losses of assets and access attributable to the project.

**Screening:** This process would lead to the creation of a list of the number and types of infrastructure (including buildings or other structures) that the project interventions may potentially impact—leading to acquisition of land, resettlement and/or reduced access to natural resources. This list will be presented to affected communities using a sensitization and consultation process. These consultations will be documented for each site (sub-project). In the case where the project results in reduced access to natural resources, the consultations will determine alternative but commensurate sources so that livelihoods are not affected. Measures to assist affected persons in their efforts to improve their livelihood will be documented. The project will also document methods and procedures by which communities will identify and choose potential mitigating or compensating measures to be provided those adversely affected and procedures by which adversely community members will be decide among the options available to them.

### 6.6. Consultation on the Project and Resettlement Policy Framework

During the field assessment, various “Information Dissemination and public consultations meetings” were conducted with the affected communities, sector offices and local Administration Officials.

**Why Public Consultation: Objectives**

Public consultations were held with PAPs, community elders and local officials with the following key objectives, among others:

- To inform the PAPs about the project and discuss on the nature and scale of adverse impacts on their livelihood in a more transparent and direct manner and seek their participation in the project cycle.

- To give PAPs and affected communities a chance to have a say and express their views in the planning and implementation of the drilling activity that will affect them directly.

- To obtain qualitative as well as quantitative information on viable income generation and livelihood interventions which PAPs could engage themselves, in order to restore their income and livelihood in a self-sustaining manner.

- To inform local authorities of all the potential impacts, agree on a cut-off-date, solicit their views on the project and discuss their share of the responsibility for the smooth functioning of the overall project operations.
Consultation Methodology

Consultation was carefully planned and conducted in such a way that it ensures efficiency and effectiveness in covering key issues both from the PAPs and communities on the one hand and of the project on the other. Consultation was carried out with PAPs, community elders and with local officials at Woreda and Kebele levels.

Major Findings of Public Consultations

During public consultations with PAPs and community groups, a number of important points were raised and discussed. Key agenda that were forwarded for discussion with PAPs and community groups include both positive and negative impacts of the project on local community members, issues regarding compensation payments and related problems from the Phase II experience (Drilling of Four Geothermal Wells) availability of skills and opportunities for employment, income and livelihood restoration schemes were main issues. Since the details of the consultations are too wide ranging and broad to be presented here, only a summary of key issues discussed and major findings are subdivided into relevant categories and presented in the section below.

These broader categories into which key findings of consultations are regrouped include anxiety, fears, uncertainties, preferences, needs, demands, reservations, expectations, hopes, aspirations, general comments, commitments, appreciation and questions for clarification.

Public consultation and participation is not an event and is a continuous process which identifies and discusses key issues and impacts of the proposed project. Views from local residents, local leaders, institutions and development partners who in one way or another would be affected or have interest were sought through interviews and public meetings.

Public participation includes both the information exchange (dissemination and consultation) and collaborative forms of decision making and participation. Dissemination refers to transfer of information from project authorities to the affected population. While consultation generally refers to joint discussion between project authorities and the affected population serving as a linkage for transfer of information and sharing of ideas. Public participation is an ongoing process throughout the implementation of the project not an event. The level of information which is disseminated or the issues on which consultation takes place vary with the progress in the project process.

Environmental and social assessment was conducted in three ways, namely, (i) focus group and key informant interviews and discussions, (ii) field surveys and observations and (iii) public meetings.

The public consultation was conducted at the project site on from May 27 to June 2 /2013.
The team has also conducted various meetings on similar issues with different Woreda sector offices such as Woreda Administration, Agricultural, Health, Education, Culture and Tourism offices, Water Resource and HIV/AIDS secretariats. Discussion was also conducted with EEPCo’s Project office (Aluto Geothermal Power Plant construction Project, Phase III) and Geological Survey of Ethiopia (GSE).

In all the meetings, the discussions were focused on the following major issues:

- Dissemination of information about the project and potential positive and negative impacts,
- Description of the project’s impact on the existing bio-physical environment and socio-economic conditions,
- The predicted negative and positive impacts during construction, operation and maintenance phases,
- The possible mitigation measures to be undertaken especially during the drilling of the geothermal wells,
- Attitude of community, local government officials and technical personnel towards the project.

Meeting Held on May 31, 2013, 10:30 a.m.

Meetings held in two separate places are:

1. The first meeting was held with communities living in Abeyi Deneba and Aluto Kebeles, attendance: 31 participants
2. The second meeting has been held with Golba Aluto Kebele, attendance: 88

Agenda

- Introducing the assessment team,
- Purpose of the meeting,
- Briefing on the Drilling of deep geothermal wells at Aluto,
- Positive and negative impacts of the Project,
- Discussion on mitigation measures, and
- Discussion on mode of compensation, grievance procedures, etc.

Briefing on the Aluto Geothermal Power Plant Expansion Project, Phase III

After introducing the assessment team and explaining the purpose of the meeting, the assessment team has discussed the positive and negative impacts of the project with the project affected people (PAPs).

On the positive side, the contribution of the project to socio-economic development of the country was discussed. The potential negative impact of the project on houses and crops that are found near the drilling site, power plant and transmission line constructions and the corresponding mitigation measures, valuation methods and grievance redress mechanism were discussed during the meetings.
Meeting held with Aluto and Abeyi Deneba Kebele residents.

Views of the Community on the Project and Raised Issues

Meeting has been held with communities of two Kebeles namely Abeyi Deneba and Aluto and several issues were raised in the meeting and discussed.

- The Aluto Geothermal Power Plant Expansion Project, Phase III will increase the capacity of the power plant and this will greatly contribute to the country’s socio-economic development therefore PAPs will support the Project.

- Participants have asked whether additional land required for the Phase III project and specific location of land required by the project. The ESIA assessment team has explained that additional land is required for the Phase III Aluto Power Plant Expansion Project components. The main project components that require land are drilling of deep geothermal wells, the power plant construction, transmission line construction from Aluto proposed power plant to Adami Tulu Substation, and access road. It is further explained that compensation will be made to affected houses, crops and substitute land will be given to those who lost much of their land.

- Discussion was also been made on the experience of the Phase II project (Four deep geothermal well drilling) where some farmers get it difficult to handle large sum of money and lack of know how or experience in trade or other business. To solve the problem, using banking system, training, business consultation and skill development shall be organized in the Phase III Aluto Geothermal Project.

- Though electric power is generated from the Aluto Langano pilot power plant, the community around the power plant does not get electric power. During the discussion, it is explained that the problem was the scattered settlement pattern in the area which make it difficult to supply electric power.

- Steam and excavation sludge that come out of the geothermal wells are damaging crops and water (the effluent coming out of LA 4 geothermal well is contaminating drinking water). Solution is required for the problem. It is explained that the project office will be informed about the problem and solution will be sought.

- We were told we would get job opportunities for residents of the three Kebeles in the project construction but the promise was not kept.

- The community expects infrastructure, like schools, electric light service, drinking water, from the project.

- Some other issues related to compensation payment, replacement of land, in the Aluto Phase II Project has been discussed.

Views of Communities at Golba Aluto Kebele

Meeting has been held with communities at Golba Aluto Kebele and several issues were raised in the meeting and discussed.
Participants of the meeting have raised questions on different issues. They expressed their expectation in terms of benefits from the project in relation to the project impact.

The following are the issues raised and discussed with community members:

- There is a problem flood at Golba Aluto Kebele because of the road structure. The problem could not get solution. The Woreda Administration took the issue to EEPCo,
- The area around the project does not have electric power. The school in particular does not have electric power,
- We expect provision of school materials for the school in the area by the project,
- Payment for daily labourers is too small,
- Where there is a problem with the project there is no means to tell our complaint, therefore there must be some way/system to tell our problem
- There is water shortage in the area and the project could supply drinking water to the communities.
Discussion with the Youth
Discussion was made with a group of youngsters living around the project site concerning the proposed project. Information is given about the proposed Aluto Geothermal Power plant Expansion Project phase III, the positive and negative impacts of the project on the environment and on the surrounding community was discussed. Views and Issues Raised by the Youth at Golba Aluto Kebele on the Project.

- The Aluto Geothermal Power plant Expansion Project Phase III will contribute to the national social and economic development therefore we support the project.
- Before the power plant construction, there was no road and now we have road because of the geothermal project. However, the road has made some problems associated with rain runoff flood and this makes water logging in one part of the farmland and this makes crop damage. Solution is needed for the problem after careful investigation by professionals.
- The steam is harming crops of the farmers and there is decrease of crop production, it also harms natural vegetation. The expansion of the project take land from farmers and this will make the farmers lose production. Discussion has been carried out related to the nature of the area with natural steams that result in increased heat and associated impacts in the farmland.
Farmlands shall be far from the geothermal wells as well as areas with natural heat. Discussion was made on the employment opportunity for the young living around the project area. Every effort will be made to influence the contractor to hire labour force from the surrounding area except for positions that need special skills. The problem of drinking water in the area was the other issue raised during the discussion. The assessment team has observed that there is acute water shortage in the area and the team will raise the issue on its assessment report.

Generally, the attitude towards the project is positive and local officials have expressed their willingness to support the Project in every necessary means. Participants of the meetings have agreed on the general principles of compensation payments and provision of replacement land to those who lose land and requested reasonable, adequate and timely compensation payments for their lost assets.

Scene from discussion with Young people living around the project area

Discussion with Women Group

Discussion was made with a group of women living around the project site concerning the proposed project. Information is given about the proposed Aluto Geothermal Power construction Project Phase III, the positive and negative impacts of the project on the environment and the surrounding community was discussed.
Views of Women Group on the Project and Raised Issues

**Discussion at Abeyi Deneba and Aluto Kebeles**

Discussion has been conducted with women group at Abeyi Deneba and Aluto Kebeles. The following issues were raised and discussion has been conducted.

- The community stated that during the Phase II of the Aluto geothermal project, they received compensation payment. Since they are farmers without other skill, it is difficult for them to handle large sum of money and the project should provide alternative livelihood in farming. There are elderly people who are not able to work even if large amount of money paid. Payment of compensation alone could not sustain their life. They asked for permanent living area and permanent solution.

- They expressed their worry that if replacement land is not available in the surrounding area near their house they have to move far away which make them away from relatives and neighbors and make their life much harder.

- We have a problem getting drinking water. We travel 13 km, about 2 hours to fetch water, we are suffering because of water. The project pump water for its drilling purpose and they can provide us water in our living area.

- The assessment team has assured them that the purpose of the discussion with women is to assess the problem women could face because of the project’s development and appropriate mitigation measures will be proposed in the assessment report.

- The steam that came out of the geothermal wells harms our farms and people living or working around the wells.

The project agreed to consult further with the community during actual land acquisition and compensation period to agree on the best option for the community based on the guideline of the land acquisition framework.
Scene from discussion with women living around the project area

Discussion with Adami Tulu-Jido-Kombolcha Woreda Administration

Discussion was made with sector offices namely, Land Administration and Environmental Protection office, Agriculture, Education and Health Office, HIV/AIDS Office, Culture and Tourism Office, Water Resource Office and Woreda Administration of Adami Tulu-Jido-Kombolcha Woreda.

Information is given about the proposed Aluto Geothermal Power Expansion Project Phase III, the positive and negative impacts of the project on the environment and on the surrounding community was discussed.
Meeting at the Woreda Administration

Positive Impacts

The following is a summary of the views of the officials interviewed:

- The Aluto Geothermal Power construction Project Phase III is essential for increasing the power generation of the country which is very important for socio-economic development of the country. Being a renewable energy with very minimum environmental impact, the geothermal project is very friendly; the Woreda Administration will support the project during the planning and implementation period in every necessary way.

- The Environment and social Impact assessment conducted by EEPCo is very essential in identifying potential environmental and social problems and helpful for the success of the project. Public consultation makes the community to be aware of the land requirement and make ready for possible relocation.

- Awareness creation is important in relation to the land requirement for the geothermal power plant construction project as well as for the geothermal drilling wells. Instruction was given to the Woreda Land Administration and Environment Protection Office and Kebele Administration to facilitate public consultation and in every other necessary information.
Negative Impacts

- The steam released from the geothermal wells will have negative impacts on crops, trees and community health. Mitigation measures should be proposed to tackle the problem.
- The kebeles around the existing geothermal power plant do not get electric power even though electric power is generated in the area. The schools, health posts and residential houses around the power plant do not have electrical service which is a source of dissatisfaction to the community.

Suggestions

- Based on the experience of Phase II Project compensation payment will be paid on time.
- Residential houses shall be relocated with a reasonable distance from the geothermal wells to avoid negative impacts induced because of the noise pollution during the drilling period and release of steam from the wells during maintenance period.
- EEPCo, through the Project Office shall provide electric power to the project area Kebeles, therefore the community will be compensated for possible negative impacts. People will also have positive attitude towards the project.
- Where ponds will be constructed to hold discharge and waste water for drilling purposes, malaria will spread. Eradication of the spread of malaria will be additional burden for the administration and therefore the project office shall support the health bureau in providing materials.
- Tree plantations by the project around the sensitive area will help to replace trees that will be damaged due to the project activity.
- There is potable water shortage in the project area. Ground Water could not be used because of its high fluoride content. Therefore, it is suggested that the spring water that is found at Golba Aluto and Aluto area can be pumped and supplied to the community.

Disclosure

The ESIA will be disclosed in Ethiopia by making copies available at EEPCo’s Corporate Communication Office at the head office of EEPCo and posted in EEPCo’s website.

The disclosure will also be announced locally on the Ethiopian newspaper and copy of the ESIA will be distributed to concerned Regional and Woreda Administration Offices. The World Bank also discloses this ESIA electronically through its website prior to the processing of the project.
7. VALUATION PROCEDURES
7.1. Organizational Procedures for Delivery of Entitlements

The organizational procedures for delivery of entitlements show the procedures to be adopted in the delivery of entitlements for PAPs. The EMT will facilitate organizational procedures for delivery of entitlements according the FDRE Proclamation No.455/2005 and World Bank operational policy on involuntary resettlement (OP 4.12). The principle of replacement cost will apply for the compensation of project-affected asset and property.

Woreda Administrations, Municipalities and Rural Kebele administrations; will provide all administrative and organizational procedures for the delivery of entitlements for PAPS in consultation with the project office. Compensation payments will be made either in cash or by cheque, following agreement to be made with individual PAPs. Disbursements will be ensured by the project office and will take place in the presence of the compensation committee.

7.2. Method of Valuation

EEPCo will employ two methods, which can be used to conduct valuation of properties for PAPs. These are replacement cost and compensation cost.

Replacement Cost

The replacement-cost approach is based on the premise that the costs of replacing productive assets that have been damaged because of project activities or improper on-site management can be measured. These costs are taken as a minimum estimate of the value of measures that will reduce the damage or improve on-site management practices and thereby prevent damage. The approach involves direct replacement of expropriated assets and covers an amount that is sufficient for asset replacement, net depreciation, moving expenses and other transaction costs, taking into account market values for structures, assets, and materials. This minimum value is then compared to the cost of the new measures. Within the Aluto Geothermal Power Expansion Project Phase III (AGPPEPP III) this is arrived at by analyzing current construction costs relative to design, materials employed, workmanship and final finish of the subject properties.

In line with the principles of “equivalent reinstatement” if the premises to be reinstated require repair, a deduction to reflect this should be made. The deduction for repairs is made in accordance with the principle that the reinstated property should as far as possible be equal to the property being reinstated.

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,
- The cost of land preparation to levels similar to those of the affected land,
- The cost of any registration and transfer taxes.

For land in urban areas:

- It is the pre-project or pre-displacement, whichever is higher with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land,
- 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 the affected structure, or to repair a partially affected structure,
- The cost of transporting building materials to the construction site,
- The cost of any labor and contractors' fees,
- 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.

7.3. Basis of Valuation

The basis of valuation is Gross Current Replacement Cost (GCRC). Gross Current Replacement Cost is defined as the estimated cost of erecting a building as new having the same gross external area as that existing with the site works and services on a similar piece of land, and also lost income. The valuation process will also considered the use of “compensation value” for affected properties.

“Compensation value” is defined as “the amount to be paid to the leaseholder who is calculated as an amount which is above the gross current replacement cost, including the
costs for the inconvenience caused to the leaseholders by relocation, and to enable the same leaseholders to build slightly better houses than what they currently occupy”.

**Compensation Approach**

The compensation approach is based on the willingness of owners of a resource to give up their rights to that resource. In general, the issue of compensation will address four questions: what to compensate for (e.g. land, structures, business, fixed improvements or temporary impacts, lost income); how to compensate; when to compensate; and how much to compensate. Following EEPCo’s practice, compensation is only paid to the PAP after a written consent of the PAP.

Compensation for land structures, business, fixed improvements and other temporary impacts are based on, among other things, market valuation, productivity valuation, negotiated settlements, material and labor valuation, disposition of salvage materials and other fees paid. It should be noted that lack of license or permit will not be a bar to compensation. Because, even squatters have construction costs relative to design, materials employed, workmanship and final finish.

If relocation of business becomes necessary, access to customers and suppliers should be assured. In addition, workers losing employment in the process of relocating should be entitled to transitional income support.

Compensation for temporary impacts should include but not be limited to the following:

- Compensation equivalent to lost income required for the duration of impact;
- Compensation equivalent to lost income required for loss of access; and,
- Physical restoration of assets (or access) required prior to return.

In addition, PAPs will be entitled to transitional assistance which includes moving expenses, temporary residence (if necessary), employment training and income support while awaiting employment and should have an option for full compensation if duration of impact is to exceed two years. In preparing the valuation average costs will have to be assumed. It should be noted that costs of construction vary from one locality to the other.

**7.4. Establishment of Property Valuation Committees and Compensation Procedures**

The EEPCo, in consultation with Woreda Administration offices and Municipalities shall establish a Property Valuation Committee. The establishment of a property valuation committee will be in line with proclamation No. 455/2005, Article 10.

The following are proposed valuation committee members either in rural or urban areas. In rural areas the valuation and compensation committee members may include:

1. Woreda Administrator
2. Rural development or Agriculture office head
3. Kebele administrator
4. Representative of PAPs
5. Representative from local NGO
6. EEPCo representative

In urban areas:
1. Head of the Municipality or Urban Administration
2. Town planner/surveyor
3. Representative of PAPs
4. Representative from local NGO
5. EEPCo representative

The amount of compensation will be determined according to proclamation No. 455/2005, Part Three, Article 7. The amount of compensation will be paid at a replacement cost, and also taking into account World Bank requirements. All compensations will be effected ahead of the civil works.

The environmental team of the project office will carry out household census of project affected persons, and identify the impact and affected property.

The following methodology and procedures are suggested for the valuation of compensation rates for crops and trees.

• Cash compensation is paid for loss of crops and trees that are found on the land that has been acquired. The relevant agricultural office of the locality considered establishes the compensation rates. In accordance with the EEPCo procedures and in consultations with Woreda administrations, the project office and EEPCo’s EMT execute the expropriation and the compensation for the loss of crops and trees. The decisions taken will be, as is the practice, documented with meeting protocols and receipts upon payment. The documents will, as usual, be available at municipalities and Woreda government offices and at EEPCo.

• Compensation rates for loss of crops and trees will be based on market values and cover a cash value of the loss estimated until the new crop or tree comes to maturity. The process and the necessary actions to be taken will be concluded after consultations with Woreda administrations and EEPCo.

**Unit Rates of Compensation for Loss of Crops:**

a. Measure the size of land for each type of crop (in square meter or hectare)

b. Quantify the amount of agricultural production in kg, per hectare or per m²

c. Obtain current market price for each crop type

d. Calculate the amount of compensation payment based on the type, size and quality for each type of crop production
Compensation Rates for Loss of Trees:

Compensation for trees will take into account the distinction between various types of trees and their economic values; fruit trees versus non-fruit trees, etc. Fruit trees will be compensated for the value of lost production until another tree comes to the same stage of productivity.

a. Number and type of trees (fruit bearing and non-fruit bearing)

b. Age of the tree

c. Estimating the number of copies to be obtained from each tree per year

d. Market price for each type of tree

e. Sum of the stream of incomes from the tree

f. Sum of the discounted benefits

Compensation Rates for Loss of Housing and Other Structures:

Likewise, compensation procedures and rates for loss of houses and other structures is established in consultations between EEPCo, municipalities, woreda administrations, kebele administrations and PAPs. The project office executes the expropriation/compensation procedures in consultation with: EEPCo’s Environmental Monitoring Unit, the entitled Project Affected Persons (PAPs) and the Local Government authorities (municipalities, woreda and kebele administrations).

The unit rate established for houses, verandas, fences, and storage could be worked out using the following criterion:

a. Area or size of the affected building (estimate the rate per m\(^2\))

b. Identify type and quality of the material used for the construction of the house and other structures

c. Estimate the cost of construction

d. Number of rooms and facilities available

e. Labor cost (skilled and unskilled)

f. Current market value of the house and the materials

g. Demolishing and transportation cost
8. ELIGIBILITY CRITERIA

In the Resettlement Action Plan (RAP), there shall incorporate a clear definition of the project affected persons (PAPs) by socio-economic and gender category; household or family; the cut-off-dates for eligibility for compensation; the assets to be compensated at replacement cost and others.

Land ownership and severity of impacts determine eligibility for resettlement entitlements.

8.1. Land Tenure:

- In Ethiopia land is a public property

- According to Proclamation No. 455/2005, part one, article 3, "Land holder means an individual, government or private organization or any other organ which has legal personality and has lawful possession over the land to be expropriated and owns property situated thereon".

- In the same Proclamation, part two, article 3(1), clearly states "A Woreda or an Urban Administration shall, upon payment in advance of compensation in accordance with this proclamation, have the power to expropriate rural or urban land holdings for public purpose where it believes that it should be used for a better development project to be carried out by public entities, private investors, cooperative societies or other organs or where such expropriation has been decided by the appropriate higher Regional or Federal government organ for the same purpose".

- The land acquisition by non-land owners may be qualified for alternative forms of assistance.

- Non-owners like renters and business are eligible for relocation and other assistance in finding a new location, compensation at replacement value for any immovable assets, compensation for loss of income during transition, assistance for physical transfer and follow-up services.

- People without titles or use right (e.g. squatters, encroachers) will be eligible for specific assistance. They typically claim use rights or even

- Ownership after occupation of unused or unprotected land. They are likely to have invested in structures or land improvements that are eligible for compensation
8.2. Severity of Impacts

EEPCo would comply compensation at replacement costs just according to Proclamation No. 455/2005, article 7, and the policies of the World Bank, to perform proper compensations for all lost asset:

- If a land holder who’s holding is to be expropriated, he shall be entitled to payment of compensation for his property situated on the land and for permanent improvements he made to the land.

- The amount of compensation for property situated on the expropriated land shall be determined on the basis of replacement cost of the property.

- Those PAPs whose livelihoods are land based and who are losing their significant portion of productive agricultural land would be allowed to have options to choose either cash compensation or land to land compensation.

- Where commercial or industrial activities are disrupted following partial occupation of land, the affected enterprise would be entitled to the cost of reestablishing its activities elsewhere.

- If partially affected structure can no longer serve its normal function, compensation at replacement cost (including provision of a compatible building site), or compensation for all costs of complete restoration is required.

8.3. Relocation

PAPs will be relocated preferably in their own land holdings or in a place close to the area where they were residing. The RAP will address the requirement for residential plots and will be implemented on the basis of providing options for relocation:

- **Option 1**, PAPs may choose self-relocation with compensation for their structures and related assistance, and

- **Option 2**, the PIU will find access to resettle PAPs on appropriate site.

8.4. Cut-Off-Date

The Ethiopian Proclamation No. 455/2005, clearly states the cut off dates for land acquisition, removal of houses and structures and compensation payments.

- Any entitled landholder who has been served with an expropriation order shall handover the land to the local (Woreda) or urban administration within 90 days from the date of payment of compensation.

- Where there is no crop, perennial crop or other properties on the expropriated land, the title holder shall handover the land to the Woreda or Urban
administration within 30 days from the date of receipt of the expropriation order.

8.5 Livelihood Restoration

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. 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. Where relocation or loss of shelter occurs, the RPF requires that measures to assist the displaced persons be implemented in accordance with the Resettlement Action Plans. Where necessary, affected people will be monitored in the rehabilitation of their livelihood. Livelihood restoration measures will be assessed in relevant RAPs 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.

8.6 Grievance Redress Mechanisms

Grievances are first preferred to be settled amicably whenever possible. That is, positive discussions are made to convince the affected PAP in the presence of elders, local administration (municipalities, Woreda and Kebele administration) representatives or any influential person in the locality.

According to proclamation N0.455/2005, Article 11, sub article 1:

“In rural areas and in urban centers where an administrative organ to hear grievances related to urban landholding is not yet established, a complaint relating to the amount of compensation shall be submitted to the regular court having jurisdiction.”

In urban areas, a PAP who is dissatisfied with the amount of compensation may complain to an administrative organ; and if the PAP is still not satisfied, may appeal to the regular appellate court or municipal appellate court within thirty days from the date of the decision.

Grievance Management Mechanisms
Potential Grievances / Disputes
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

As long as one of the sub-programs entails resettlement and/or compensation, the implementation agencies will 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 interested area of the town as part of the consultation undertaken for the sub-program in general.

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

First Instance – Amicable Settlement

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 neighbors. 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. 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, in the form of a locally selected Mediation Committee (See proposed process in Figure 3).

This Mediation Committee will consist of the following members:
• Implementation agency;
• Local NGO (chairperson),
• Local representatives of Program Affected Persons (2 to 5) – these should be selected in the interested area.

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. Solutions to grievances related to compensation amounts, delays in compensation payments or provision of different types of resettlement assistance should be pursued directly by the designated RAP team through liaison with the relevant actors. The sub-program RAP team will ensure that community members and in particular PAPs are informed about the avenues for grievance redress, and will maintain a record of grievances received, and the result of attempts to resolve these. All PAPs will be informed about how to register grievances or complaints, including specific concerns about compensation and relocation. The existence and procedural details related with this first instance mechanism will be widely disseminated to the interested population as part of the consultation undertaken for the subprogram in general.

**Appeal to Court**

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

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.
Figure 1: Grievance / Dispute Management Mechanism
8.6.1 Broad Entitlement Categories

Based on the predicted impacts and the broad entitlement framework, the affected persons in each project would be entitled to the following types of compensation and assistance:

- Compensation for loss of land, crops/trees;
- Compensation for structures (residential/commercial) and other immovable assets;
- Assistance for loss of business/wage income;
- Assistance for relocation and resettlement;
- Rebuilding and/or restoration of community resources/facilities.

8.6.2. Agricultural Title Holders

The majority of the population in the project areas depends on agriculture.

- According to the Constitution of the Federal Democratic Republic of Ethiopia (which entered into force on August 21st 1995), the right to ownership of rural and urban land as well as of all natural resources, in the Government and in the people of Ethiopia.
- The Constitution guarantees the rights of farmers to obtain agricultural land without payment and the protection against eviction from their possession.
- Any agricultural title holders will be entitled for land to land compensation where substitute land is confirmed by the local administrations.
- For those PAPs losing some of their agricultural lands, they will be paid cash compensation for the lost plot of land and keep maintaining their livelihood with the remaining land.
- There is also an option of getting full compensation for PAPs losing their agricultural lands permanently for properties situated on the land and permanent improvements made to such land where there is no enough agricultural land to replace.
8.6.3. Non-Agricultural Title Holders

The replacement cost of the residential or commercial structures will be calculated as per the value decided by the property valuation committee that would be established under Proclamation No. 455/2005.

8.6.4. Common Properties

During the design phase, all efforts will be made to avoid acquisition of common properties. However, in unavoidable cases, some common properties need to be acquired for the project.

- All common properties that can be replaced will be relocated within the localities in consultation with the local communities.
- The loss of forest lands, which are impossible to relocate, will be compensated in consultation with concerned forest department.

8.6.5 Entitlements

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

The following table presents the relationship between impacts and entitlements.

**Impact / Entitlement Matrix**

<table>
<thead>
<tr>
<th>Type of Impact</th>
<th>Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent loss of land (held under rural land holders)</td>
<td>Cash compensation for loss of land as per Ethiopian Proclamation No. 455/2005. Cash compensation for the harvest or product from the affected land or asset, equivalent to ten times the average annual income she/he secured during the five years preceding the expropriation of the land. <strong>Or</strong> replacement by a similar piece of land (similar in location, potential and size), held under similar tenure arrangements. No cash compensation for loss of rented land</td>
</tr>
<tr>
<td>Loss of sharecropping rights over a piece of agricultural land</td>
<td>Cash compensation for loss of assets as per Ethiopian Proclamation No. 455/2005. <strong>Or</strong> Access to similar or better rights (at least sharecropping, or if possible tenancy) over a piece of land of similar agricultural potential</td>
</tr>
<tr>
<td>Permanent loss of land held under long-term urban lease</td>
<td>Replacement by a similar piece of land (similar in location, potential and size), held under similar tenure arrangements (long-term urban lease); <strong>OR</strong> cash compensation at replacement value, based on price per square meter observed in recent market transactions in the same area for similar types of land</td>
</tr>
<tr>
<td>Right-of-Way with restrictions (for example restriction on height of trees and)</td>
<td>Depending on the regime of occupation: Cash compensation of the loss in value resulting from the restriction (usually in the order of 10 to 30% of the total land value of the affected strip for right-of-ways associated with pipeline and transmission line)</td>
</tr>
<tr>
<td>Type of Impact</td>
<td>Entitlement</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>crops making certain crops impossible)</td>
<td>Or replacement by a piece of land in compensation for the restriction of use</td>
</tr>
<tr>
<td>Temporary land take (held under rural or urban lease)</td>
<td>Cash compensation for income lost during the period where plot was not usable by user or Cash compensation for loss of land as per Ethiopian Proclamation No. 455/2005, or replacement by a piece of land of equal or better potential,</td>
</tr>
<tr>
<td>Loss of uninhabited structure</td>
<td>Cash compensation at replacement value or replacement by a structure or equal or better quality, taking into account market values for structures and materials</td>
</tr>
<tr>
<td>Loss of an inhabited dwelling</td>
<td>Resettlement in similar dwelling in a location with equal or better economic/agricultural potential Replacement by a structure of equal or better quality, or cash compensation, taking into account market values for structures and materials</td>
</tr>
<tr>
<td>Loss of annual crop</td>
<td>Cash compensation as per Ethiopian Proclamation No. 455/2005 (Compensation of lost harvest at market price)</td>
</tr>
<tr>
<td>Loss of perennial crops and valuable trees</td>
<td>Cash compensation as per Ethiopian Proclamation No. 455/2005 and Regulation No. 135/2007 (compensation of lost harvest at market price if the crop could not be harvested) PLUS Compensation of the cost of planting (seedling plus labour) PLUS Compensation of the income lost during the period of time required to re-establish the plantation to a similar level of production (this period of time depends on the species grown, it is generally in the range 1 year – banana or papaya trees for example - to 5 or 6 years for mango trees – to be determined following regional/woreda practice</td>
</tr>
</tbody>
</table>

Based on Ethiopian laws and World Bank OP 4.12, the following is the entitlement matrix for the project:

**Project Entitlement Matrix**

<table>
<thead>
<tr>
<th>Land &amp; Assets</th>
<th>Types of Impact</th>
<th>Person(s)Affected</th>
<th>Compensation/Entitlement/Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural land</td>
<td>Cash compensation for affected land equivalent to market value Less than 20% of land holding affected Land remains economically viable.</td>
<td>Farmer/ title holder Tenant/ lease holder</td>
<td>Cash compensation for affected land equivalent to replacement value, taking into account market values for the land Cash compensation for the harvest or product from the affected land or asset, equivalent to average market value of last 3 years, or market value of the crop for the remaining period of tenancy/ lease agreement, whichever is greater.</td>
</tr>
<tr>
<td></td>
<td>Greater than 20% of land holding lost Land does not become economically viable.</td>
<td>Farmer/ Title holder</td>
<td>Land for land replacement where feasible, or compensation in cash for the entire landholding according to PAP’s choice, taking into account market values for the land.</td>
</tr>
<tr>
<td>Land &amp; Assets</td>
<td>Types of Impact</td>
<td>Person(s)Affected</td>
<td>Compensation/Entitlement/Benefits</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------</td>
<td>------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Land for land replacement will be in terms of a new parcel of land of equivalent size and productivity with a secure tenure status at an available location which is acceptable to PAPs. Transfer of the land to PAPs shall be free of taxes, registration, and other costs. Relocation assistance (costs of shifting + assistance in re-establishing economic trees + allowance up to a maximum of 12 months while short-term crops mature.) Relocation assistance (costs of shifting + assistance in re-establishing economic trees + allowance up to a maximum of 12 months while short-term crops mature.)</td>
</tr>
<tr>
<td>Tenant/Lease holder</td>
<td></td>
<td></td>
<td>Cash compensation equivalent to average of last 3 years’ market value for the mature and harvested crop, or market value of the crop for the remaining period of tenancy/lease agreement, whichever is greater. Relocation assistance (costs of shifting + assistance in re-establishing economic trees + allowance up to a maximum of 12 months while short-term crops mature).</td>
</tr>
<tr>
<td>Commercial Land</td>
<td>Land used for business partially affected</td>
<td>Title holder/business owner</td>
<td>Cash compensation for affected land, taking into account market values for the land Opportunity cost compensation equivalent to 5% of net annual income based on tax records for previous year (or tax records from comparable business, or estimates where such records do not exist).</td>
</tr>
<tr>
<td></td>
<td>Limited loss</td>
<td></td>
<td>Business owner is lease holder Opportunity cost compensation equivalent to 10% of net annual income based on tax records for previous year (or tax records from comparable business, or</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Land &amp; Assets</th>
<th>Types of Impact</th>
<th>Person(s)Affected</th>
<th>Compensation/Entitlement/Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Land</td>
<td>Land used for residence partially affected, limited loss Remaining land viable for present use.</td>
<td>Title holder</td>
<td>Cash compensation for affected land, taking into account market values for the land</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rental/lease holder</td>
<td>Cash compensation equivalent to 10% of lease/ rental fee for the remaining period of rental/ lease agreement (written or verbal)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Title holder</td>
<td>Land for land replacement or compensation in cash according to PAP’s choice; cash compensation to take into account market values for the land. Land for land replacement shall be of minimum plot of acceptable size under the zoning law/ s or a plot of equivalent size.</td>
</tr>
<tr>
<td></td>
<td>Assets used for business severely affected</td>
<td>Title holder/business owner</td>
<td>Land for land replacement or compensation in cash according to PAP’s choice; cash compensation to take into account market values for the land. Land for land replacement will be provided in terms of a new parcel of land of equivalent size and market potential with a secured tenure status at an available location which is acceptable to the PAP. Transfer of the land to the PAP shall be free of taxes, registration, and other costs. Relocation assistance (costs of shifting + allowance). Opportunity cost compensation equivalent to 2 months net income based on tax records for previous year (or tax records from comparable business, or estimates).</td>
</tr>
<tr>
<td></td>
<td>If partially affected, the remaining assets become insufficient for business purposes</td>
<td></td>
<td>Relocation assistance (costs of shifting). Opportunity cost compensation equivalent to 2 months net income based on tax records for previous year (or tax records from comparable business, or estimates).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Business person is lease holder</td>
<td>Opportunity cost compensation equivalent to 2 months net income based on tax records for previous year (or tax records from comparable business, or estimates), or the relocation allowance, whichever is higher. Relocation assistance (costs of shifting). Assistance in rental/ lease of alternative land/ property (for a maximum of 6 months) to reestablish the business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Compensation estimates where such records do not exist.
<table>
<thead>
<tr>
<th>Land &amp; Assets</th>
<th>Types of Impact</th>
<th>Person(s)Affected</th>
<th>Compensation/Entitlement/Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>size, whichever is larger, in either the community or a nearby resettlement area with adequate physical and social infrastructure systems as well as secured tenure status. When the affected holding is larger than the relocation plot, cash compensation to cover the difference in value. Transfer of the land to the PAP shall be free of taxes, registration, and other costs. Relocation assistance (costs of shifting + allowance)</td>
</tr>
<tr>
<td></td>
<td>Land and assets used for residence severely affected Remaining area insufficient for continued use or becomes smaller than minimally accepted under zoning laws</td>
<td>Rental/lease holder</td>
<td>Refund of any lease/ rental fees paid for time/ use after date of removal Cash compensation equivalent to 3 months of lease/ rental fee Assistance in rental/ lease of alternative land/ property Relocation assistance (costs of shifting + allowance)</td>
</tr>
<tr>
<td>Buildings and structures</td>
<td>Structures are partially affected Remaining structures viable for continued use</td>
<td>Owner</td>
<td>Cash compensation for affected building and other fixed assets, taking into account market costs of structures and materials Cash assistance to cover costs of restoration of the remaining structure</td>
</tr>
<tr>
<td></td>
<td>Rental/lease holder</td>
<td>Cash compensation for affected assets, taking into account market costs for assets and materials (verifiable improvements to the property by the tenant). Disturbance compensation equivalent to two months rental costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Entire structures affected or partially affected Remaining structures not suitable for continued use</td>
<td>Owner</td>
<td>Cash compensation, taking into account market rates, for entire structure, materials, and other fixed assets without depreciation, or alternative structure of equal or better size and quality in an available location which is acceptable to the PAP. Right to salvage materials without deduction from compensation Relocation assistance (costs of shifting + allowance)</td>
</tr>
<tr>
<td>Land &amp; Assets</td>
<td>Types of Impact</td>
<td>Person(s)Affected</td>
<td>Compensation/Entitlement/Benefits</td>
</tr>
<tr>
<td>-------------------</td>
<td>----------------------------------------------------</td>
<td>-------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Standing crops</td>
<td>Crops affected by land acquisition or temporary acquisition or easement</td>
<td>PAP (whether owner, tenant, or squatter)</td>
<td>Cash compensation equivalent to average of last 3 years market value for the mature and harvested crop.</td>
</tr>
<tr>
<td>Standing crops</td>
<td>Street vendor</td>
<td></td>
<td>Opportunity cost compensation equivalent to 2 months net income based on tax records for previous year (or tax records from comparable business, or estimates), or the relocation allowance, whichever is higher. Relocation assistance (costs of shifting) Assistance to obtain alternative site to re-establish the business.</td>
</tr>
<tr>
<td>Rental/lease holder</td>
<td>Squatter/informal dweller</td>
<td></td>
<td>Rehabilitation assistance if required (assistance with job placement, skills training)</td>
</tr>
<tr>
<td>Rental/lease holder</td>
<td>Rental/lease holder</td>
<td></td>
<td>Cash compensation for affected assets, taking into account market rates for materials (verifiable improvements to the property by the tenant) Relocation assistance (costs of shifting + allowance equivalent to four months rental costs) Assistance to help find alternative rental arrangements Rehabilitation assistance if required (assistance with job placement, skills training)</td>
</tr>
<tr>
<td>Standing crops</td>
<td>Standing crops</td>
<td></td>
<td>Rehabilitation assistance if required (assistance with job placement, skills training)</td>
</tr>
<tr>
<td>Standing crops</td>
<td>Standing crops</td>
<td></td>
<td>Cash compensation equivalent to average of last 3 years market value for the mature and harvested crop.</td>
</tr>
<tr>
<td>Rental/lease holder</td>
<td>Rental/lease holder</td>
<td></td>
<td>Rehabilitation assistance if required (assistance with job placement, skills training)</td>
</tr>
<tr>
<td>Squatter/informal dweller</td>
<td>Squatter/informal dweller</td>
<td></td>
<td>Rehabilitation assistance if required (assistance with job placement, skills training)</td>
</tr>
</tbody>
</table>
### Land & Assets

<table>
<thead>
<tr>
<th>Types of Impact</th>
<th>Person(s) Affected</th>
<th>Compensation/Entitlement/Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trees lost</td>
<td>Title holder</td>
<td>Cash compensation based on type, age and productive value of affected trees plus 10% premium</td>
</tr>
<tr>
<td>Temporary acquisition</td>
<td>PAP (whether owner, tenant, or squatter)</td>
<td>Cash compensation for any assets affected, taking into account market values for materials (e.g. boundary wall demolished, trees removed)</td>
</tr>
</tbody>
</table>

#### 8.6.6 RAP Preparation

A consultative and participatory process for preparing a RAP will include among others the following:

(i) A socio-economic survey will be completed to determine scope and nature of resettlement impacts.
(ii) The socio-economic study will be carried out to collect data in the selected sub-project sites.
(iii) The socio-economic assessment will focus on the potential affected communities, including some demographic data, description of the area, livelihoods, the local participation process, and establishing baseline information on livelihoods and income, landholding, etc.

Annex describes the requirements for the RAP in detail. In general, the RAP contains the following information:

(i) Baseline Census;
(ii) Socio-Economic Survey;
(iii) Specific Compensation Rates and Standards;
(iv) Entitlements related to any additional impacts;
(v) Site Description;
(vi) Programs to Improve or Restore Livelihoods and Standards of Living;
(vii) Detailed cost estimates and Implementation Schedule.

Where relocation or loss of shelter occurs, the RPF requires that measures to assist the displaced persons be implemented in accordance with the Resettlement Action Plans.

If community members elect to voluntarily donate land/assets without compensation, they must be fully informed about the project and its grievance redress arrangements ahead of the agreement, and it must be documented that this act is performed freely and voluntarily without any coercion.
9. Estimated Cost

9.1 Implementation Schedule and Cost Estimate

Since the specific sites and sub-projects are not yet determined, this RPF refers only to an estimated number of PAPs. Because costs of resettlement and compensation are based on technical designs and results of scoping, it is not possible to produce a detailed budget for RAP implementation. Once a budget is finalized, it will be subject to approval by the World Bank. An indicative RAP budget outline:

The total project cost for environmental mitigation, monitoring and compensation for resettlement is estimated to be **310,075.65** Birr in local currency (**15,503.783** USD in foreign currency), the cost summary is depicted below:

<table>
<thead>
<tr>
<th>No</th>
<th>Items</th>
<th>Cost in Birr</th>
<th>Cost  USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>RAP Implementation cost</td>
<td>172,427.55</td>
<td>8621.378</td>
</tr>
<tr>
<td>2</td>
<td>Tree plantation</td>
<td>19,459.40</td>
<td>972.97</td>
</tr>
<tr>
<td></td>
<td><strong>Sub total</strong></td>
<td><strong>191,886.95</strong></td>
<td><strong>9594.348</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Monitoring and valuation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Monitoring and evaluation</td>
<td>80,000.00</td>
<td>4000.00</td>
</tr>
<tr>
<td>2</td>
<td>Valuation committee per diem</td>
<td>10,000.00</td>
<td>500.00</td>
</tr>
<tr>
<td></td>
<td><strong>Sub Total</strong></td>
<td><strong>90,000.00</strong></td>
<td><strong>4500.00</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>281,886.95</strong></td>
<td><strong>14,094.348</strong></td>
</tr>
<tr>
<td></td>
<td>Contingency 10%</td>
<td>28,188.70</td>
<td>1409.435</td>
</tr>
<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td><strong>310,075.65</strong></td>
<td><strong>15,503.783</strong></td>
</tr>
</tbody>
</table>
10. CONSULTATION AND PARTICIPATION PROCESSES

Relocating or compensating people implies communication or dialogue with the stakeholders. After completion of the design or the design review, PAPs will be consulted individually and in groups, depending on the context. The consultation and participation process will include four phases: i) data collection; ii) preparation and planning of operations; iii) implementation of operations; and iv) monitoring and evaluation. The EMT Experts of EEPCo are responsible for coordinating the public participation and consultation process.

10.1. Data Collection Phase

In the data collection phase, the following organizations and groups are identified as the major actors for its implementation.

- EEPCo’s EMT Experts (monitoring)
- The project office (compensation/rehabilitation),
- Agriculture and Rural Development Offices located at Woreda level (for agricultural data),
- Municipalities (housing data),
- Kebele Administration (household data), and
- PAPs (provision of other relevant data)

The above actors will constitute the main task force in the data collection phase. This process will include consultations with PAPs and other relevant stakeholders. The data collected will serve as an instrument for the monitoring of the social mitigation measures to be implemented.

PAPs, including woreda administration and sector offices (Agriculture desk, municipality, the police, and other relevant Offices) will be consulted through individual and group meetings to share information about the project. For example, owners of properties in the right-of-way will be informed about actions to be taken and the rehabilitation or the resettlement measures anticipated in order to prepare them for the possible changes. In such meetings, PAPs will be involved and shall participate in the data collection phase by providing socio-economic information about their livelihoods. Their inputs will be integrated into the project implementation process, from the planning to the evaluation phase.

The data collection phase will include two major processes:

i) Execution of the social impact assessment (to be initiated/completed at project launching); and
ii) Establishment of the presumed RAP for projects that would require it (to be initiated or completed before erection works).

10.2. Planning Phase

Planning and coordination of the tasks of the various actors is the key to successful implementation of the expropriation /compensation arrangements. PAPs will be encouraged to participate in the planning and implementation of the intended program /project. Community Based Organizations (CBO) also will take part in the program /project. The following are the major actors proposed to participate in the planning process.

- EEPCo’s EMT Experts (monitoring),
- The Project office (compensation/rehabilitation),
- Municipality and Woreda Administration (planning),
- PAPs (planning inputs, sounding board and advice-giving),
- CBOs locally based,
- Other concerned bodies as required

To achieve that goal, workshops will be organized with the above mentioned stakeholders and other relevant government agencies, at project launching and at the commencement of every project identified as having adverse social impacts.

The above stakeholders will be requested to participate in the decision making process and provide inputs in the area of their expertise in order to establish a coherent work plan. Also, PAPs will be consulted in an aim to obtain their positions on issues at stake. The requirements of their work programs /business activities will be incorporated into the expropriation /compensation plans.

The workshops will focus on:

a) Taking stock of the legal framework for compensation;
b) Settling institutional arrangements and mechanisms for payment of compensation;
c) Defining tasks and responsibilities of each stakeholder, and
d) Establishing a work plan.

The above workshops and other similar workshops would contribute to building the capacity of PAPs, woreda and municipal authorities, and technicians.
10.3. Implementation Phase

As stipulated in the Ethiopian legal framework and the WB Safeguard Policies, development projects should not impoverish the people within the project areas. Rather, the PAPs should gain from the projects and one aspect of their achievement is that adequate compensation should be effected prior to project implementation.

EEPCo and local government administrations (woreda, municipality, and kebele authorities) and agencies will conduct the execution of the expropriation /compensation operations. PAPs will be consulted about the compensation arrangements prepared. Amount of cash compensation for the affected property and crops will be presented to each eligible PAP for consideration and endorsement before cash payment or land for land compensation can be effected.

On this basis, therefore, the Project office should assign a team, responsible for the effective and efficient implementation of the compensation estimated as per the valuation methods /techniques.

The actors in the implementation phase and their roles include:

- EEPCo EMT Experts (planning, coordination and monitoring)
- The project office (compensation /rehabilitation)
- The Ministry of Finance and Economic Development (procurement of funds)
- EEPCo's project office (execution of compensation)
- Woreda administration and municipality (facilitating the process of payment of compensation, valuation and compensation committee meetings, and land for land compensation) , and
- PAPs (endorsement of arrangements)

10.4. Monitoring and Evaluation Phase

EEPCo will organize project completion workshops with government agencies, NGOs and representatives of PAPs after completion of the expropriation /compensation operations. After completion of all expropriation /compensation operations, PAPs will be consulted about their views through a household survey to be carried out by an external consultant employed for the purpose. The objective of the household survey is to assess those mitigation measures taken to address the adverse social impacts and also to assess the implementation of the RAP and compensation payment. In general, the survey will assess the impact created by the project on the livelihood of PAPs.

Likewise, the municipality and other woreda administration also will be consulted to provide their assessments of the impacts of the social mitigation measures applied.
Actors:

- The EMT of EEPCo (planning, coordination and monitoring)
- Municipality and woreda administrations (monitoring and evaluation)
- PAPs and NGO’s or private consultants wherever required (evaluation)
- Regional /Federal EPA and other concerned body

The findings of the survey and the workshops will be presented in the Project Completion Report, which will be established by the EEPCo.
11. MONITORING AND EVALUATION ARRANGEMENTS

Monitoring and evaluation will be a continuous process. EEPCo will continuously take stock of all expropriation compensation reports and discuss it on regular basis.

After completion of the resettlement /rehabilitation operations, it is expected that PAPs will have a better or improved way of life compared to their prior resettlement situation. Therefore, resettlement /rehabilitation operations need to be monitored with regard to performance and compliance with the above objective.

The Actors in the monitoring and evaluation process include:

- The EMT of EEPCo (for planning, coordination and monitoring)
- Municipality and woreda administration (for monitoring and evaluation)
- PAPs and NGO’s or private consultants as required (for evaluation)
- Regional /Federal EPA and other concerned agencies

Since resettlement /rehabilitation is the byproduct of construction activities, the principal actor of the resettlement /rehabilitation operations will be EEPCo, in close co-ordination and co-operation with municipality and woreda authorities. However, in the case of large-scale resettlement projects, EEPCo may conduct the monitoring through a consultant or an NGO who might have experience in the preparation of a Resettlement Action Plan (RAP).

The frequency of monitoring may vary, depending on the magnitude and complexity of the operations. Field visits by EEPCo will be conducted at least once a month. Municipalities and woreda administrations will conduct their own monitoring, but when possible, this will be done together with EEPCo. MoME will be the responsible body to review the results of the monitoring and evaluation.

11.1. Monitoring Principles

For each project with adverse social impacts, a monitoring and an evaluation plan of the mitigation measures will be established. The scope of the plan will, however, take into account the size of the social impacts to be mitigated while respecting the basic monitoring principles.

The plans will describe:

- The internal monitoring process,
- Key monitoring indicators (provide a list of monitoring indicators, which would be used for internal monitoring),
- Institutional (including financial) arrangements,
Frequency of reporting and content for internal monitoring, process for integrating feedback from internal monitoring into implementation,

Financial arrangements for external monitoring and evaluation, including process for awarding and maintenance of contracts for the duration of resettlement,

Methodology for external monitoring,

Key indicators for external monitoring, focusing on outputs and impacts,

Frequency of reporting and content for external monitoring and process for integrating feedback from external monitoring into implementation, and

Analysis of the environmental and social performance or record of each sub-project

The EMT Experts of EEPCo, following the plan described, will conduct internal monitoring. The concerned local administration (either woreda or municipality) will also conduct its own monitoring in collaboration with the EEPCo.

External monitoring will be conducted through WB supervision missions. Classic WB supervision mission (twice a year) will be sufficient to monitor progress in the mitigation of adverse social impacts. Given the limited social scientific capacity of EEPCo, the World Bank supervision missions should be coupled with capacity building inputs from an international resettlement expert. This would ensure: progress on the ground; strengthened analytical capacity and safeguarding of proper documentation of operations executed and the progress made.

Before closure of the mitigation of adverse social impacts, EEPCo will consult a local NGO to conduct an evaluation of the mitigation measures executed. The evaluation report will be used as a planning instrument to correct pending issues and suggest a post-project monitoring period with the aim of ensuring that PAPs have not been subject to impoverishment induced by the EEPCo's project operations.
12. REFERENCES


13. ANNEXES
13.1 Annex 1


**Note:** OP and BP 4.12 together replace OD 4.30, *Involuntary Resettlement*. This OP and BP apply to all projects for which a Project Concept Review takes place on or after January 1, 2002. Questions may be addressed to the Director, Social Development Department (SDV).

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**Involuntary Resettlement**

1. The planning of resettlement activities is an integral part of preparation for Bank-assisted. During project identification, the task team (TT) identifies any potential involuntary resettlement under the project. Throughout project processing, the TT consults the regional social development unit, Legal Vice Presidency (LEG) and, as necessary, the Resettlement Committee (see para. 7 of this BP).

2. When a proposed project is likely to involve involuntary resettlement, the TT informs the borrower of the provisions of **OP/BP 4.12**. The TT and borrower staff:

   (a) assess the nature and magnitude of the likely displacement;

   (b) explore all viable alternative project designs to avoid, where feasible, or minimize displacement;

   (c) assess the legal framework covering resettlement and the policies of the government and implementing agencies (identifying any inconsistencies between such policies and the Bank’s policy);

   (d) review past borrower and likely implementing agencies’ experience with similar operations;

   (e) discuss with the agencies responsible for resettlement the policies and institutional, legal, and consultative arrangements for resettlement, including measures to address any inconsistencies between government or implementing agency policies and Bank policy; and

   (f) discuss any technical assistance to be provided to the borrower (see **OP 4.12**, para. 32).

3. Based on the review of relevant resettlement issues, the TT agrees with the Regional social development unit and LEG on the type of resettlement instrument (resettlement plan, abbreviated resettlement plan, resettlement policy framework, or process framework) and the scope and the level of detail required. The TT conveys these
decisions to the borrower and also discusses with the borrower the actions necessary
to prepare the resettlement instrument, agrees on the timing for preparing the
resettlement instrument, and monitors progress.

4. The TT summarizes in the Project Concept Document (PCD) and the Project
Information Document (PID) available information on the nature and magnitude of
displacement and the resettlement instrument to be used, and the TT periodically
updates the PID as project planning proceeds.

5. For projects with impacts under para. 3 (a) of OP 4.12, the TT assesses the following
during project preparation:
   (a) the extent to which project design alternatives and options to minimize and
   mitigate involuntary resettlement have been considered;
   (b) progress in preparing the resettlement plan or resettlement policy framework and
   its adequacy with respect to OP 4.12, including the involvement of affected
   groups and the extent to which the views of such groups are being considered;
   (c) proposed criteria for eligibility of displaced persons for compensation and other
   resettlement assistance;
   (d) the feasibility of the proposed resettlement measures, including provisions for
   sites if needed; funding for all resettlement activities, including provision of
   counterpart funding on an annual basis; the legal framework; and implementation
   and monitoring arrangements; and
   (e) if sufficient land is not available in projects involving displaced persons whose
   livelihoods are land-based and for whom a land-based resettlement strategy is the
   preferred option, the evidence of lack of adequate land (OP 4.12, para. 11).

6. For projects with impacts under para. 3 (b) of OP 4.12, the TT assesses the following
during project preparation:
   (a) the extent to which project design alternatives and options to minimize and
   mitigate involuntary resettlement have been considered; and
   (b) progress in preparing the process framework and its adequacy in respect to OP
   4.12, including the adequacy of the proposed participatory approach; criteria for
   eligibility of displaced persons; funding for resettlement; the legal framework;
   and implementation and monitoring arrangements.

7. The TT may request a meeting with the Resettlement Committee to obtain
endorsement of, or guidance on, (a) the manner in which it proposes to address
resettlement issues in a project, or (b) clarifications on the application and scope of
this policy. The Committee, chaired by the vice president responsible for
resettlement, includes the Director, Social Development Department, a representative
from LEG, and two representatives from Operations, one of whom is from the sector
of the project being discussed. The Committee is guided by the policy and, among
other sources, the Resettlement Sourcebook (forthcoming), which will be regularly
updated to reflect good practice.
Appraisal

8. The borrower submits to the Bank a resettlement plan, a resettlement policy framework, or a process framework that conform with the requirements of OP 4.12, as a condition of appraisal for projects involving involuntary resettlement (see OP 4.12, paras. 17-31). Appraisal may be authorized before the plan is completed in highly unusual circumstances (such as emergency recovery operations) with the approval of the Managing Director in consultation with the Resettlement Committee. In such cases, the TT agrees with the borrower on a timetable for preparing and furnishing to the Bank the relevant resettlement instrument that conforms with the requirements of OP 4.12.

9. Once the borrower officially transmits the draft resettlement instrument to the Bank, Bank staff—including the Regional resettlement specialists and the lawyer—review it, determine whether it provides an adequate basis for project appraisal, and advise the Regional sector management accordingly. Once approval for appraisal has been granted by the Country Director, the TT sends the draft resettlement instrument to the Bank's InfoShop. The TT also prepares and sends the English language executive summary of the draft resettlement instrument to the Corporate Secretariat, under cover of a transmittal memorandum confirming that the executive summary and the draft resettlement instrument are subject to change during appraisal.

10. During project appraisal, the TT assesses (a) the borrower's commitment to and capacity for implementing the resettlement instrument; (b) the feasibility of the proposed measures for improvement or restoration of livelihoods and standards of living; (c) availability of adequate counterpart funds for resettlement activities; (d) significant risks, including risk of impoverishment, from inadequate implementation of the resettlement instrument; (e) consistency of the proposed resettlement instrument with the Project Implementation Plan; and (f) the adequacy of arrangements for internal, and if considered appropriate by the TT, independent monitoring and evaluation of the implementation of the resettlement instrument. The TT obtains the concurrence of the Regional social development unit and LEG to any changes to the draft resettlement instrument during project appraisal. Appraisal is complete only when the borrower officially transmits to the Bank the final draft resettlement instrument conforming to Bank policy (OP 4.12).

11. In the Project Appraisal Document (PAD), the TT describes the resettlement issues, proposed resettlement instrument and measures, and the borrower's commitment to and institutional and financial capacity for implementing the resettlement instrument. The TT also discusses in the PAD the feasibility of the proposed resettlement measures and the risks associated with resettlement implementation. In the annex to the PAD, the TT summarizes the resettlement provisions, covering, inter alia, basic information on affected populations, resettlement measures, institutional arrangements, timetable, budget, including adequate and timely provision of counterpart funds, and performance monitoring indicators. The PAD annex shows the overall cost of resettlement as a distinct part of project costs.
12. The project description in the Loan Agreement describes the resettlement component or subcomponent. The legal agreements provide for the borrower's obligation to carry out the relevant resettlement instrument and keep the Bank informed of project implementation progress. At negotiations, the borrower and the Bank agree on the resettlement plan or resettlement policy framework or process framework. Before presenting the project to the Board, the TT confirms that the responsible authority of the borrower and any implementation agency have provided final approval of the relevant resettlement instrument.

Supervision

13. Recognizing the importance of close and frequent supervision to good resettlement outcomes, the Regional vice president, in coordination with the relevant country director, ensures that appropriate measures are established for the effective supervision of projects with involuntary resettlement. For this purpose, the country director allocates dedicated funds to adequately supervise resettlement, taking into account the magnitude and complexity of the resettlement component or subcomponent and the need to involve the requisite social, financial, legal, and technical experts. Supervision should be carried out with due regard to the Regional Action Plan for Resettlement Supervision.

14. Throughout project implementation the TL supervises the implementation of the resettlement instrument ensuring that the requisite social, financial, legal, and technical experts are included in supervision missions. Supervision focuses on compliance with the legal instruments, including the Project Implementation Plan and the resettlement instrument, and the TT discusses any deviation from the agreed instruments with the borrower and reports it to Regional Management for prompt corrective action. The TT regularly reviews the internal, and where applicable, independent monitoring reports to ensure that the findings and recommendations of the monitoring exercise are being incorporated in project implementation. To facilitate a timely response to problems or opportunities that may arise with respect to resettlement, the TT reviews project resettlement planning and implementation during the early stages of project implementation. On the basis of the findings of this review, the TT engages the borrower in discussing and, if necessary, amending the relevant resettlement instrument to achieve the objectives of this policy.

15. For projects with impacts covered under para. 3(b) of OP 4.12, the TT assesses the plan of action to determine the feasibility of the measures to assist the displaced persons to improve (or at least restore in real terms to pre-project or pre-displacement levels, whichever is higher) their livelihoods with due regard to the sustainability of the natural resource, and accordingly informs the Regional Management, the Regional social development unit, and LEG. The TL makes the plan of action available to the public through the Info Shop.

16. A project is not considered complete—and Bank supervision continues—until the resettlement measures set out in the relevant resettlement instrument have been implemented. Upon completion of the project, the Implementation Completion Report (ICR) valuates the achievement of the objectives of the resettlement instrument and lessons for future operations and summarizes the findings of the
borrower's assessment referred to in OP 4.12, para. 24.12 If the evaluation suggests that the objectives of the resettlement instrument may not be realized, the ICR assesses the appropriateness of the resettlement measures and may propose a future course of action, including, as appropriate, continued supervision by the Bank.

Country Assistance Strategy

17. In countries with a series of operations requiring resettlement, the ongoing country and sector dialogue with the government should include any issues pertaining to the country's policy, institutional, and legal framework for resettlement. Bank staff should reflect these issues in country economic and sector work and in the Country Assistance Strategy.

1. "Bank" includes IDA; "loans" includes credits, guarantees, Project Preparation Facility (PPF) advances, and grants; and "projects" includes projects under (a) adaptable program lending; (b) learning and innovation loans; (c) PPFs and Institutional Development Funds (IDFs), if they include investment activities; (d) grants under the Global Environment Facility and Montreal Protocol for which the Bank is the implementing/executing agency; and (e) grants or loans provided by other donors that are administered by the Bank. The term "project" does not include programs under adjustment operations. "Borrower" also includes, wherever the context requires, the guarantor or the project implementing agency.


3. Unit or department in the Region responsible for resettlement issues.

4. The Bank satisfies itself that the borrower has explored all viable alternative project designs to avoid involuntary resettlement and, when it is not feasible to avoid such resettlement, to minimize the scale and impacts of resettlement (for example, realignment of roads or reduction in dam height may reduce resettlement needs). Such alternative designs should be consistent with other Bank policies.

5. Such actions may include, for example, developing procedures for establishing eligibility for resettlement assistance; conducting socioeconomic surveys and legal analyses; carrying out public consultation; identifying resettlement sites; evaluating options for improvement or restoration of livelihoods and standards of living; or, in the case of highly risky or contentious projects, engaging a panel of independent, internationally recognized resettlement specialists.

6. See BP 17.50, Disclosure of Operational Information (forthcoming) for detailed disclosure procedures.

7. For projects with impacts covered under para. 3 (b) of OP 4.12, the analysis referred to in (b) and (d) above is carried out when the plan of action is furnished to the Bank (see para. 15 of this BP).
8. In case of resettlement policy framework, the borrower’s obligation also includes preparing a resettlement plan in accordance with the framework, for each sub-project giving rise to displacement, and furnishing it to be the Bank for approval prior to implementation of the sub-project.

9. See OP/BP 13.05, Project Supervision.

10. The Plan is prepared by the regional social development unit in consultation with the TTs and Legal.


12. The ICR’s assessment of the extent to which resettlement objectives were realized is normally based on a socioeconomic survey of affected people conducted at the time of project completion, and takes into account the extent of displacement, and the impact of the project on the livelihoods of displaced persons and any host communities.
Involuntary Resettlement

Note: OP and BP 4.12 together replace OD 4.30, Involuntary Resettlement. This OP and BP apply to all projects for which a Project Concept Review takes place on or after January 1, 2002. Questions may be addressed to the Director, Social Development Department (SDV).

1. Bank experience indicates that involuntary resettlement under development projects, if unmitigated, often gives rise to severe economic, social, and environmental risks: production systems are dismantled; people face impoverishment when their productive assets or income sources are lost; people are relocated to environments where their productive skills may be less applicable and the competition for resources greater; community institutions and social networks are weakened; kin groups are dispersed; and cultural identity, traditional authority, and the potential for mutual help are diminished or lost. This policy includes safeguards to address and mitigate these impoverishment risks.

Policy Objectives

2. Involuntary resettlement may cause severe long-term hardship, impoverishment, and environmental damage unless appropriate measures are carefully planned and carried out. For these reasons, the overall objectives of the Bank's policy on involuntary resettlement are the following:

(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.

**Impacts Covered**

3. This policy covers direct economic and social impacts that both result from Bank-assisted investment projects, and are caused by:

(a) the involuntary taking of land resulting in:

   (i) relocation or loss of shelter;

   (ii) lost of assets or access to assets; or

   (iii) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or

(b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons.

4. This policy applies to all components of the project that result in involuntary resettlement, regardless of the source of financing. It also applies to other activities resulting in involuntary resettlement, that in the judgment of the Bank, are (a) directly and significantly related to the Bank-assisted project, (b) necessary to achieve its objectives as set forth in the project documents; and (c) carried out, or planned to be carried out, contemporaneously with the project.

5. Requests for guidance on the application and scope of this policy should be addressed to the Resettlement Committee (see BP 4.12, para. 7).

**Required Measures**

6. To address the impacts covered under para. 3 (a) of this policy, the borrower prepares a resettlement plan or a resettlement policy framework (see paras. 25-30) that covers the following:

(a) The resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are:

   (i) informed about their options and rights pertaining to resettlement;

   (ii) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and

   (iii) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.
(b) If the impacts include physical relocation, the resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are:

(i) provided assistance (such as moving allowances) during relocation; and
(ii) 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.

(c) 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:

(i) 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
(ii) provided with development assistance in addition to compensation measures described in paragraph 6(a) (iii), such as land preparation, credit facilities, training, or job opportunities.

7. In projects involving involuntary restriction of access to legally designated parks and protected areas (see para. 3(b)), the nature of restrictions, as well as the type of measures necessary to mitigate adverse impacts, is determined with the participation of the displaced persons during the design and implementation of the project. In such cases, the borrower prepares a process framework acceptable to the Bank, describing the participatory process by which:

(a) specific components of the project will be prepared and implemented; 
(b) the criteria for eligibility of displaced persons will be determined;  
(c) measures to assist the displaced persons in their efforts to improve their livelihoods, or at least to restore them, in real terms, while maintaining the sustainability of the park or protected area, will be identified; and  
(d) potential conflicts involving displaced persons will be resolved.

The process framework also includes a description of the arrangements for implementing and monitoring the process.

8. To achieve the objectives of this policy, particular attention is paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.

9. Bank experience has shown that resettlement of indigenous peoples with traditional land-based modes of production is particularly complex and may have significant adverse impacts on their identity and cultural survival. For this reason, the Bank satisfies itself that the borrower has explored all viable alternative project designs to
avoid physical displacement of these groups. When it is not feasible to avoid such displacement, preference is given to land-based resettlement strategies for these groups (see para. 11) that are compatible with their cultural preferences and are prepared in consultation with them (see Annex A, para. 11).

10. The implementation of resettlement activities is linked to the implementation of the investment component of the project to ensure that displacement or restriction of access does not occur before necessary measures for resettlement are in place. For impacts covered in para. 3(a) of this policy, these measures include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons. For impacts covered in para. 3(b) of this policy, the measures to assist the displaced persons is implemented in accordance with the plan of action as part of the project (see para. 30).

11. Preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. These strategies may include resettlement on public land (see footnote 1 above), or on private land acquired or purchased for resettlement. Whenever replacement land is offered, resettlers are provided with land for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken. If land is not the preferred option of the displaced persons, the provision of land would adversely affect the sustainability of a park or protected area, or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of adequate land must be demonstrated and documented to the satisfaction of the Bank.

12. Payment of cash compensation for lost assets may be appropriate where (a) livelihoods are land-based but the land taken for the project is a small fraction of the affected asset and the residual is economically viable; (b) active markets for land, housing, and labor exist, displaced persons use such markets, and there is sufficient supply of land and housing; or (c) livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.

13. For impacts covered under para. 3(a) of this policy, the Bank also requires the following:

(a) Displaced persons and their communities, and any host communities receiving them, are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement. Appropriate and accessible grievance mechanisms are established for these groups.

(b) In new resettlement sites or host communities, infrastructure and public services are provided as necessary to improve, restore, or maintain accessibility and levels of service for the displaced persons and host communities. Alternative or similar
resources are provided to compensate for the loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder).

(c) Patterns of community organization appropriate to the new circumstances are based on choices made by the displaced persons. To the extent possible, the existing social and cultural institutions of resettlers and any host communities are preserved and resettlers’ preferences with respect to relocating in preexisting communities and groups are honored.

Eligibility for Benefits

14. Upon identification of the need for involuntary resettlement in a project, the borrower carries out a census to identify the persons who will be affected by the project (see the Annex A, para. 6(a)), to determine who will be eligible for assistance, and to discourage inflow of people ineligible for assistance. The borrower also develops a procedure, satisfactory to the Bank, for establishing the criteria by which displaced persons will be deemed eligible for compensation and other resettlement assistance. The procedure includes provisions for meaningful consultations with affected persons and communities, local authorities, and, as appropriate, nongovernmental organizations (NGOs), and it specifies grievance mechanisms.

15. Criteria for Eligibility. Displaced persons may be classified in one of the following three groups:

(a) those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country);

(b) those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets—provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan (see Annex A, para. 7(f)); and

(c) those who have no recognizable legal right or claim to the land they are occupying.

16. Persons covered under para. 15(a) and (b) are provided compensation for the land they lose, and other assistance in accordance with para. 6. Persons covered under para. 15(c) are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy the project area prior to a cut-off date established by the borrower and acceptable to the Bank. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. All persons included in para. 15(a), (b), or (c) are provided compensation for loss of assets other than land.

Resettlement Planning, Implementation, and Monitoring

17. To achieve the objectives of this policy, different planning instruments are used, depending on the type of project:
(a) a resettlement plan or abbreviated resettlement plan is required for all operations that entail involuntary resettlement unless otherwise specified (see para. 25 and Annex A);
(b) a resettlement policy framework is required for operations referred to in paras. 26-30 that may entail involuntary resettlement, unless otherwise specified (see Annex A); and
(c) a process framework is prepared for projects involving restriction of access in accordance with para. 3(b) (see para. 31).

18. The borrower is responsible for preparing, implementing, and monitoring a resettlement plan, a resettlement policy framework, or a process framework (the "resettlement instruments"), as appropriate, that conform to this policy. The resettlement instrument presents a strategy for achieving the objectives of the policy and covers all aspects of the proposed resettlement. Borrower commitment to, and capacity for, undertaking successful resettlement is a key determinant of Bank involvement in a project.

19. Resettlement planning includes early screening, scoping of key issues, the choice of resettlement instrument, and the information required to prepare the resettlement component or subcomponent. The scope and level of detail of the resettlement instruments vary with the magnitude and complexity of resettlement. In preparing the resettlement component, the borrower draws on appropriate social, technical, and legal expertise and on relevant community-based organizations and NGOs. The borrower informs potentially displaced persons at an early stage about the resettlement aspects of the project and takes their views into account in project design.

20. The full costs of resettlement activities necessary to achieve the objectives of the project are included in the total costs of the project. The costs of resettlement, like the costs of other project activities, are treated as a charge against the economic benefits of the project; and any net benefits to resettlers (as compared to the "without-project" circumstances) are added to the benefits stream of the project. Resettlement components or free-standing resettlement projects need not be economically viable on their own, but they should be cost-effective.

21. The borrower ensures that the Project Implementation Plan is fully consistent with the resettlement instrument.

22. As a condition of appraisal of projects involving resettlement, the borrower provides the Bank with the relevant draft resettlement instrument which conforms to this policy, and makes it available at a place accessible to displaced persons and local NGOs, in a form, manner, and language that are understandable to them. Once the Bank accepts this instrument as providing an adequate basis for project appraisal, the Bank makes it available to the public through its InfoShop. After the Bank has approved the final resettlement instrument, the Bank and the borrower disclose it again in the same manner.
23. The borrower's obligations to carry out the resettlement instrument and to keep the Bank informed of implementation progress are provided for in the legal agreements for the project.

24. The borrower is responsible for adequate monitoring and evaluation of the activities set forth in the resettlement instrument. The Bank regularly supervises resettlement implementation to determine compliance with the resettlement instrument. Upon completion of the project, the borrower undertakes an assessment to determine whether the objectives of the resettlement instrument have been achieved. The assessment takes into account the baseline conditions and the results of resettlement monitoring. If the assessment reveals that these objectives may not be realized, the borrower should propose follow-up measures that may serve as the basis for continued Bank supervision, as the Bank deems appropriate (see also BP 4.12, para. 16).

**Resettlement Instruments**

*Resettlement Plan*

25. A draft resettlement plan that conforms to this policy is a condition of appraisal (see Annex A, paras. 2-21) for projects referred to in para. 17(a) above. However, where impacts on the entire displaced population are minor, or fewer than 200 people are displaced, an abbreviated resettlement plan may be agreed with the borrower (see Annex A, para. 22). The information disclosure procedures set forth in para. 22 apply.

*Resettlement Policy Framework*

26. For sector investment operations that may involve involuntary resettlement, the Bank requires that the project implementing agency screen subprojects to be financed by the Bank to ensure their consistency with this OP. For these operations, the borrower submits, prior to appraisal, a resettlement policy framework that conforms to this policy (see Annex A, paras. 23-25). The framework also estimates, to the extent feasible, the total population to be displaced and the overall resettlement costs.

27. For financial intermediary operations that may involve involuntary resettlement, the Bank requires that the financial intermediary (FI) screen subprojects to be financed by the Bank to ensure their consistency with this OP. For these operations, the Bank requires that before appraisal the borrower or the FI submit to the Bank a resettlement policy framework conforming to this policy (see Annex A, paras. 23-25). In addition, the framework includes an assessment of the institutional capacity and procedures of each of the FIs that will be responsible for subproject financing. When, in the assessment of the Bank, no resettlement is envisaged in the subprojects to be financed by the FI, a resettlement policy framework is not required. Instead, the legal agreements specify the obligation of the FIs to obtain from the potential sub-borrowers a resettlement plan consistent with this policy if a subproject gives rise to resettlement. For all subprojects involving resettlement, the resettlement plan is provided to the Bank for approval before the subproject is accepted for Bank financing.

28. For other Bank-assisted projects with multiple subprojects that may involve involuntary resettlement, the Bank requires that a draft resettlement plan conforming
to this policy be submitted to the Bank before appraisal of the project unless, because of the nature and design of the project or of a specific subproject or subprojects (a) the zone of impact of subprojects cannot be determined, or (b) the zone of impact is known but precise sitting alignments cannot be determined. In such cases, the borrower submits a resettlement policy framework consistent with this policy prior to appraisal (see Annex A, paras. 23-25). For other subprojects that do not fall within the above criteria, a resettlement plan conforming to this policy is required prior to appraisal.

29. For each subproject included in a project described in para. 26, 27, or 28 that may involve resettlement, the Bank requires that a satisfactory resettlement plan or an abbreviated resettlement plan that is consistent with the provisions of the policy framework be submitted to the Bank for approval before the subproject is accepted for Bank financing.

30. For projects described in paras. 26-28 above, the Bank may agree, in writing, that subproject resettlement plans may be approved by the project implementing agency or a responsible government agency or financial intermediary without prior Bank review, if that agency has demonstrated adequate institutional capacity to review resettlement plans and ensure their consistency with this policy. Any such delegation, and appropriate remedies for the entity's approval of resettlement plans found not to be in compliance with Bank policy, are provided for in the legal agreements for the project. In all such cases, implementation of the resettlement plans is subject to ex post review by the Bank.

Process Framework

31. For projects involving restriction of access in accordance with para. 3(b) above, the borrower provides the Bank with a draft process framework that conforms to the relevant provisions of this policy as a condition of appraisal. In addition, during project implementation and before to enforcing of the restriction, the borrower prepares a plan of action, acceptable to the Bank, describing the specific measures to be undertaken to assist the displaced persons and the arrangements for their implementation. The plan of action could take the form of a natural resources management plan prepared for the project.

Assistance to the Borrower

32. In furtherance of the objectives of this policy, the Bank may at a borrower's request support the borrower and other concerned entities by providing:

(a) Assistance to assess and strengthen resettlement policies, strategies, legal frameworks, and specific plans at a country, regional, or sectoral level;

(b) Financing of technical assistance to strengthen the capacities of agencies responsible for resettlement, or of affected people to participate more effectively in resettlement operations;
(c) Financing of technical assistance for developing resettlement policies, strategies, and specific plans, and for implementation, monitoring, and evaluation of resettlement activities; and

(d) Financing of the investment costs of resettlement.

33. The Bank may finance either a component of the main investment causing displacement and requiring resettlement, or a free-standing resettlement project with appropriate cross-conditionality, processed and implemented in parallel with the investment that causes the displacement. The Bank may finance resettlement even though it is not financing the main investment that makes resettlement necessary.

34. 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.

1. "Bank" includes IDA; "loans" includes credits, guarantees, Project Preparation Facility (PPF) advances and grants; and "projects" includes projects under (a) adaptable program lending; (b) learning and innovation loans; (c) PPFs and Institutional Development Funds (IDFs), if they include investment activities; (d) grants under the Global Environment Facility and Montreal Protocol, for which the Bank is the implementing/executing agency; and (e) grants or loans provided by other donors that are administered by the Bank. The term "project" does not include programs under adjustment operations. "Borrower" also includes, wherever the context requires, the guarantor or the project implementing agency.

2. In devising approaches to resettlement in Bank-assisted projects, other Bank policies should be taken into account, as relevant. These policies include OP 4.01 Environmental Assessment, OP 4.04 Natural Habitats, OP 4.11 Safeguarding Cultural Property in Bank-Assisted Projects, and OD 4.20 Indigenous Peoples.

3. The term "displaced persons" refers to persons who are affected in any of the ways described in para. 3 of this OP.

4. Displaced persons under para. 3(b) should be assisted in their efforts to improve or restore their livelihoods in a manner that maintains the sustainability of the parks and protected areas.

5. Where there are adverse indirect social or economic impacts, it is good practice for the borrower to undertake a social assessment and implement measures to minimize and mitigate adverse economic and social impacts, particularly upon poor and vulnerable groups. Other environmental, social, and economic impacts that do not result from land taking may be identified and addressed through environmental assessments and other project reports and instruments.
6. This policy does not apply to restrictions of access to natural resources under community-based projects, i.e. where the community using the resources decides to restrict access to these resources, provided that an assessment satisfactory to the Bank establishes that the community decision-making process is adequate, and that it provides for identification of appropriate measures to mitigate adverse impacts, if any, on the vulnerable members of the community. This policy also does not cover refugees from natural disasters, war, or civil strife (see OP/BP 8.50, Emergency Recovery Assistance).

7. For purposes of this policy, "involuntary" means actions that may be taken without the displaced person’s informed consent or power of choice.

8. "Land" includes anything growing on or permanently affixed to land, such as buildings and crops. This policy does not apply to regulations of natural resources on a national or regional level to promote their sustainability, such as watershed management, groundwater management, fisheries management, etc. The policy also does not apply to disputes between private parties in land titling projects, although it is good practice for the borrower to undertake a social assessment and implement measures to minimize and mitigate adverse social impacts, especially those affecting poor and vulnerable groups.

9. For the purposes of this policy, involuntary restriction of access covers restrictions on the use of resources imposed on people living outside the park or protected area, or on those who continue living inside the park or protected area during and after project implementation. In cases where new parks and protected areas are created as part of the project, persons who lose shelter, land, or other assets are covered under para. 3(a). Persons who lose shelter in existing parks and protected areas are also covered under para. 3(a).

10. The Resettlement Sourcebook (forthcoming) provides good practice guidance to staff on the policy.

11. "Replacement cost" is 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 (for a detailed definition of replacement cost, see Annex A, footnote 1). For losses that cannot easily be valued or compensated for in monetary terms (e.g., access to public services, customers, and suppliers; or to fishing, grazing, or forest areas), attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures necessary to meet the replacement cost standard. Such additional assistance is distinct from resettlement assistance to be provided under other clauses of para. 6.
12. If the residual of the asset being taken is not economically viable, compensation and other resettlement assistance are provided as if the entire asset had been taken.

13. The alternative assets are provided with adequate tenure arrangements. The cost of alternative residential housing, housing sites, business premises, and agricultural sites to be provided can be set off against all or part of the compensation payable for the corresponding asset lost.

14. Such support could take the form of short-term jobs, subsistence support, salary maintenance or similar arrangements.


16. See OP 4.04, Natural Habitats.

17. As a general principle, this applies if the land taken constitutes less than 20% of the total productive area.

18. Paras. 13-15 do not apply to impacts covered under para. 3(b) of this policy. The eligibility criteria for displaced persons under 3 (b) are covered under the process framework (see paras. 7 and 30).

19. Such claims could be derived from adverse possession, from continued possession of public lands without government action for eviction (that is, with the implicit leave of the government), or from customary and traditional law and usage, and so on.

20. Resettlement assistance may consist of land, other assets, cash, employment, and so on, as appropriate.

21. Normally, this cut-off date is the date the census begins. The cut-off date could also be the date the project area was delineated, prior to the census, provided that there has been an effective public dissemination of information on the area delineated, and systematic and continuous dissemination subsequent to the delineation to prevent further population influx.

22. For projects that are highly risky or contentious, or that involve significant and complex resettlement activities, the borrower should normally engage an advisory panel of independent, internationally recognized resettlement specialists to advise on all aspects of the project relevant to the resettlement activities. The size, role, and frequency of meeting depend on the complexity of the resettlement. If independent technical advisory panels are established under OP 4.01, Environmental Assessment, the resettlement panel may form part of the environmental panel of experts. See BP 17.50, Disclosure of Operational Information (forthcoming) for detailed disclosure procedures.
23. An exception to this requirement may be made in highly unusual circumstances (such as emergency recovery operations) with the approval of Bank Management (see BP 4.12, para. 8). In such cases, the Management's approval stipulates a timetable and budget for developing the resettlement plan.

24. Impacts are considered "minor" if the affected people are not physically displaced and less than 10% of their productive assets are lost. For purpose of this paragraph, the term "subprojects" includes components and subcomponents.
These policies were prepared for use by World Bank staff and are not necessarily a complete treatment of the subject.

Involuntary Resettlement Instruments
1. This annex describes the elements of a resettlement plan, an abbreviated resettlement plan, a resettlement policy framework, and a resettlement process framework, as discussed in OP 4.12, paras. 17-31.

Resettlement Plan

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

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

4. Potential impacts. Identification of:
   
   (a) The project component or activities that give rise to resettlement;

   (b) The zone of impact of such component or activities;

   (c) The alternatives considered to avoid or minimize resettlement; and

   (d) The mechanisms established to minimize resettlement, to the extent possible, during project implementation.

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

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

   (a) the results of a census survey covering:

      (i) current occupants of the affected area to establish a basis for the design of the resettlement program and to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance;
(ii) standard characteristics of displaced households, including a description of production systems, 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;

(iii) the magnitude of the expected loss—total or partial—of assets, and the extent of displacement, physical or economic;

(iv) information on vulnerable groups or persons as provided for in OP 4.12, para. 8, for whom special provisions may have to be made; and

(v) provisions to update information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement.

(b) Other studies describing the following:

(i) land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area;

(ii) the patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project;

(iii) public infrastructure and social services that will be affected; and

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

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

(a) the scope of the power of eminent domain and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment;

(b) the applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal timeframe for such procedures, and any available alternative dispute resolution mechanisms that may be relevant to resettlement under the project;
(c) relevant law (including customary and traditional law) governing land tenure, valuation of assets and losses, compensation, and natural resource usage rights; customary personal law related to displacement; and environmental laws and social welfare legislation;

(d) laws and regulations relating to the agencies responsible for implementing resettlement activities;

(e) gaps, if any, between local laws covering eminent domain and resettlement and the Bank's resettlement policy, and the mechanisms to bridge such gaps; and

(f) any legal steps necessary to ensure the effective implementation of resettlement activities under the project, including, as appropriate, a process for recognizing claims to legal rights to land—including claims that derive from customary law and traditional usage (see OP 4.12, para. 15 b).

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

(a) the identification of agencies responsible for resettlement activities and NGOs that may have a role in project implementation;

(b) an assessment of the institutional capacity of such agencies and NGOs; and

(c) any steps that are proposed to enhance the institutional capacity of agencies and NGOs responsible for resettlement implementation.

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

10. 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. 1

11. Resettlement measures. A description of the packages of compensation and other resettlement measures that will assist each category of eligible displaced persons to achieve the objectives of the policy (see OP 4.12, para. 6). In addition to being technically and economically feasible, the resettlement packages should be compatible with the cultural preferences of the displaced persons, and prepared in consultation with them.

12. Site selection, site preparation, and relocation. Alternative relocation sites considered and explanation of those selected, covering:
(a) institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and other factors is at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources; (b) any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites; (c) procedures for physical relocation under the project, including timetables for site preparation and transfer; and (d) legal arrangements for regularizing tenure and transferring titles to resettlers.

13. Housing, infrastructure, and social services. Plans to provide (or to finance resettlers' provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to ensure comparable services to host populations; any necessary site development, engineering, and architectural designs for these facilities.

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

15. Community participation. Involvement of resettlers and host communities, including:

(a) a description of the strategy for consultation with and participation of resettlers and hosts in the design and implementation of the resettlement activities;

(b) a summary of the views expressed and how these views were taken into account in preparing the resettlement plan;

(c) a review of the resettlement alternatives presented and the choices made by displaced persons regarding options available to them, including choices related to forms of compensation and resettlement assistance, to relocating as individuals families or as parts of preexisting communities or kinship groups, to sustaining existing patterns of group organization, and to retaining access to cultural property (e.g. places of worship, pilgrimage centers, cemeteries); and

(d) Institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are adequately represented.

16. Integration with host populations. Measures to mitigate the impact of resettlement on any host communities, including:
(a) Consultations with host communities and local governments;

(b) Arrangements for prompt tendering of any payment due the hosts for land or other assets provided to resettlers;

(c) Arrangements for addressing any conflict that may arise between resettlers and host communities; and

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

17. **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.

18. **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.

19. **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.

20. **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.

21. **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.

Abbreviated Resettlement Plan

22. An abbreviated plan covers the following minimum elements:

(a) A census survey of displaced persons and valuation of assets;

(b) Description of compensation and other resettlement assistance to be provided;

(c) Consultations with displaced people about acceptable alternatives;

(d) Institutional responsibility for implementation and procedures for grievance redress;

(e) Arrangements for monitoring and implementation; and

(f) a timetable and budget.

Resettlement Policy Framework

23. The purpose of the policy framework is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects to be prepared during project implementation (see OP 4.12, paras. 26-28). Subproject resettlement plans consistent with the policy framework subsequently are submitted to the Bank for approval after specific planning information becomes available (see OP 4.12, para. 29).

24. The resettlement policy framework covers the following elements, consistent with the provisions described in OP 4.12, paras. 2 and 4:

(a) a brief description of the project and components for which land acquisition and resettlement are required, and an explanation of why a resettlement plan as described in paras. 2-21 or an abbreviated plan as described in para. 22 cannot be prepared by project appraisal;

(b) Principles and objectives governing resettlement preparation and implementation;

(c) A description of the process for preparing and approving resettlement plans;

(d) Estimated population displacement and likely categories of displaced persons, to the extent feasible;

(e) Eligibility criteria for defining various categories of displaced persons;
(f) A legal framework reviewing the fit between borrower laws and regulations and Bank policy requirements and measures proposed to bridge any gaps between them;

(g) Methods of valuing affected assets;

(h) Organizational procedures for delivery of entitlements, including, for projects involving private sector intermediaries, the responsibilities of the financial intermediary, the government, and the private developer;

(i) A description of the implementation process, linking resettlement implementation to civil works;

(j) A description of grievance redress mechanisms;

(k) A description of the arrangements for funding resettlement, including the preparation and review of cost estimates, the flow of funds, and contingency arrangements;

(l) A description of mechanisms for consultations with, and participation of, displaced persons in planning, implementation, and monitoring; and

(m) Arrangements for monitoring by the implementing agency and, if required, by independent monitors.

25. When a resettlement policy framework is the only document that needs to be submitted as a condition of the loan, the resettlement plan to be submitted as a condition of subproject financing need not include the policy principles, entitlements, and eligibility criteria, organizational arrangements, arrangements for monitoring and evaluation, the framework for participation, and mechanisms for grievance redress set forth in the resettlement policy framework. The subproject-specific resettlement plan needs to include baseline census and socioeconomic survey information; specific compensation rates and standards; policy entitlements related to any additional impacts identified through the census or survey; description of resettlement sites and programs for improvement or restoration of livelihoods and standards of living; implementation schedule for resettlement activities; and detailed cost estimate.

Process Framework

26. A process framework is prepared when Bank-supported projects may cause restrictions in access to natural resources in legally designated parks and protected areas. The purpose of the process framework is to establish a process by which members of potentially affected communities participate in design of project components, determination of measures necessary to achieve resettlement policy
objectives, and implementation and monitoring of relevant project activities (see OP 4.12, paras. 7 and 31).

27. Specifically, the process framework describes participatory processes by which the following activities will be accomplished.

(a) *Project components will be prepared and implemented.* The document should briefly describe the project and components or activities that may involve new or more stringent restrictions on natural resource use. It should also describe the process by which potentially displaced persons participate in project design.

(b) *Criteria for eligibility of affected persons will be determined.* The document should establish that potentially affected communities will be involved in identifying any adverse impacts, assessing the significance of impacts, and establishing the criteria for eligibility for any mitigating or compensating measures necessary.

(c) *Measures to assist affected persons in their efforts to improve their livelihoods or restore them, in real terms, to pre-displacement levels, while maintaining the sustainability of the park or protected area will be identified.* The document should describe methods and procedures by which communities will identify and choose potential mitigating or compensating measures to be provided to those adversely affected, and procedures by which adversely affected community members will decide among the options available to them.

(d) *Potential conflicts or grievances within or between affected communities will be resolved.* The document should describe the process for resolving disputes relating to resource use restrictions that may arise between or among affected communities, and grievances that may arise from members of communities who are dissatisfied with the eligibility criteria, community planning measures, or actual implementation.

Additionally, the process framework should describe arrangements relating to the following

(e) *Administrative and legal procedures.* The document should review agreements reached regarding the process approach with relevant administrative jurisdictions and line ministries (including clear delineation for administrative and financial responsibilities under the project).

(f) *Monitoring arrangements.* The document should review arrangements for participatory monitoring of project activities as they relate to (beneficial and adverse) impacts on persons within the project impact area, and for monitoring the effectiveness of measures taken to improve (or at minimum restore) incomes and living standards.
1. 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. Such additional assistance is distinct from resettlement measures to be provided under other clauses in OP 4.12, para. 6.

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

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

4. Experience has shown that local NGOs often provide valuable assistance and ensure viable community participation.

5. OPN 11.03, Management of Cultural Property in Bank-Financed Projects.

6. In case some of the displaced persons lose more than 10% of their productive assets or require physical relocation, the plan also covers a socioeconomic survey and income restoration measures.
OP 4.10 - Indigenous Peoples

These policies were prepared for use by World Bank staff and are not necessarily a complete treatment of the subject.

Note: OP/BP 4.10, Indigenous Peoples, were revised on April 2013 to take into account the recommendations in “Investment Lending Reform: Modernizing and Consolidating Operational Policies and Procedures” (R2012-0248 [IDA/R2012-0248]), which were approved by the Executive Directors on October 25, 2012. As a result of these recommendations: (a) OP/BP 10.00, Investment Project Financing, were revised, among other things, to incorporate OP/BP 13.05, Supervision, and OP/BP 13.55, and Implementation Completion Report, (which have accordingly been retired); and (b) OP 8.60, Development Policy Lending, and OP 9.00, Program-for-Results Financing, have also been revised. OP/BP 4.10 have consequently been updated to reflect these changes, as well as to clarify the extent of their applicability to Development Policy Lending and Program-for-Results Financing and to reflect the updated title of the Bank’s policy on access to information.

Questions on this OP/BP may be addressed to the Safeguard Policies Helpdesk in OPCS (safeguards@worldbank.org).

Revised April 2013

1. This policy contributes to the Bank's mission of poverty reduction and sustainable development by ensuring that the development process fully respects the dignity, human rights, economies, and cultures of Indigenous Peoples. For all projects that are proposed for Bank financing and affect Indigenous Peoples, the Bank requires the borrower to engage in a process of free, prior, and informed consultation. The Bank provides project financing only where free, prior, and informed consultation results in broad community support to the project by the affected Indigenous Peoples. Such Bank-financed projects include measures to (a) avoid potentially adverse effects on the Indigenous Peoples’ communities; or (b) when avoidance is not feasible, minimize, mitigate, or compensate for such effects. Bank-financed projects are also designed to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate and gender and inter-generationally inclusive.

2. The Bank recognizes that the identities and cultures of Indigenous Peoples are inextricably linked to the lands on which they live and the natural resources on which they depend. These distinct circumstances expose Indigenous Peoples to different types of risks and levels of impacts from development projects, including loss of identity, culture, and customary livelihoods, as well as exposure to disease. Gender and intergenerational issues among Indigenous Peoples also are complex. As social groups with identities that are often distinct from dominant groups in their national societies, Indigenous Peoples are frequently among the most marginalized and vulnerable segments of the population. As a result, their economic, social, and legal status often limits their capacity to defend their interests in and rights to lands, territories, and other productive resources, and/or restricts their ability to participate in and benefit from development. At the same time, the Bank recognizes that
Indigenous Peoples play a vital role in sustainable development and that their rights are increasingly being addressed under both domestic and international law.

3. **Identification.** Because of the varied and changing contexts in which Indigenous Peoples live and because there is no universally accepted definition of “Indigenous Peoples,” this policy does not define the term. Indigenous Peoples may be referred to in different countries by such terms as "indigenous ethnic minorities," "aboriginals," "hill tribes," "minority nationalities," "scheduled tribes," or "tribal groups."

4. For purposes of this policy, the term “Indigenous Peoples” is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees:
   (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
   (b) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;
   (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and
   (d) an indigenous language, often different from the official language of the country or region.

A group that has lost "collective attachment to geographically distinct habitats or ancestral territories in the project area" (paragraph 4 (b)) because of forced severance remains eligible for coverage under this policy. Ascertaining whether a particular group is considered as “Indigenous Peoples” for the purpose of this policy may require a technical judgment (see paragraph 8).

5. **Use of Country Systems.** The Bank may decide to use a country’s systems to address environmental and social safeguard issues in a Bank-financed project that affects Indigenous Peoples. This decision is made in accordance with the requirements of the applicable Bank policy on country systems.

**Project Preparation**

6. A project proposed for Bank financing that affects Indigenous Peoples requires:
   (a) screening by the Bank to identify whether Indigenous Peoples are present in, or have collective attachment to, the project area (see paragraph 8);
   (b) a social assessment by the borrower (see paragraph 9 and Annex A);
   (c) a process of free, prior, and informed consultation with the affected Indigenous Peoples’ communities at each stage of the project, and particularly during project preparation, to fully identify their views and ascertain their broad community support for the project (see paragraphs 10 and 11);
   (d) the preparation of an Indigenous Peoples Plan (see paragraph 12 and Annex B) or an Indigenous Peoples Planning Framework (see paragraph 13 and Annex C); and
   (e) disclosure of the draft Indigenous Peoples Plan or draft Indigenous Peoples Planning Framework (see paragraph 15).

7. The level of detail necessary to meet the requirements specified in paragraph 6 (b), (c), and (d) is proportional to the complexity of the proposed project and commensurate with the nature and scale of the proposed project’s potential effects on the Indigenous Peoples, whether adverse or positive.
Screening

8. Early in project preparation, the Bank undertakes a screening to determine whether Indigenous Peoples (see paragraph 4) are present in, or have collective attachment to, the project area. In conducting this screening, the Bank seeks the technical judgment of qualified social scientists with expertise on the social and cultural groups in the project area. The Bank also consults the Indigenous Peoples concerned and the borrower. The Bank may follow the borrower’s framework for identification of Indigenous Peoples during project screening, when that framework is consistent with this policy.

Social Assessment

9. Analysis. If, based on the screening, the Bank concludes that Indigenous Peoples are present in, or have collective attachment to, the project area, the borrower undertakes a social assessment to evaluate the project’s potential positive and adverse effects on the Indigenous Peoples, and to examine project alternatives where adverse effects may be significant. The breadth, depth, and type of analysis in the social assessment are proportional to the nature and scale of the proposed project’s potential effects on the Indigenous Peoples, whether such effects are positive or adverse (see Annex A for details). To carry out the social assessment, the borrower engages social scientists whose qualifications, experience, and terms of reference are acceptable to the Bank.

10. Consultation and Participation. Where the project affects Indigenous Peoples, the borrower engages in free, prior, and informed consultation with them. To ensure such consultation, the borrower:

(a) establishes an appropriate gender and intergenerationally inclusive framework that provides opportunities for consultation at each stage of project preparation and implementation among the borrower, the affected Indigenous Peoples’ communities, the Indigenous Peoples Organizations (IPOs) if any, and other local civil society organizations (CSOs) identified by the affected Indigenous Peoples’ communities;

(b) uses consultation methods appropriate to the social and cultural values of the affected Indigenous Peoples’ communities and their local conditions and, in designing these methods, gives special attention to the concerns of Indigenous women, youth, and children and their access to development opportunities and benefits; and

(c) provides the affected Indigenous Peoples’ communities with all relevant information about the project (including an assessment of potential adverse effects of the project on the affected Indigenous Peoples’ communities) in a culturally appropriate manner at each stage of project preparation and implementation.

11. In deciding whether to proceed with the project, the borrower ascertains, on the basis of the social assessment (see paragraph 9) and the free, prior, and informed consultation (see paragraph 10), whether the affected Indigenous Peoples’ communities provide their broad support to the project. Where there is such support, the borrower prepares a detailed report
that documents:
(a) the findings of the social assessment;

(b) the process of free, prior, and informed consultation with the affected Indigenous Peoples' communities;

(c) additional measures, including project design modification, that may be required to address adverse effects on the Indigenous Peoples and to provide them with culturally appropriate project benefits;

(d) recommendations for free, prior, and informed consultation with and participation by Indigenous Peoples’ communities during project implementation, monitoring, and evaluation; and

(e) any formal agreements reached with Indigenous Peoples’ communities and/or the IPOs. The Bank reviews the process and the outcome of the consultation carried out by the borrower to satisfy itself that the affected Indigenous Peoples’ communities have provided their broad support to the project. The Bank pays particular attention to the social assessment and to the record and outcome of the free, prior, and informed consultation with the affected Indigenous Peoples’ communities as a basis for ascertaining whether there is such support. The Bank does not proceed further with project processing if it is unable to ascertain that such support exists.

Indigenous Peoples Plan/Planning Framework

12. Indigenous Peoples Plan. On the basis of the social assessment and in consultation with the affected Indigenous Peoples’ communities, the borrower prepares an Indigenous Peoples Plan (IPP) that sets out the measures through which the borrower will ensure that (a) Indigenous Peoples affected by the project receive culturally appropriate social and economic benefits; and (b) when potential adverse effects on Indigenous Peoples are identified, those adverse effects are avoided, minimized, mitigated, or compensated for (see Annex B for details). The IPP is prepared in a flexible and pragmatic manner, and its level of detail varies depending on the specific project and the nature of effects to be addressed. The borrower integrates the IPP into the project design. When Indigenous Peoples are the sole or the overwhelming majority of direct project beneficiaries, the elements of an IPP should be included in the overall project design, and a separate IPP is not required. In such cases, the Project Appraisal Document (PAD) includes a brief summary of how the project complies with the policy, in particular the IPP requirements.

13. Indigenous Peoples Planning Framework. Some projects involve the preparation and implementation of annual investment programs or multiple subprojects. In such cases, and when the Bank’s screening indicates that Indigenous Peoples are likely to be present in, or have collective attachment to, the project area, but their presence or collective attachment cannot be determined until the programs or subprojects are identified, the borrower prepares an Indigenous Peoples Planning Framework (IPPF). The IPPF provides for the screening and review of these programs or subprojects in a manner consistent with
this policy (see Annex C for details). The borrower integrates the IPPF into the project design.

14. Preparation of Program and Subproject IPPs. If the screening of an individual program or subproject identified in the IPPF indicates that Indigenous Peoples are present in, or have collective attachment to, the area of the program or subproject, the borrower ensures that, before the individual program or subproject is implemented, a social assessment is carried out and an IPP is prepared in accordance with the requirements of this policy. The borrower provides each IPP to the Bank for review before the respective program or subproject is considered eligible for Bank financing.¹⁴

Disclosure

15. The borrower makes the social assessment report and draft IPP/IPPF available to the affected Indigenous Peoples’ communities in an appropriate form, manner, and language.¹⁵ Before project appraisal, the borrower sends the social assessment and draft IPP/IPPF to the Bank for review.¹⁶ Once the Bank accepts the documents as providing an adequate basis for project appraisal, the Bank makes them available to the public in accordance with The World Bank Policy on Access to Information, and the borrower makes them available to the affected Indigenous Peoples’ communities in the same manner as the earlier draft documents.

Special Considerations

Lands and Related Natural Resources

16. Indigenous Peoples are closely tied to land, forests, water, wildlife, and other natural resources, and therefore special considerations apply if the project affects such ties. In this situation, when carrying out the social assessment and preparing the IPP/IPPF, the borrower pays particular attention to:

(a) the customary rights¹⁷ of the Indigenous Peoples, both individual and collective, pertaining to lands or territories that they traditionally owned, or customarily used or occupied, and where access to natural resources is vital to the sustainability of their cultures and livelihoods;

(b) the need to protect such lands and resources against illegal intrusion or encroachment;

(c) the cultural and spiritual values that the Indigenous Peoples attribute to such lands and resources; and

(d) Indigenous Peoples’ natural resources management practices and the long-term sustainability of such practices.

17. If the project involves (a) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied (such as land titling projects), or (b) the acquisition of such
lands, the IPP sets forth an action plan for the legal recognition of such ownership, occupation, or usage. Normally, the action plan is carried out before project implementation; in some cases, however, the action plan may need to be carried out concurrently with the project itself. Such legal recognition may take the following forms:

(a) full legal recognition of existing customary land tenure systems of Indigenous Peoples; or

(b) conversion of customary usage rights to communal and/or individual ownership rights.

If neither option is possible under domestic law, the IPP includes measures for legal recognition of perpetual or long-term renewable custodial or use rights.

Commercial Development of Natural and Cultural Resources

18. If the project involves the commercial development of natural resources (such as minerals, hydrocarbon resources, forests, water, or hunting/fishing grounds) on lands or territories that Indigenous Peoples traditionally owned, or customarily used or occupied, the borrower ensures that as part of the free, prior, and informed consultation process the affected communities are informed of (a) their rights to such resources under statutory and customary law; (b) the scope and nature of the proposed commercial development and the parties interested or involved in such development; and (c) the potential effects of such development on the Indigenous Peoples’ livelihoods, environments, and use of such resources. The borrower includes in the IPP arrangements to enable the Indigenous Peoples to share equitably in the benefits to be derived from such commercial development; at a minimum, the IPP arrangements must ensure that the Indigenous Peoples receive, in a culturally appropriate manner, benefits, compensation, and rights to due process at least equivalent to that to which any landowner with full legal title to the land would be entitled in the case of commercial development on their land.

19. If the project involves the commercial development of Indigenous Peoples’ cultural resources and knowledge (for example, pharmacological or artistic), the borrower ensures that as part of the free, prior, and informed consultation process, the affected communities are informed of (a) their rights to such resources under statutory and customary law; (b) the scope and nature of the proposed commercial development and the parties interested or involved in such development; and (c) the potential effects of such development on Indigenous Peoples’ livelihoods, environments, and use of such resources. Commercial development of the cultural resources and knowledge of these Indigenous Peoples is conditional upon their prior agreement to such development. The IPP reflects the nature and content of such agreements and includes arrangements to enable Indigenous Peoples to receive benefits in a culturally appropriate way and share equitably in the benefits to be derived from such commercial development.

Physical Relocation of Indigenous Peoples

20. Because physical relocation of Indigenous Peoples is particularly complex and may have significant adverse impacts on their identity, culture, and customary livelihoods, the Bank requires the borrower to explore alternative project designs to avoid physical
relocation of Indigenous Peoples. In exceptional circumstances, when it is not feasible to avoid relocation, the borrower will not carry out such relocation without obtaining broad support for it from the affected Indigenous Peoples’ communities as part of the free, prior, and informed consultation process. In such cases, the borrower prepares a resettlement plan in accordance with the requirements of OP 4.12, Involuntary Resettlement, that is compatible with the Indigenous Peoples’ cultural preferences, and includes a land-based resettlement strategy. As part of the resettlement plan, the borrower documents the results of the consultation process. Where possible, the resettlement plan should allow the affected Indigenous Peoples to return to the lands and territories they traditionally owned, or customarily used or occupied, if the reasons for their relocation cease to exist.

21. In many countries, the lands set aside as legally designated parks and protected areas may overlap with lands and territories that Indigenous Peoples traditionally owned, or customarily used or occupied. The Bank recognizes the significance of these rights of ownership, occupation, or usage, as well as the need for long-term sustainable management of critical ecosystems. Therefore, involuntary restrictions on Indigenous Peoples’ access to legally designated parks and protected areas, in particular access to their sacred sites, should be avoided. In exceptional circumstances, where it is not feasible to avoid restricting access, the borrower prepares, with the free, prior, and informed consultation of the affected Indigenous Peoples’ communities, a process framework in accordance with the provisions of OP 4.12. The process framework provides guidelines for preparation, during project implementation, of an individual parks and protected areas’ management plan, and ensures that the Indigenous Peoples participate in the design, implementation, monitoring, and evaluation of the management plan, and share equitably in the benefits of the park's and protected areas. The management plan should give priority to collaborative arrangements that enable the Indigenous, as the custodians of the resources, to continue to use them in an ecologically sustainable manner.

**Indigenous Peoples and Development**

22. In furtherance of the objectives of this policy, the Bank may, at a member country’s request, support the country in its development planning and poverty reduction strategies by providing financial assistance for a variety of initiatives designed to:

(a) strengthen local legislation, as needed, to establish legal recognition of the customary or traditional land tenure systems of Indigenous Peoples;

(b) make the development process more inclusive of Indigenous Peoples by incorporating their perspectives in the design of development programs and poverty reduction strategies, and providing them with opportunities to benefit more fully from development programs through policy and legal reforms, capacity building, and free, prior, and informed consultation and participation;

(c) support the development priorities of Indigenous Peoples through programs (such as community-driven development programs and locally managed social funds) developed by governments in cooperation with Indigenous Peoples;
(d) address the gender and intergenerational issues that exist among many Indigenous Peoples, including the special needs of indigenous women, youth, and children;

(e) prepare participatory profiles of Indigenous Peoples to document their culture, demographic structure, gender and intergenerational relations and social organization, institutions, production systems, religious beliefs, and resource use patterns;

(f) strengthen the capacity of Indigenous Peoples’ communities and IPOs to prepare, implement, monitor, and evaluate development programs;

(g) strengthen the capacity of government agencies responsible for providing development services to Indigenous Peoples;

(h) protect indigenous knowledge, including by strengthening intellectual property rights; and

(i) facilitate partnerships among the government, IPOs, CSOs, and the private sector to promote Indigenous Peoples’ development programs.

1. This policy should be read together with other relevant Bank policies, including Environmental Assessment OP 4.01, Natural Habitats OP 4.04, Pest Management OP 4.09, Physical Cultural Resources OP/BP 4.11, Involuntary Resettlement OP 4.12, Forests OP 4.36, and Safety of Dams OP 4.37.

2. “Bank” includes IBRD and IDA; “loans” includes IBRD loans, IDA credits, IDA grants, IBRD and IDA guarantees, and Project Preparation Facility (PPF) advances, but does not include Development Policy Lending or Program-for-Results Financing. For social aspects of Development Policy Lending and program-for-Results Financing operations, see OP 8.60, Development Policy Lending, paragraph 10 and OP/BP 9.00, Program-for-Results Financing. The term “borrower” includes, wherever the context requires, the recipient of an IDA grant, the guarantor of an IBRD loan, and the project implementing agency, if it is different from the borrower.

3. This policy applies to all components of the project that affect Indigenous Peoples, regardless of the source of financing.

4. “Free, prior, and informed consultation with the affected Indigenous Peoples’ communities” refers to a culturally appropriate and collective decisionmaking process subsequent to meaningful and good faith consultation and informed participation regarding the preparation and implementation of the project. It does not constitute a veto right for individuals or groups (see paragraph 10).

5. For details on “broad community support to the project by the affected Indigenous Peoples,” see paragraph 11.

6. The policy does not set an a priori minimum numerical threshold since groups of Indigenous Peoples may be very small in number and their size may make them more vulnerable.

7. “Collective attachment” means that for generations there has been a physical
presence in and economic ties to lands and territories traditionally owned, or customarily used or occupied, by the group concerned, including areas that hold special significance for it, such as sacred sites. “Collective attachment” also refers to the attachment of transhumant/nomadic groups to the territory they use on a seasonal or cyclical basis.

8. “Forced severance” refers to loss of collective attachment to geographically distinct habitats or ancestral territories occurring within the concerned group members’ lifetime because of conflict, government resettlement programs, dispossession from their lands, natural calamities, or incorporation of such territories into an urban area. For purposes of this policy, “urban area” normally means a city or a large town, and takes into account all of the following characteristics, no single one of which is definitive: (a) the legal designation of the area as urban under domestic law; (b) high population density; and (c) high proportion of nonagricultural economic activities relative to agricultural activities.

9. The currently applicable Bank policy is OP/BP 4.00, Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank-Supported Projects. Applicable only to pilot projects using borrower systems, the policy includes requirements that such systems be designed to meet the policy objectives and adhere to the operational principles related to Indigenous Peoples identified in OP 4.00 (see Table A1).

10. The screening may be carried out independently or as part of a project environmental assessment (see OP 4.01, Environmental Assessment, paragraphs 3, 8).

11. Such consultation methods (including using indigenous languages, allowing time for consensus building, and selecting appropriate venues) facilitate the articulation by Indigenous Peoples of their views and preferences. The Indigenous Peoples Guidebook (forthcoming) will provide good practice guidance on this and other matters.

12. When non-Indigenous Peoples live in the same area with Indigenous Peoples, the IPP should attempt to avoid creating unnecessary inequities for other poor and marginal social groups.

13. Such projects include community-driven development projects, social funds, sector investment operations, and financial intermediary loans.

14. If the Bank considers the IPPF to be adequate for the purpose, however, the Bank may agree with the borrower that prior Bank review of the IPP is not needed. In such case, the Bank reviews the IPP and its implementation as part of supervision (see OP/BP 10.00, Investment Project Financing).

15. The social assessment and IPP require wide dissemination among the affected Indigenous Peoples’ communities using culturally appropriate methods and locations. In the case of an IPPF, the document is disseminated using IPOs at the appropriate national, regional, or local levels to reach Indigenous Peoples who are likely to be affected by the project. Where IPOs do not exist, the document may be disseminated using other CSOs as appropriate.

16. An exception to the requirement that the IPP (or IPPF) be prepared as a condition of appraisal may be made with the approval of Bank management for projects meeting the requirements of paragraph 11 of OP/BP 10.00, Investment Project Financing.
such cases, management’s approval stipulates a timetable and budget for preparation of the social assessment and IPP or of the IPPF.

17. “Customary rights” to lands and resources refers to patterns of long-standing community land and resource usage in accordance with Indigenous Peoples’ customary laws, values, customs, and traditions, including seasonal or cyclical use, rather than formal legal title to land and resources issued by the State.

18. The *Indigenous Peoples Guidebook* (forthcoming) will provide good practice guidance on this matter.