The Federal Democratic Republic of Ethiopia
MINISTRY OF INDUSTRY

Resettlement Policy Framework (RPF)
For
Kilinto Industrial Zone

THE COMPETIVENESS AND JOB CREATION PROJECT (P143302)

December 2013
Addis Ababa, Ethiopia
Contents

1. Introduction .................................................................................................................................................. 1

1.1. Conceptual Model of the Industrial Zone .............................................................................................. 1
1.2. The Ethiopian Industrial Zone: Background ............................................................................................ 1
1.3. Background to the Ethiopian Competitiveness and Job Creation Project (P143302) .................. 2
1.4. Overview of the Resettlement Policy Framework (RPF) ......................................................................... 2

2. Objectives ...................................................................................................................................................... 4

2.1. Objective of the Study ................................................................................................................................. 4
2.2. Scopes of Services under the Term of References .................................................................................... 4

3. Approaches and Methodology ...................................................................................................................... 7

3.1. Approaches ................................................................................................................................................. 7
3.2. Methodology in RPF ................................................................................................................................... 7

4. Description of the Kilinto Industrial Zone ..................................................................................................... 9

4.1. Physical (Socio-Environment) Conditions ............................................................................................... 9
4.2. Socio- Economic Conditions ..................................................................................................................... 9

5. Project Impacts ............................................................................................................................................. 12

5.1. Potential Positive Impacts of the Project .................................................................................................... 12
5.2. Some Impacts on the Socio-Economic Environment .............................................................................. 13
5.3. Impacts on Socio-Environment ................................................................................................................ 14

6. Policy, Legal and Administrative Framework ............................................................................................. 16

6.1. Policy and Legal Framework .................................................................................................................... 16
6.2. Gaps between Ethiopian Legislation and WB Policies ........................................................................... 21

7. Institutional and Administrative Framework ................................................................................................ 24

7.1. Overview of the Industrial Zone Development .......................................................................................... 24
7.2. Industrial Investment Corporation under the MOI .................................................................................. 24
7.3. IZ Development and Environmental Safeguard Directorate (MOI ) ...................................................... 24
7.5 Proclamation to Establish Environmental Protection Authority ............................................................ 26

8. The Resettlement Action Plan ...................................................................................................................... 27

8.1. Household Census and Baseline Socio-Economic Survey ..................................................................... 28

9. Community Participation and Public Consultation ....................................................................................... 29

9.1. Summary of Issues and Outcomes of Public Consultations .................................................................... 30
9.2. Identified Issues and Outcomes ................................................................................................................ 30

10. Valuation and Compensation Methods for Loss of Assets......................................................................... 37

10.1. Compensation Procedures and Approach .............................................................................................. 37
10.2. Income Restoration .................................................................................................................................. 38
10.3. Methodology in valuing losses ................................................................................................................ 39
10.4. Replacement Costs for Land, Houses and Public Infrastructures ............................................................ 40
10.5. Basis for Valuation ................................................................................................................................... 40
10.6. Special Attention to the Needy Vulnerable Groups ................................................................................ 44
11. Organizational Responsibility

11.1. Organizations at Federal Government Level

11.2. FDRE, Regional States (Federal City Administration)

11.3. Addis Ababa City Administration

11.4. Representatives of PAPs, RHC and NGOs

11.5. Coordination between different agencies and jurisdiction

11.6. Resettlement/Implementation Committee

11.7. Property Valuation Committee

12. Grievance Redress Mechanisms

13. Eligibility Criteria and Entitlement Matrix

14. Monitoring and Evaluation

14.1. Internal Monitoring

14.2. External Evaluation

15. Public Disclosure

16. Implementation Schedule, Budget and Arrangement for Funding

17. References

Annex

PART I: Tables and Figures

PART II: WB Operational Policies, Forms, Glossary and Relevant Laws
Tables
Table 1 Gaps between Ethiopian Law and WB Policy ................................................................. 21
Table 2 Replacement cost by type of impact (Agricultural Land, Houses and Public Infrastructure) ................................................................. 40
Table 3: Valuation formula for perennial crops ........................................................................... 43
Table 4: Types of Losses from Agricultural Land ........................................................................ 43
Table 5 List of institutions/stakeholders at Federal Government level ........................................ 46
Table 6: List of organizations Responsible for this RAP at Regional Government Level .......... 49
Table 7: Entitlement Matrix ......................................................................................................... 56
Table 8 . Compensation paid for houses, Farmlands and grazing/farm trees ............................. 64
Table 9. Items, cost and assumption ......................................................................................... 66

Figures
Figure 1 The Kilinto Industrial Zone (KIZ) and site of relocation ................................................. 10
Figure 2 The General Resettlement Policy Framework .................................................................. 27
Figure 3 Organizational Structure of the Ethiopian Industrial Development Zones Corporation. 48

Plates
Plate 1 Land Development, Bank and Urban Renewal Project Office (Akaki Kality Sub-city) ........................................................................................................... 33
Plate2 Discussion on site clearance and resettlement schedule with Woreda 9 Office Representatives at Kilinto-Kersa .................................................................................. 33
Plate 3 Kilnto Industrial Zone Site: land evacuated, cleared and made ready for industrial action ...................................................................................................................... 34
Plate 4 Kilinto and Kersa residence village where farmers who transferred their crop and grazing land to IZ ................................................................................................. 34
Plate 5 Relocation, compensating and implementation official from Akaki-Kality Sub-city at Yeshi Total Village ............................................................................................. 35
Plate 6 Group discussion with relocated residents ......................................................................... 35
Plate 7 Youth from the affected family (PAPs) at the resettled site ............................................. 36
Plate 8 The newly built house by one of the relocated women at the resettled site. ....................... 36
## Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AAMSP</td>
<td>Addis Ababa Master Plan</td>
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<tr>
<td>ARAP</td>
<td>Abbreviated Resettlement Action Plan</td>
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<tr>
<td>BP</td>
<td>Bank Procedures (World Bank)</td>
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<tr>
<td>CBO</td>
<td>Community Based Organization</td>
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<td>CJCP</td>
<td>Competitiveness Job Creation Project</td>
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<td>CSA</td>
<td>Central Statistical Authority</td>
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<tr>
<td>ECJC</td>
<td>Ethiopian Competitiveness Job Creation Project</td>
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<td>EEPCO</td>
<td>Ethiopian Electric Power Corporation</td>
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<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>ERA</td>
<td>Ethiopian Roads Authority</td>
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<tr>
<td>ESAP</td>
<td>Environmental and Social Assessment Procedures</td>
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<tr>
<td>ESIA</td>
<td>Environmental and Social Impact Assessment</td>
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<tr>
<td>ESMF</td>
<td>Environmental and Social Management Framework</td>
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<td>ESMT</td>
<td>Environmental Safeguard Management Team</td>
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<tr>
<td>ETC</td>
<td>Ethiopian Telecommunication Corporation</td>
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<tr>
<td>EIDZC</td>
<td>Ethiopian Industrial Development Zones Corporation</td>
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<tr>
<td>FDRE</td>
<td>Federal Democratic Republic of Ethiopia</td>
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<tr>
<td>FGD</td>
<td>Focus Group Discussion</td>
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<tr>
<td>FHH</td>
<td>Female-Headed Household</td>
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<td>GC</td>
<td>Grievance Committee</td>
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<tr>
<td>GCRC</td>
<td>Gross Current Replacement Cost</td>
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<td>GCRC</td>
<td>Gross Current Replacement Cost</td>
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<td>GoE</td>
<td>Government of Ethiopia</td>
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<td>GTP</td>
<td>Growth and Transformation Plan</td>
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<td>HAPCO</td>
<td>HIV/AIDS Prevention and Control Office</td>
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<td>HHI</td>
<td>Household</td>
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<tr>
<td>ISDP</td>
<td>Industrial Sector Development Program</td>
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<td>IZ</td>
<td>Industrial Zone</td>
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<td>IZDES</td>
<td>Industrial Zone Environment Safeguards Directorate</td>
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<td>IZS</td>
<td>Industrial Zone Site</td>
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<tr>
<td>KIZS</td>
<td>Kilinto Industrial Zone Site</td>
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<tr>
<td>LABPA</td>
<td>Land Administration and Building Permission Authority</td>
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<tr>
<td>LDBURO</td>
<td>Land Development, Bank and Urban Renewal Office</td>
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<tr>
<td>MCUD</td>
<td>Ministry of Construction and Urban Development</td>
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<tr>
<td>MEP</td>
<td>Monitoring and Evaluation Plan</td>
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<td>MOFA</td>
<td>Ministry of Federal Affairs</td>
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<td>MOI</td>
<td>Ministry of Industry</td>
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<td>MOSAL</td>
<td>Ministry of Social Affairs and Labor</td>
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<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
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<tr>
<td>OP</td>
<td>Operational Policy</td>
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<td>OP/BP</td>
<td>Operational /Bank Procedure</td>
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<td>PAP</td>
<td>Project-Affected Persons</td>
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<td>PIA</td>
<td>Project Influence Area</td>
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<td>PIC</td>
<td>Public Information Center</td>
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<td>RAP</td>
<td>Resettlement Action Plan</td>
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<td>RFP</td>
<td>Resettlement Policy Framework</td>
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<td>RHC</td>
<td>Recipient Host Community</td>
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<td>SME</td>
<td>Small and Medium Enterprises</td>
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<td>SIA</td>
<td>Social Impact Assessment</td>
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<td>STD</td>
<td>Sexually Transmitted Disease</td>
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<td>WB</td>
<td>The World Bank</td>
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Executive Summary

The Government of Ethiopia (GoE) has given emphasis to ensuring faster and sustained development of the industrial sector, as envisioned in the Growth and Transformation Plan (2010/11-2014/15). As development tools, Industrial Zones (IZ) have been used in several countries to help stimulate economic development by attracting local and foreign direct investment (FDI), enhancing competitiveness, and facilitating export-led growth. Through the IZ development program, the GoE intends to create favorable conditions for private sector and also address binding constraints in priority industries in the potentially suitable towns and cities of the country. The Ministry of Industry (MOI), with the support of the World Bank’s International Development Association (IDA) plans to support the Government’s Industrial Zones (IZ) program through the Competitiveness and Job Creation (CJC) Project (P143302) which is expected to be formally launched in May 2014. The development objective of the proposed Project is to contribute to job creation by attracting investments and improving enterprise competitiveness in the targeted industrial zones (IZ). This will be achieved by:

(i) Strengthening institutional and regulatory framework for IZ development, and capacity building;
(ii) Supporting industrial infrastructure development of IZs; and
(iii) Enhancing IZ linkages to small and medium enterprises (SMEs) through targeted interventions.

Under Component two “Support for Industrial Infrastructure Development, the proposed CJC Project plans to support the development of physical on-site and/or off-site infrastructure investment, based on a demand-based and phased master planning for Bole Lemmi Phase II and Kilinto sites. Adopting a programmatic approach, the Bank will start its support with Bole Lemmi Phase II, followed by Kilinto IZ. Within each of the two proposed IZ sites, development is expected in phases. With regard to Bole Lemmi industrial zone- covering a total of 342 hectares of land - the GoE is supporting the development of the Phase I (156 Ha) while the Bank is expected to support the development of Phase II (186 ha). With respect to Kilinto industrial zone - covering a total size of 308ha, at the preparatory stage decisions have not been made on specific location and infrastructure transactions for Kilinto to be supported under the project.

The exact site for Bank intervention will be determined once the feasibility study is completed. Therefore, this Resettlement Policy Framework (RPF) for Kilinto Industrial Zone (KIZ) is within the existing context of legal and administrative framework and the World Bank’s (WB) policy on Involuntary Resettlement Policy (OP4.12); and will be used by the project to protect the interest of third parties (project affected people) from adverse impact; reduce and manage risk; and enhance better decision making under the Ethiopia Competitiveness and Job Creation Project (P143302).

The development of Kilinto Industrial zone is conceived to be undertaken in two phases. Accordingly, in 2010-2012, the Ministry of Industry acquired the necessary land for Phase I of the Kilinto Industrial zone. The Bank has carried out a retroactive social audit to preclude any social risks associated with the acquisition of land for Phase I, which might be associated with the phase2 project. Further, in 2013, the Government approached the World Bank for financing the development of Kilinto Industrial zone phase2. At the early stages of phase2 project preparation, a pre-feasibility study conducted by a consultant advised the government to consider several options in site location including the land contiguous to Kilinto Industrial site Phase 1 or to look for an alternative site in Kilinto area. Accordingly, a full feasibility study is being commissioned by the Ministry of Industry to determine the most appropriate site for the zone development. Due to the fact that the exact project location is not known, this RPF will be used to clarify resettlement or land acquisition principles, organizational arrangement, compensation and related livelihood activities that the project will undertake in cases where privately owned land will be acquired for project use.
The RPF principles will be carried out closely with PAPs and RHC at the site, with continuous monitoring, application of appropriate form of auditing (socio-environmental auditing) that requires periodical checking/confirming, to ensure that are within the standards of the policy framework, principles and guidelines set in this RPF document. Moreover, the RPF outlines the basic policy and legal instruments, procedures and guidelines that should be adhered to, while preparing pertinent guiding and directing principles. The strategy from the RPF will also help implement RAPs, when needed. More importantly, RPF concepts, principles and guidelines can serve as a model for the other industrial zone projects, and will pave the way for experience-sharing on related land acquisition activities within the Ministry of Industry (MOI).
1. Introduction

1.1. Conceptual Model of the Industrial Zone

The Government of Ethiopia (GoE) has articulated the Growth and Transformation Plan (GTP 2009/10-2014/15) that envisions the country’s overall development goal to ‘extricate itself from poverty to reach the level of middle-income as of 2020-23 by building an economy which has a modern and productive agricultural sector with enhanced technology and industrial sector that plays a leading role in the economy’.

Realizing the need for growth and promoting job creation as a priority agenda will require enhanced opportunities for domestic and foreign private sector participation. The strategic role in the industrial sector focuses on two-pronged approaches:

- The establishment IZs as a tool for investment generation accelerating growth, and job creation by strengthening linkage with small and medium enterprises (SMEs), and
- Focusing on labor-intensive manufacturing sectors which capitalize on the country’s endowment and comparative advantages.

1.2. The Ethiopian Industrial Zone: Background

Ethiopia’s potential in light manufacturing sector is significant in apparel, textile and garments, leather and leather products, processes food and beverage, wood processing and wood products, simple metal products (farm and hand tool) sectors. Many countries have benefited from in IZs. IZs are one of the development tools in stimulating economic development that attract local and foreign direct investment (FDI). They enhance competitiveness and facilitate export-led growth in IZs that mostly provide services and incentives for businesses located and operating within the sector.

Ethiopia’s industrial development zones are under the process of expansion and growth. Some entities of this sector are:

- Addis Industry Village (developed);
- Bole Lemmi Industrial Zone (under development);
- Sandafa Industrial Zone (under development);
- Eastern Industrial Zone (under development);
- Kilinto Industrial Zone (under development);
- Kombolcha Industrial Zone (under study);
- Dire Dawa Industrial Zone (under study);
- Hawasa Industrial Zone (under study);
- Bahir Dar Industrial Zone (under study);
- Gonder Industrial Zone (under study);
- Mekele Industrial Zone (under study); and
- Jimma Industrial Zone (under study)
1.3. Background to the Ethiopian Competiveness and Job Creation (CJC) Project (P143302)

The CJC Project was initiated to contribute to job creation by attracting investment and improving enterprise competitiveness in integrated IZs. Ethiopia has, hence, developed various industrial areas, organically developed cluster simple and labor-intensive of factories suited to accelerated capacity building. These elements are considered as KIZ’s assets.

The designated project is initiated under the Ethiopian Competitiveness and Job Creation (CJC) Project (P143302) of the MOI project with World Bank. The Kilinto Industrial Zone Project is to be financed through World Bank with joint financing with GoE, which may include design, construction and post-construction works through the Design-Build-Maintain (D-B-M) project delivery strategy.

One of the developmental tools in stimulating economic development by attracting local and foreign direct investment is the promotion of competitiveness in the field of export and input substitution. One of the targets of the investment policy is to provide services and incentives to businesses involving public and private sectors by establishing and facilitating enabling environment for IZs. Hence, the Ethiopian CJCP (P143302) is launched to initiate and facilitate labor markets for IZs by training competitive workmanship on labor-intensive and other types of factories to increase prompt production of goods and services.

In improving enterprise competitiveness in the integrated IZs, the CJCP focuses on:

- Strengthening institutional and regulatory framework for IZ development and capacity building;
- Supporting industrial infrastructure development of IZs; and
- Enhancing IZ linkages to SMEs through targeted interventions

The expected outcomes of the CJC Project are:

- Provide expert supports to facilitate the IZ projects;
- Provide problem-solving alternatives by creating many and new jobs for SMEs to promote and expand IZs;
- Involve several direct beneficiaries of the project, mainly women and the youth;
- Involve new business (SMEs) registered under IZ support beneficiaries, with a particular focus on labor-intensive ones; and
- Finding project funds to help meet its objective (competitiveness job creation), and capacity building in industrial workmanship skills
1.4. Kilinto Phase I (2010-2012): Retrospective Due Diligence

As the Government had already acquired the land for Phase I in between 2010-2012 before approaching the Bank for phase2 support, the Bank has carried out retroactive social audit on the acquisition of the land to preclude any social risks associated with the development of Kilinto Industrial Zone. The Bank cleared the social audit and made recommendations to the Government on areas to improve and track the livelihood restoration activities as well as provision of additional support for vulnerable groups.

1.5. Kilinto Phase II and RPF

This RPF is prepared for Phase II of Kilinto site that is not yet known which will be determined based on the findings of the feasibility study and based on the FDRE laws, policies and procedures pertaining to involuntary resettlement, and in comparison with the WB policies and procedures (OP/BP 4.12) on involuntary resettlements. In addition, the RPF is complemented by a Social Impact Assessment (SIA) that assesses the socio-economic environment of the project area; that identifies vulnerable groups, potential sources of social impacts; and proposes avoidance where it is beyond the involuntary resettlement policy, principles and procedures; and proposes mitigation measures that can minimize negative impacts.

The public consultation was conducted with various communities and stakeholders, and specific views from women and children discussion groups, groups of people with disabilities, and RCH. Office discussions were held with the Ministry of Works and Urban Development; Land Administration and Development Office of the Akaki-Kality Sub-city; Building Permission Authority, and the Land Development, Bank and Urban Renewal Office, and the Woreda offices of the Akaki areas. EIDZC, KIZ and ECJCP of MOI were consulted. The Addis Ababa office of WB was consulted on the scope of the Terms of References and technical matters with the concerned staff members.
2. RPF-Rationale and Objectives

2.1 RATIONALE

The World Bank’s Operational Policy on Involuntary Resettlement (OP 4.12) must be applied to any project which displaces people from land or productive resources, and which results in relocation, the loss of shelter, the loss of assets or access to assets important to production, the loss of income sources or means of livelihood, or the loss of access to locations that provide higher incomes or lower expenditures to businesses or persons. The policy applies whether or not the affected persons must move to another location. The Bank describes all these processes and outcomes as “involuntary resettlement,” or simply resettlement, even when people are not forced to move. Resettlement is involuntary if affected people do not have the option to retain the status quo that they have before the project begins.

Two types of resettlement planning instruments will be employed for this RPF. Firstly, the Resettlement Policy Framework (RPF) will guide and govern civil works packages that are agreed for funding support. Secondly, there will be project-specific Resettlement Action Plans (RAPs) for each package where the displacement (physical or economic) described above will take place. The RPF must be prepared, approved and disclosed publicly in Ethiopia and at the World Bank before the Bank will appraise the project. The RPF will specify the process for reviewing, approving and implementing subsequent RAPs before the relevant civil works are initiated.

At the project preparatory stage, decisions have not been made on specific location and infrastructure transactions for Kilinto to be supported under the project. In view of this, the instrument to prepare is the Resettlement Policy Framework (RPF). The RPF is a statement of the policy, principles, institutional arrangements and procedures that the Borrower will follow in each civil works package involving resettlement. Preparing it allows the Bank and the Borrower to agree on principles and processes so that these need not be discussed for every civil works package. The RPF shall clarify resettlement principles, organizational arrangements and design criteria to be applied to sub-projects to be prepared during project implementation. Subproject resettlement plans consistent with the policy framework will be subsequently submitted to the Bank for approval after specific planning information becomes available.

This allows KIZ project staff, to undertake planning for specific packages without having to re-negotiate fundamental agreements.

2.2 Objective of the Study

The overall objective of the RPF is to minimize the risks of resettlement by avoiding displacement of people without a well-designed compensation procedures and relocation. It also aims at establishing compensation measures for losses incurred; suggests income restoration measures and resettlement assistance related to KIZ sites.

Specifically, the RPF aims at:

- Establishing the KIZ Development Project resettlement and compensation procedures and implementation arrangements;
- Describing the legal and institutional frameworks underlying the Ethiopian approaches for resettlement, compensation and rehabilitation;
Defining the eligibility criteria for identification of PAPs and entitlements at KIZ;
Defining a participatory process by which potential reduced access to resources is identified and mitigation measures are established;
Describing the consultation procedures and participatory approaches involving PAPs and other key stakeholders, with a particular focus on potential conflicts between the RHC and the PAPs;
Preparing an acceptable resettlement policy framework based on the assessment of the Involuntary Resettlement Policy of WB (OP4.23);
Describing implementation and monitoring arrangements; and
Providing procedures for filing grievances and alternative ways of dispute resolving mechanisms.

Overall objectives of OP4.12 are as follows:

i. Involuntary resettlement and land acquisition should be avoided where feasible, or minimized, exploring all viable alternatives.

ii. Where involuntary resettlement and land acquisition is unavoidable, resettlement and compensation activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to give the persons displaced by the project the opportunity to share in the project benefits. Displaced and compensated persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.

iii. Displaced and compensated 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 levels prevailing prior to the beginning of project implementation, whichever is higher.

Affected people, according to the Bank Safeguard Policy OP 4.12, refers to people who are directly affected socially and economically by the bank assisted investment projects, caused by:

(a) the involuntary taking of land and other assets resulting in:
   a. relocation or loss of shelter
   b. loss of assets or access to assets
   c. loss of income sources or means of livelihood, whether or not the affected persons must move to another location;

or

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

The Bank Safeguard Policy OP 4.12 applies to all components under the project, whether or not they are directly funded in whole or in part by the Bank.

The policy applies to all economically and/or physically displaced persons regardless of the total number affected the severity of impact and whether or not they have legal title to the land. Particular attention should be paid to the needs of vulnerable groups among those economically and/or physically displaced; especially those below the poverty line; the land less, the elderly, women and children, indigenous groups, ethnic minorities and other historically disadvantaged groups or other economically and/or physically displaced persons who may not be protected through Ethiopia’s Land compensation legislation.
2.3 Scopes of Work/Services under the Term of References

The expected output is a report that provides basic information about the scope of adverse social impacts that could be entailed in project operations and the menu of mitigation measures (resettlement/rehabilitation) actions to be taken by the project as per the World Bank Operation Policy (OP 4.12).

- Current occupant of the affected person, standard characteristics of the displaced household, magnitude of the expected loss, situation of the venerable group and provisions of livelihoods;
- List of housing and infrastructure, social services, social and any cultural institutions at project sites;
- Status of the existing socio-economic conditions (public consultation);
- Community participation;
- Land tenure, property and transfer system, petition of social and public interactions;
- Description of the project and potential impacts in developing RPF;
- Socio-environmental protection and management in the process of relocation;
- Approach in site selection, preparation, relocation, and capacity building elements;
- Resettlement indicators and measures that will help in grouping and monitoring PAPs;
- Legal aspects pertinent to relocation and compensation; and
- Implementation responsibility, agency, schedule, and prioritization in costing and budgeting.

3. Public Consultation

3.1. Approaches

The consultation approach was guided by the laws of Ethiopia on general public consultation which stated that “People have the right to full consultation and to the expression of their views in the planning and implementation of environmental policies and projects that affect them directly”— The FDRE Constitution, Article 92. Further, since the project will take place in Kilinto town but the specific site in Kilinto is not yet decided, the study team consulted widely with citizens in Kilinto, particularly with project affected persons in the phase 1 of the project. Specifically, PAPs in crop/graing lands and on farm tree were randomly selected under the systematically categorized grouping (young, women, elders and others). Randomly selected PAPs were interviewed and key informants (elders, women and the youth) and FGD meetings were separately carried out.

Children groups’ discussions were carried out with students coming from PAPs at Kilinto/Kersa School and Fitawrari Abayneh Metekiya School in Akaki Town to discuss likely impacts on their children education due to potential relocation of their parents.

Overall, the following key stakeholders were consulted upon during the RPF preparation, including different groups of public and private organizations, community groups, individuals, etc. The various stakeholders consulted include:

- Senior villagers, opinion and informal leaders;
- Administration committees of Woreda offices;
Communities at Kilinto and Yeshi Total Village; school teachers, health agents and Das;
Construction contractors; and
Small business owners.

3.2. **Methodology in RPF**

3.2.1. **Public Consultation (The Meeting Agenda)**

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

- To inform PAPs about and discuss the nature and scale of impacts of the project on their livelihoods in more transparent ways, and seek their participation in the Project cycle;
- To give PAPs and communities a chance to have a say and express their views in the planning and implementation of the Project that affect them directly;
- To obtain qualitative and quantitative information on viable income generation and livelihood interventions which PAPs could be engaged to restore their income and livelihoods in a healthy approach;
- To inform local authorities of impacts; agree on a cutoff date; solicit their views on the project and discuss their share of responsibility for the safe functioning of the Project operations;
- Identify potential impacts expected/that may arise from implementing at the proposed IZ.

3.2.2. **Assessing Possible Positive/Adverse Impacts in the Consultation**

The impacts are classified and their range varies in space and time. The intensity of these impacts are classified according to the following criteria:

- Loss of properties (houses, farmland, grazing land, farm trees, quarry sites, etc.);
- Effects on the livelihoods of PAPs;
- Effects on RHC;
- Access to infrastructure such as schools and utilities;
- Impacts on the human health and environmental safeguard;
- Effects on children schooling;
- Effects on the present use of available water resources and access to road; and
- Abandoning farming livelihood and moving to industrial and urban environment.

Criteria considered in impact classification:

- extent of coverage of impact in economic recovery
- duration and frequency of recovery from resettlement setbacks;
- adaptation to various livelihoods and conflict management mechanisms;
- social contexts with short- and long-term and cumulative effects; and
- added values compared with the previous livelihoods and income gained or burden imposed.
4. Description of the Kilinto Industrial Zone

4.1. Physical (Socio-Environment) Conditions

4.1.1 Location
The Project is initiated under the CJC Project (P143302) of the MOI. The Kilinto area is located at about 35km southeast of Addis Ababa, in the Addis Ababa City Administration (recently moved from Oromia Regional State) in Akaki-Kality Sub-city. The Kilinto area is closer to Yarer Hill (mountain) and about 5km from the Akaki Bridge on the Akaki-Bishoutu road. It is worth noting that the specific site for Bank intervention within the Kilinto area will not be known before appraisal of the project as it will be determined upon the completion of the feasibility study.

4.1.2 General Topography of the KIZ Site
The KIZ area is found at an elevation over 2,200m.a.s.l, covered with light black soil and few pockets of vertisols (deep black soil). The land terrain is near to flat and the site hardly requires drainage and crossing structures. Vegetation and trees have already been cleared. The site is used to grow crops like Tef, wheat, chickpea, linseed, and the grazing lands are used for keeping cattle, sheep and donkeys. The plots with farm trees are mainly planted with fast growing eucalyptus that served as source of domestic firewood, construction and income. The KIZ area is rich in quarry; needs early removal of this valuable resource before the commencement of construction. Wet spots are insignificant; the nature of quarry at this area will allow carrying heavy industrial inputs.

4.2. Socio- Economic Conditions
The socio-economic background of the project area is predominately pre-urban type where the majority of the population is dependent on small land crop farming (1.1ha per HH) and livestock keeping, and the Project areas are surplus food producer. The main crops are Tef, wheat, maize, chickpea, field pea, broad bean, lentil, linseed and grass seeds—sources of food and income.

The livelihood of the other population group also depend on keeping chickens/poultry, beekeeping, and are engaged in pottery making (mainly women). Some occupied in quarry work and others employed at the Akaki factories in shift-work; few have been involved in the service sector and small businesses like petty trades, moving to long-distance rural markets and engaging in construction works.
Figure 1. The Kilinto Industry Zone area
5. Project Impacts

As it is the case with most other industrial urban and pre-urban industrial projects, the KIZ site will entail displacement of households from their current dwellings and loss of farmland and trees. The planning and design of the Project will consider the potential socio-economic impacts and issues to avoid and/or minimize the damages to be caused. It is, therefore, important to identify the socio-economic components that are likely to be affected by the Project. This would assist to propose appropriate remedial measures in advance for those factors that may have adverse impacts, and for their timely inclusion in the design of the Project.

The Project IZ will create subsequent increase and utilization of industrial goods and services that will result in increased production of industrial goods (for consumption, entertainments, construction, education, hospital services, etc.,) and due to lower price and improved and extended market, the livelihoods of the communities in and outside the vicinity will improved.

The IZ site will face a number of negative impacts, such as loss of productive assets (farm/grazing lands and farm trees) and income loss, demolished houses and renting cost, unemployment, risk of exposure to STDs, including HIV/AIDS, and the growth of squatters/uncontrolled settlements in the vicinities. Moreover, dust and noise from construction, blockage of crossing road/structures and increased distances to services, markets and schools may be problems.

5.1. Potential Positive Impacts of the Project

The Project will invest big capital that will be used for the production of different products and this, in turn, will avail these products to the local and foreign market at competitive prices.

- **Create job and employment opportunity:** The Project is expected to create more investment opportunities to bring huge capital investment in industry sector that can generate employment opportunities for many youth groups during the construction and manufacturing stages. It is expected that many segments of the communities including women and youth will get jobs during construction and manufacturing phases.

- **Improve living standards of the community:** The Project promotes other business enterprises within or around the proposed IZ site. This will promotes informal sector in securing revenue and their livelihood enhancement. The IZ Project will produce different types of farm tools, drugs, garments/apparel, and furniture. This will make industrial goods easily avail to the consumer at reasonable price and further assists the vicinities to be buyers of the manufactured goods at farm gate and become distributors to distant markets.

- **Promote capacity building:** Contributing to skill and technology transfer through continuous training and skill development activities to make them more competitive as comparable sites. Skill and technology transfer to many of the relocated children and the communities. The currently opened University of Science and Technology, near the KIZ site (2 km) can use this type of organizations for experience sharing platforms.

- **Enhance equal job opportunities and empowerment** in addressing the gender issues: Women as well as men will benefit equally from the employment opportunities that will be created to facilitate enabling environment at the IZ. Women often run shops and bars in the areas and during the construction period, it is anticipated that there will be further income generating activities for women in catering/restaurants for workers at the construction sites. These activities will benefit many women who are very often sole supporters of the families. It is also recommended for the contractor to give equal employment opportunities to women in job and skill training at work places in the procurement of local products and services.
5.2. Some Impacts on the Socio-Economic Environment

The development of IZs usually moves the community from the farm area for industrial expansion and, thus, allows for shifting people deliberately to more equal and suitable site to be relocated to, from their current housings and crop/grazing lands. The implementation of KIZ site will bring substantial economic and social benefits to the localities and to the neighboring towns for the vicinity of Akaki-Kality Sub-city, as well as to the whole nation. However, some adverse impacts will also be posed to the socio-economic environment of those areas linked to the KIZ site and to neighbors like living quarters at the Condominium Village (on 400ha) and to the nearby University. The envisaged industrial project will entail impacts of considerable number of households from their current dwelling and makes them move to new villages.

The KIZ site may require only a few involuntary resettlements, as it might only affect few houses. Tef, wheat and about 230 ha that might be converted into industrial land-use, and will cause some income loss. Since the Project is a ‘Design-Build-Handover’ (the MOI clears the site, prepares the design, builds or constructs shelters, and hands over to the factory owners), the detail survey and inventory of PAPs, assets and properties will be carried out by the responsible contractor, and the RAP requirements will be adequately fulfilled before construction is carried out.

5.2.1. Impacts on Public Utilities

Public utilities that may be affected due to the construction of the Project include mills, cooperative shops, quarry pits and telecommunication/electricity poles and cables and water supply lines, will be included and considered in the cost estimations.

5.2.2. Impact on Local Economy

Due to the nature of the Project, there might be external influx of people associated with the workforce/immigrants coming from neighboring towns and villages; the moving of PAPs to RHC may induce some conflict of interest. This will add some pressure on the limited social services, e.g., water supply, utilities, hospital school services. The influx of people can also create increased demand for goods and services at market and shopping places. The price of the available commodities may rise and affect local consumers; on the other hand, it will benefit those engaged in the sale of goods and services. Since the intended establishment IZ site will be done mainly on light, medium, semi-finished products, significant socio-environmental impacts are unlikely.

5.2.3. Loss of Crops/Grazing land and Farm Trees

Loss of crops/grazing land and farm trees can occur either temporarily or permanently. The IZ site requires a large piece of land. Plots of land required for this purpose would be permanently transformed. Substantial area of land would be required temporarily to access quarry sites/and storage of construction materials, camps and garages places. Eucalyptus is the major farm tree that will be affected at the KIZ site.

5.2.4. Loss of Houses and other Property

Loss of property, utility service lines and houses will be encountered, and few houses will be completely demolished. Land and money will be given as compensation to build living quarters for those who will lose their houses and fences, at an estimated cost of about one million ETB.
5.3. Impact on Socio-Environment

- **Education**: For students, this means they might have to walk longer distances to get to the closest school. Children who previously used electric light to study might now be forced to use kerosene. A quick mitigation could involve putting electric poles and coordinating the construction of labor-intensive gravel and cobblestone roads that allow horse-carts and “Bajaj” motor vehicles.

Discomforts arising from possible dust, ground pollution, noise from the quarry blast, and other inconveniences of urban environment and industrialization pollution may take place. Hence, precautionary measures can be applied from the very beginning, and assigning monitoring experts at the site could be an option.

- **Change in land-use**: Farming land may be converted to industrial land-use. Grazing land may be reduced.

- **Conflicts resolving mechanisms**: The influx of working groups may create conflicts between the PAPs, the host community, and the industrial workforce. Hence, application of alternative dispute resolution mechanisms—usually customary laws—may be needed. Promoting tolerance at family and workplace levels is the best way to minimize and manage conflicts at grassroots level. Committee comprising elders, women, and the youth that discuss openly in face-to-face communication, based on give-and-take principle and a prompt way of resolving conflicts through at-the-spot negotiations are helpful.

5.4. Impact on Underserved Groups

As part of its due diligence, the World Bank has conducted social screening of the Kilinto area to assess safeguards risks and potential impact of the proposed project on humans and environment, particularly, to determine whether the physical and sociocultural characteristics of Kilinto meets the OP4.10 requirement of 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. The finding indicates that majority of the community members are farmers, few are herders and community members are part of the dominate Oromia and Amharic ethnic groups and speak Amharic. The screening observed no visible or unique socio-cultural characteristics similar to the OP4.10 requirements; and concludes that the project will involve land take and restriction in economic activities. The project has also reviewed some of the social assessment conducted by the government on the bases of economic and sociocultural profile of underserved groups, within the Oromia region, and Kilinto is not included as community meeting the defining characteristics in OP4.10.
6. Policy, Legal and Administrative Framework

6.1. Policy and Legal Framework

This RPF builds on Industrial Zone Resettlement/Rehabilitation Policy Framework and the WB’s policy on Involuntary Resettlement (OP/BP 4.12). The WB policy on involuntary resettlement addresses the need for the treatment of project impacts, which cannot be avoided. The WB policy objectives are either to avoid or minimize involuntary resettlement; if carried out to execute as sustainable development program and to provide assistance to displaced persons so that they could be able to restore or improve their livelihood.

This RPF sets the policy and legal framework and institutional framework which are applicable for the Project. It reviews the FDRE Constitution and legislation and procedures that are pertinent to resettlement.

6.1.1. Constitution of the FDRE

The Constitution of the FDRE is the highest policy and legal document that presents the basis for all laws and policies in the country. In Ethiopia, land ownership and expropriation is basically a constitutional issue. Hence, the FDRE constitution is discussed in this RPF.

Land in Ethiopia is public property and no individual person has the legal right of ownership (Article 40.3 of the Constitution of the FDRE), and, hence, rural or urban land could not be sold or mortgaged or transferred; citizens have usufruct right only over land. A usufruct right gives the user of the land the right to use and the right to benefit from the fruits of her/his labor which may be crops, trees, etc. found on the land or any permanent works such as buildings. There is no private ownership of land in Ethiopia as per Article 40 of the FDRE Constitution, the Right to Property, No.2, which states that land is a common property of the nations, nationalities and peoples of Ethiopia and shall not be subject to sale or other means of exchange.

The Constitution of the FDRE clearly states that the Government has the right to expropriate private property for public use subject to payment in advance of compensation commensurate to the value of the property. The Constitution (Article 40, No. 8) states that the Government has the right to expropriate private property for public purposes by providing the appropriate compensation. The Constitution lays down the basis for the property to be compensated in case of expropriation as a result of State programs or projects in both rural and urban areas. Persons who have lost their land as a result of acquisition of such land for the purpose of public projects are entitled to be compensated to a similar land plus the related costs arising from relocation; assets such as buildings, crops and fruit trees that are part of the land.

The law does not make any limit on the rural land use right for peasant farmers, semi pastoralists and pastoralists. If the government wants the land for public use farmers will be compensated for the property and crop on the land. In accordance with the proclamation rural land administration and land use, agricultural land can be transferred to immediate family members, mainly to children and very close relatives. Children who lost their parents shall have the right to use rural land through legal guardians until they attain 18 years of age. A person who wants to make his/her living through agriculture will have access to rural land from his parents by donation, inheritance or from the competent authority.

Women have equal right and access to rural land if they want to be engaged in agricultural activities, as the Constitution of the FDRE states. A land that belongs to a household is registered under the name of the wife and the husband, and the holding entitlement belongs to both.
Article 40, No.7 of the Constitution of the FDRE states that citizens have the right to develop the land and to have immovable property and make permanent improvements: “Every Ethiopian shall have the full right to the immovable property he/she builds and to the permanent improvements he/she brings about on the land by his labor or capital. This right shall include the right to alienate, to bequeath, and, where the right use expires, to remove his property, transfer his title, or claim compensation for it. Particulars shall be determined by law”.

Article 40, No. 8 states that if the land that is used by an individual is expropriated for public use, the person is entitled for compensation: “… the Government has the right to expropriate private property for public purposes subject to payment in advance of compensation commensurate to the value of property”.

Regarding displacement of the public due to development projects, Article 44 (Environmental Rights), No. 2 of the FDRE Constitution states: “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.”

Above all, the Ethiopian Constitution recognizes the presence of different socio-cultural groups, including historically disadvantaged and underserved communities, pastoralists, and minorities, as well as their rights to socioeconomic equity and justice.

Article 39 of the Constitution recognizes the rights of groups identified as “Nations, Nationalities and Peoples”. They are defined as “a group of people who have or share a large measure of common culture or similar customs, mutual intelligibility of language, belief in a common or related identities, a common psychological make-up, and who inhabit an identifiable, predominantly contiguous territory.” This represents some 75 out of the 80 groups who are members of the House of Federation, which is the second chamber of the Ethiopian legislature. The Constitution recognizes the rights of these Nations, Nationalities and Peoples to: self-determination, including the right to secession; speak, write and develop their own languages; express, develop and promote their cultures; preserve their history; and, self-government, which includes the right to establish institutions of government in the territory that they inhabit, and equitable representation in Regional governments and the Federal Government.

Although, the Project target communities do not belong to the above groups, however, the implementation of this Project will respect the spirit and intent of the constitution and will provide special assistance to vulnerable groups, impacted by land take and disruption of economic activities in the target communities.


The Government of FDRE has issued legislation in July 2005 for the expropriation of landholdings, which is known as “Expropriation of Landholdings for Public Purposes and Payment of Compensation (Proclamation No. 455/2005).” The objectives of the proclamation are to minimize and mitigate the impacts due to the expropriation of landholdings for public purposes. The proclamation clarifies and defines who has the power to expropriate landholdings either in urban or rural sections of the country. As per the proclamation, the power of expropriation of landholdings mainly rests on Woreda or urban administration authorities. Article 3, No.1 of the Proclamation 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 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.”
A landholder whose land has been expropriated for public use by the concerned government authorities is entitled for compensation for his property situated on the land and for the permanent improvements he made on the land. The amount compensation to be paid for the property situated on the expropriated land will be determined or calculated on the basis of full replacement cost. For houses in urban areas, the amount of compensation will not be less than the current market value of construction.

Woreda or urban administration once received details on land acquisition for the construction works from MOI has to notify in writing to the entity (which is either an individual or an organization) to be expropriated indicating the time not less than 90 days when the land has to be vacated and the amount of compensation to be paid. Once notified, the PAPs will be immediately compensated for lost assets and properties prior to their relocation or vacating the land. A rural landholder, whose land does not have any crop or other property on the expropriated land, should hand it over within 30 days.

The proclamation also clarifies how utility lines that are owned and provided by Federal or Regional government offices, or by a public enterprise should be treated and compensated. Utility lines could only be removed from expropriated land by payment of compensation. The project owner has the responsibility to inform the utility provider in writing by indicating the exact location of the lines that will be removed. The utility provider is responsible in determining the amount compensation which is required for replacing the lines within 30 days of notice; and the body which requested the removal of utility line has also to pay compensation within 30 days from the date of the receipt of the valuation.

Any expropriated property, in addition to the amount of compensation payment, will also receive a provision for cost of removal, transportation and erection.

Concerning displacement compensation for rural landholdings, a rural landholder whose landholding has been permanently expropriated shall also be paid displacement compensation equivalent to ten times the average annual income he secured during the five years preceding the expropriation of the land (Part 3, Article 8). The above proclamation also states that the valuation of property shall be determined on the basis of valuation formula to be adopted at national level by the Ministry of Federal Affairs. However, until such time valuation of properties will be carried out by property valuation committees to be established both in rural and urban areas as stated in Article 10 of the Proclamation.


The FDRE Council of Ministers issued a regulation on July 2007, regarding the payment of compensation for property situated on landholdings expropriated for public purposes. The regulation provides the basis for compensation of affected properties and to assist the displaced or affected persons to restore their livelihood. The regulation sets the methods for the assessment of compensation, provision of land for land replacement and payment of displacement compensation.

The methodology followed by the regulation for the assessment of compensation establishes the basis and formula for compensation that will be made for the different types of assets and categorized into ten parts.

The regulation recognizes that land replacement should be made for urban and rural lands. In rural areas if land replacement is not possible for permanently affected land, PAPs will be compensated for the affected perennial crops ten times of the annual production. For temporary impact the amount of compensation will be calculated by the number of years the land is occupied by the project.
6.1.4. Rural Land Administration and Land Use Proclamation

The FDRE has also issued a proclamation on rural land administration and land use (Proclamation No. 456/2005). The Proclamation mainly states the right to hold and use of rural land, and rural land use restrictions. As per to the Proclamation, farmers and pastoralists engaged in agriculture for living shall be given land free of charge. Young people above the age of 18 who want to engage in agriculture also have the right to use rural land. It also recognizes that women have the right to get and use rural land. The legislation also recognizes that citizens who have the right to use rural land may get rural land from his family by donation, inheritance or from competent authorities. It also brings new initiatives which were not there in the past, such as, certificate of holding to be prepared by competent authority. It also recognizes transfer of lease through lease to farmers or investors of land.

With regard to compensation payment to be made for a holder in relation to public works, either by the Federal or regional governments, Section Two, Article 7, No. 3 states: “Holder of rural land who is evicted for purpose of public use shall be given compensation proportional to the development he has made on the land and the property acquired or shall be given substitute land thereon. Where the rural landholder is evicted by the federal government, the rate of compensation would be determined based on the Federal Land Administration Law. Where the rural landholder is evicted by their regional governments, the rate of compensation would be determined based on the rural land administration laws of regions”.


This Proclamation (No. 299/2002) aims primarily at making Environmental Impact Assessment (EIA) mandatory for categories of projects specified under a directive issued by the EPA. The law specifies the projects and activities that will require EIA. The proponent of the project must prepare the EIA following the format specified in the legislation. The EPA will then review the EIA and either approve the project (with or without conditions) or reject it. Under this legislation, the EPA has to prepare procedures, regulations, environmental guidelines and standards for the EIA. Environmental guidelines are among the tools for facilitating the consideration of environmental issues and principles of sustainable development and their inclusion in development proposals. The Proclamation requires, among other things:

- Specified categories of projects to be subjected to an EIA and receive an authorization from the EPA or the relevant regional environmental agency prior to commencing implementation of the project.

- Licensing agencies to ensure that the requisite authorization has been duly received prior to issuing an investment permit, a trade or operating license or a work permit to a business organization.

- The EPA or the relevant regional environmental agencies may issue an exemption from carrying out an EIA in projects with an insignificant environmental impact. A licensing agency may suspend or cancel a license that has already been issued where the EPA or the relevant regional environmental agency suspends or cancels environmental authorization.

Procedures that need to be followed in the process of conducting an environmental impact assessment are described in the Proclamation. Thus, a project developer is expected to act as follows:

- Undertake a timely environmental impact assessment, identifying the likely adverse impacts, incorporating the means of their prevention, and submitting the environmental impact study report accompanied by the necessary documents to the EPA or the relevant regional environmental agency;
- Ensure that an environmental impact assessment is conducted and an environmental impact study report is prepared by an expert; and
- Submit an environmental impact study report to the EPA or the relevant regional environmental agency for review.

6.1.6. Environmental Pollution Control (Proc. No. 300/2002)

The Proclamation primarily aims to ensure the right of citizens to a healthy environment and to impose obligations to protect the environment of the country. The law addresses the management of hazardous waste; establishment of environmental quality standards for air, water and soil; and monitoring of pollution. The problem of improper handling of hazardous substances related to activities such as pest management and industrial development are becoming a serious environmental concern. In this connection the Proclamation provides a basis from which the relevant environmental standards applicable to Ethiopia can be developed, while sanctioning violation of these standards as criminally punishable offences.

In order to ensure implementation of environmental standards and related requirements, inspectors belonging to the EPA or the relevant regional environmental agency are empowered by the Proclamation to enter, without prior notice or court order, any land or premises at any time, at their discretion. Such wide powers derive from Ethiopia's serious concern and commitment to protecting the environment from pollution.

6.1.7. Solid Waste Management (Proc. No. 513/2007)

This Proclamation provides for measures related to waste handling and disposal. Accordingly,

- Any person shall collect waste in an especially designated place and in a manner, which does not affect the health of the society; and
- No person shall dispose solid, liquid or any other waste in a manner which contaminates the environment or affects the health of the society.


WB has set a policy and procedures on involuntary resettlement (OP/BP 4.12). The policy addresses the need for the treatment of project impacts, which cannot be avoided. The policy also sets eligibility criteria, resettlement instruments and monitoring, and other provisions. The objectives of the WB policy include:

- Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs;
- 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 persons displaced by the project to share in project benefits. Displaced should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs;
The Federal Democratic Republic Of Ethiopia, Ministry of Industry

- 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.

The WB Operational Policy (OP 4.12) includes safeguards to address and mitigate the involuntary resettlement of PAPs. The WB Policy Objectives urge that involuntary resettlement be avoided whenever possible. If unavoidable, displaced persons need to:

- share project benefits;
- participate in planning and implementation of resettlement programs; and
- be assisted in their efforts to improve their livelihoods or standard of livings or at least to restore them, in real terms, to pre-displacement levels or levels prevailing prior to the beginning of project implementation, whichever is higher.

Specific details of the WB Policy are also mentioned under each relevant topic.

6.2. Gaps between Ethiopian Legislation and WB Policies

The preparation and content of this RAP is within Ethiopia’s existing legal and administrative framework and that of WB’s policy on involuntary resettlement. The Ethiopian law and regulations and requirements for resettlement and rehabilitation are not fully compatible and it has some difference with that of WB.

Table 1. Gaps between Ethiopian Law and WB Policy

<table>
<thead>
<tr>
<th>Section</th>
<th>Ethiopian Law</th>
<th>WB Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Squatters and illegal settlers</td>
<td>The Ethiopian law does not accommodate squatters and illegal settlers.</td>
<td>OP 4.12 states that squatters have equal rights for land entitlement and compensation</td>
</tr>
<tr>
<td>Assistance to tenants</td>
<td>The law does not provide any assistance for those tenants renting houses either from individuals or government. It only mentions provision of rehabilitation support to the extent possible. It does not specify what this rehabilitation support will be and how it will be provided.</td>
<td>WB policy states that tenants should be provided with rent and related supports and with income restoration measures.</td>
</tr>
<tr>
<td>Grievance redress</td>
<td>Fails to recognize that PAPs should have a voice by electing their representatives to the arbitral tribunal or being represented in the other committees.</td>
<td>WB policy recognizes that PAPs should be represented and that their grievances addressed.</td>
</tr>
<tr>
<td>Compensation payment and relocation</td>
<td>The Ethiopian law also does not make clear provisions for relocation related costs and it also does not mention about provision of social infrastructures and facilities for resettled/relocated persons in their new location.</td>
<td>PAPs should be given a number of supports including socio economic support, infrastructural and livelihood restoration measures.</td>
</tr>
<tr>
<td>Locations advantage</td>
<td>Ethiopia’s law fails to consider the vocational advantage that both business and residential houses will have on compensation estimate.</td>
<td>Compensation payment should consider all the benefits PAPs will lose by being relocated and that compensation estimates are made on the basis of replacement cost and also consider market values in relation to the vocational advantage of the lost</td>
</tr>
</tbody>
</table>
Involvement of NGOs and CBOs

The Ethiopian law also does not clearly show how NGOs, CBOs and Faith based organization can participate and contribute. Cy clearly states the involvement of non-state actors such as NGOs and CBOs in monitoring and providing socio economic support to displaced populations.

Public consultation

Proclamation 455/2005 does not clarify or specify how and why public consultation should be carried out. Bank policy states and gives high importance to public consultations and considers their views and opinion to influence the implementation of the project.

Support to vulnerable groups

Does not have any provision to assist Vulnerable and disadvantaged groups. Bank policy gives high importance that vulnerable groups should be given fair treatment and also receive support in training and rehabilitation measures.

MOI commits itself to adopt OP 4.12 and BP 4.12 as working documents in the implementation of resettlement and rehabilitation of PAPs. The commitment of IZDESD to comply with the requirements of The WB Operational Policies (OP 4.12) and Bank’s Procedures (BP 4.12) have been demonstrated in the implementation of all other projects financed by WB and undertaken by MOI.

6.3. National Policy on HIV/AIDS

HIV/AIDS is spreading worldwide and hitting hard poor countries, mainly the Sub Saharan Africa, with only 10% of the world population having 80% of the world HIV infection and AIDS cases. Among the sub-Saharan African countries, Ethiopia stands fifth in HIV/AIDS infection.

The movement of people from place to place, either voluntarily or involuntarily, contributes to the spread of HIV/AIDS. HIV/AIDS now is no more health or clinical problem only; it has now become a major social and economic problem of a country. Having understood the magnitude of the problem as well as the huge resource needed to combat HIV/AIDS, the Ethiopian Government issued a policy, which calls for an integrated effort of multi-sectoral response to control the epidemic. The FDRE has published a policy on HIV/AIDS in 1998. The Ethiopian Government’s HIV/AIDS Policy urges communities at large, including government ministries, local governments and the civil society to assume responsibility for carrying out HIV/AIDS awareness and prevention campaigns. The general objective of the policy is to provide an enabling environment for the prevention and control of HIV/AIDS in the country.

The specific objectives of the policy are:

- To establish effective HIV/AIDS preventative and control strategies in order to curb the spread of the epidemic;
- To promote a broad multi-sectoral response to HIV/AIDS epidemic, coordination of the activities of different sectors and the mobilization of resources for the control of the epidemic;
- To encourage government sectors, non-governmental organizations, the private sector and communities to take measures in order to alleviate the social and economic impact of HIV/AIDS;
- To promote proper institutional, home and community based health care and psychological support for people living with HIV/AIDS, orphans and surviving dependents;
• To safeguard the human rights of people living with HIV/AIDS and avoid discrimination against them; and
• To promote and encourage researches and studies on HIV/AIDS and make use of the outcomes for preventive, curative and rehabilitative purposes.

In 2000, the National AIDS Council was established under the chairmanship of the FDRE President; and in 2002 HIV/AIDS Prevention and Control Office (HAPCO) was established to address the problem. The Policy introduces and outlines the large social, psychological, demographic and economic impact that HIV/AIDS will be having and introduces a number of issues relating to HIV/AIDS. These are:

• That HIV/AIDS is not only a health problem but also a developmental problem;
• That gender inequality contributes to the further spread of HIV/AIDS;
• That women, including women living with HIV/AIDS, need access to information and services regarding HIV/AIDS and to family planning provision to help them make reproductive choices and decisions;
• That the magnitude of the problem will need considerable resources and a multi-sectoral effort to control the HIV/AIDS epidemic;
• That there is a need for a holistic approach in the provision of care to people living with HIV/AIDS;
• That the human rights of people living with HIV/AIDS needs to be recognized; and
• That HIV/AIDS has the potential for catastrophic impact.

7. Institutional and Administrative Framework

7.1. Overview of the Industrial Zone Development

Ethiopian Industrial Development Zones Corporation (EIDZC) is one of the newly structured operational organizations under MOI (Fig 3).

7.2. Industrial Investment Corporation under the MOI

Ethiopia’s potential in light manufacturing sector is significant. This can be witnessed in sectors like apparel, textile and garments, leather and leather products, food and beverage processing, wood processing and wood products and simple metal products. Ethiopia’s Industrial development zones are under the process of expansion and growth.

One of the developmental tools in stimulating economic development by attracting local and foreign direct investment is the promotion of competitiveness in the field of export and input substitution to provide services and incentives to businesses in public and private sectors. IZ is a problem-solving instrument that provides various alternatives to develop the industry and to create several new jobs for SMEs. It also makes local and foreign investors participatory, with a focus on jobs that are labor-intensive mainly involving women and the youth.

7.3. IZ Development and Environmental Safeguard Directorate (MOI )

The IZDES is one of the Directorates in the Industrial Investment Corporation under MOI (Fig. 3). The IZDES was established recently under Regulation No. 247/2011 of the Council of Ministers. Its
day to day management is carried out by a Deputy Director General that assigned under the Industrial Zone Investment Corporation in the MOI. The IZDES shall conduct site selection, construction for the industry. Relocating people from industrial sites requires land acquisition and expropriation for the industry, facilitating site selection and creating access to the infrastructures and services. The IZ works in collaboration with the Akaki-Kality Land Development Bank and Urban Renewal Office (LDBURO). LDBURO is responsible to initiate land acquisition and expropriation. KIZ site that includes the industrial zone experts and the ESMT in collaboration with the Akaki-Kality Sub-city stakeholders will select site and participates in the preparation of RPF/RAP for the industrial Project.

The objectives of CJCP are to develop and administer the Competiveness and Job Creation Project, and to enhance conditions to be coordinated with the IZ job opportunities. KIZ sites are responsible for the following activities:

- Prepare or cause the preparation of designs and feasibility, environmental and other related studies required for road works;
- Select site and participate in the preparation of RPF/RAP for industrial project;
- Acquire land required for industrial zone works by paying compensation with the Akaki-Kality stakeholders for land possessors and property owners in accordance with the law; and
- Take necessary measures with the Industrial Zone Management Team (IZMT) to protect the environment when industrial works are undertaken.

IZDES main teams:

i. **The Industrial Zone Management Team (IZMT/EIDZC)** will become a regulatory body which has a number of quality control and field supervisors at KIZ sites. IZMT can collect data, provide information and monitor the activities of industries which have obtained permission and license under the public and private enterprises. The IZ can create conducive conditions for the coordinated development of industry network, and ensure the maintenance of standards in industrial activities and constructions. Furthermore, the Team participates in collaborative stakeholders’ operation and on land acquisition, industrial site construction and monitoring; assists the social and environmental experts (ESMT/EIDZC) in arranging their requirement, and they are independent public enterprise agency for quality control and field supervisors within the Directorate.

ii. **Environment and Safeguard Management Team(ESMT)** is a team under the IZDES and it is working as the main stakeholder together with collaborative stakeholders at Akaki-Kality Sub-city (LABPA and LDBURO), the Addis Ababa Environmental Protection Authority (AA’EPA) on Resettlement/Rehabilitation Policy Framework (RPF). The Land Administration and Building Permission Authority, Land Development, Bank and Renewal Office in Akaki-Kality Sub-city and the Addis Ababa EPA, are principal stakeholders with strong bond of networking.

The RPF also clarifies the principles of reinforcement measures by industry projects for the positive and negative social impacts and mitigation measures. The Framework stresses that PAPs should be consulted and compensated in relation to resettlement/relocation, and for the loss of assets and properties that are affected due to the construction of industrial zone projects.

The ESMT will assist in establishing compensation committees with the above main stakeholders at project area level by enlisting representatives from government offices (from Woreda Administrations) and representatives of PAPs. The compensation committees conduct the registration of affected properties and the number of PAPs and determine compensation rates.

If disputes arise regarding the amount of compensation to be paid to the project affected persons, recourse is available to the courts. However, aggrieved PAPs will also have a chance to make their
complaints to the Akaki-Kality Sub-city (LABPA and LDBURO). The ESMT may act through a specific industrial agent that can be assigned at the IZ to serve as an advisor and Executing Committee.

**Functions and responsibilities of ESMT**

- The major responsibilities of Environmental Safeguard Management Team (ESMT/EIZDZC, Fig. 4) are setting and implementing IZ environmental guidelines in support of national requirements.
- The ESMT holds the capacity of advisory, co-ordination and supervision aspects that are pertinent to the Industrial Zone environmental impacts and implication assessment. ESMT will participate in the co-ordination of Industrial Zone Environmental Safety, and can organize a Property Valuation Committee in collaboration with stakeholders like Land Administration Offices, LDBURO and Municipal or Woreda Administrative Committee (WAC) and the PAPs, RHC, GOs, NGOs, community elders. ESMT participate in training and providing awareness to the Committee on the application of standards, methodology and procedures of valuation of properties as set in Proc. No. 455/2005 for affected crop and other assets.
- ESMT cooperates with the main stakeholder (Akaki-Kality Sub-city) in monitoring claims and in resolving disputes arising from land acquisition; recommends acceptance or rejection of compensation claims, and ensures that payments are effected as agreed with claimants or as decided by the competent authority, so as to minimize long-term carryover impacts which may backfire at KIZ sites (for any unfair land acquisitions, mob activation, back log payments).
- Secures receipts and land transfers for IZ construction. Where appropriate, establishes arbitration appraisal committee for conducting negotiations with property owners or their representatives; ensures that accepted appraisal methods and techniques are followed in the valuation of property; sets standards and controls environment-pertinent operations (manage constancy services in case of pollutions). Furthermore, listens to grievances, monitors socio-environment related activities to meet given standards on the ground. This team is merely a collaborative team with various stakeholders operating under different network systems on RPF, RAPs and has an obligatory duty for environmental quality and labor safety control on the ground. The team has a duty to report to Addis Ababa EPA for detailed reviews and actions.

**iii. Industrial Zone Development Management Team (IZDMT):** Secures receipts and land transfers for IZ construction. Where appropriate, establishes arbitration appraisal committee for conducting negotiations with property owners or their representatives; ensures that accepted appraisal methods and techniques are followed in the valuation of property; sets standards and controls environment-pertinent operations (manage constancy services in case of pollutions). Furthermore, listens to grievances, monitors socio-environment related activities to meet given standards on the ground. This team is merely a collaborative team with various stakeholders operating under different network systems on RPF and has an obligatory duty for environmental quality and labor safety control on the ground. The team has a duty to report to Addis Ababa EPA for detailed reviews and actions.

### 7.4 Proclamation to Establish Environmental Protection Authority

The Environmental Protection Authority (EPA) was established in August 1995, under Proclamation No. 9/1995, and is an autonomous government body reporting directly to the Council of Ministers. It has a broad mandate covering environmental matters at federal level. EPA’s proclamation sets out the main responsibilities and broad organizational structure, which includes: to establish a system for EIA
of projects, policies, strategies, laws and programs and to enforce implementation of this EIA process (i.e. Review EIA reports) and the recommendations which result from it for projects that are subject to Federal licensing, execution or supervision. EPA is also responsible to provide advice and technical support to the regions or Federal City Administration (Addis Ababa City-EPA) on environmental matters.

8. The Resettlement Action Plan

The preparation of a Resettlement Action Plan (RAP) in future during the development and expansion of the industry, will be done in a way to meet the policy requirement of the World Bank, including quality standard that are in conformity with the demand of global best practice. This Project will adopt the following key planning concepts that are taken into account in the preparation of this RPF:

- Checking on the availability of any resettlement and rehabilitation policy framework;
- Defining entitlement and eligibility of PAPs:
  - who is entitled for what?
  - who will receive compensation payment, and
  - how will these measures be carried out?
- Preparing the cost and budget for the implementation of RAP and clarifying how and by whom this RAP will be financed;
- Identifying organizations and institutions that will be responsible for its implementation; and
- Identifying major stakeholders and partners who will be taking part in the preparation and implementation of RAP, whenever the need arises.

![RPF Diagram]

Figure 2. The general resettlement policy framework
8.1. Household Census and Baseline Socio-Economic Survey

Household census of PAPs is one of the core components of RAP because it is at this step that all the relevant data and information concerning the livelihood of PAPs is collected and compiled. The household census identified the current occupants of the PAPs to avoid inflow of people for eligibility of compensation. The baseline information and data collected on livelihoods of PAPs and affected assets and properties includes:

- **Household information of PAPs**: Name, age, gender, ethnicity, family size, number of dependents;
- **Information on livelihood activities**: Profession (or occupation);
- **Information and data** on the production systems and labor;
- **Types of properties to be affected**: Location, size and type of farmland, major crops, annual production and income, i.e., houses (residential, business); type of business to be affected; magnitude of the expected loss (total or partial of assets), and the extent of displacement, physical or economic; and
- **Impacts on lost assets** like agricultural land with the names of owners/users of the individual farmers presumably in size (m²), and croplands, trees, such as fruits and permanent cash crops (Tef, wheat, chickpea and lentil, lin seed).

**Land-use at IZ vicinities**

- Land under urban facilities/services (university, condominium; infrastructure)
- Croplands (annual crops, fruit/vegetable landholding @ 1.10 ha per HH)
- Grazing lands
- Farm tree lands
- Homestead
- Quarry sites (almost all lands below 1.5 m of depth)
- Industrial land-use (Heineken Brewery on 25ha + Kilinto IZ243 ha)

- **Vulnerability**: Information on vulnerable groups (female-headed HH, people with disabilities, the elderly) or persons for whom special provision may have to be made;
- **Patterns of social interaction** in the affected communities, including social networks and social support systems, and how they will be affected by the Project;
- **Public utilities, infrastructure and social services** that can be affected by construction works; and
- **Squatters**: illegally built houses in the Project site, if any; and the number of houses (with types), locations (locality), size, status and conditions of these people, and how they are going to be treated.
9. Community Participation and Public Consultation

The primary purpose of public consultation is to inform and create awareness to all concerned stakeholders’ and the local community about the implementation of the Project and the potential impacts due to the construction, and also to solicit the views of all the concerned stakeholders. Public consultation gives an opportunity for the affected people to influence the Project to reduce adverse impacts, maximize additional benefits, and ensure that their concerns are addressed properly. It also helps the interest of affected persons/communities, especially the poor and vulnerable groups.

The FDRE Constitution also reaffirms the participation of the public, in policies and projects that affect their livelihood. The agenda of stakeholders’ consultation that focus on their collaborative effort in participating in the Project, reasons why land is required for the industry, and their voluntary relocation based on consent, the process of relocation and compensation were presented and discussed. The roles they will play in facilitating the implementation and monitoring/evaluation process were outlined (Fig. 3). The benefit of the Project and the socio-environmental impact assessment and preparation of Resettlement Action Plan was discussed with relevant stakeholders.

The PAPs, senior villagers, CBOs, school teachers, health officers, DAs, NGOs, business and other community representatives were consulted under group discussion session. Public consultation was carried out with PAPs, senior villagers, CBOs, and at the presence of the main implementing stakeholders that include the Woreda officials, the Akaki-Kality Sub-city Land Administration Authority and Land Development and Renewal Office management groups and the IZ team from MOI (See Appendix Fig 1: Agenda and minutes of discussion).

The RPF has been consulted upon, with the different groups of public and private organizations, community groups, and individuals:

- Senior villagers, opinion and informal leaders;
- Woreda Administration Committee, Woreda Sector Desks;
- Woreda Administration at Kersa;
- University, condominium constructors, school teachers, health officers, DAs; and
- Business (quarry, crushers, shops and cafeteria, “Bajaj” owners, traders, etc.).

9.1. Summary of Issues and Outcomes of Public Consultations

Public consultation meetings and focus group discussions and key informant interviews were carried out KIZ area with the affected people, public and woreda authorities and woreda desk representatives. The following stakeholders participated in public consultations:

- Akaki-Kality Sub-city Land Administration and Building Permission Authority;
- Akaki-Kality Sub-city Land Development, Bank and Urban Renewal Office;
- Woredasof the Akaki-Kality Sub-city respective sites;
- IZ Development and Environment Safeguard Directorate (IZDESD/MOI);
- Investment Corporation and the Indusial Zone Development (MOI);
- CJCP (MOI);
- The Addis Ababa City Master Plan with Urban Development Planning at MWUD;
- The WB group at Addis Ababa (office discussion);
- PAPs at Yeshi Total Village;
- Urban Agriculture Team, woreda desk representatives, Infrastructure Development Team;
- University staff members, condominium residents, school teachers, CBOs;
9.2. Identified Issues and Outcomes

The following issues were identified during discussions held with stakeholders:

- There needs to be periodic consultation and feedback with the relevant government authorities
- Electricity is needed for students at proposed resettlement sites;
- Access road to reach the main road at Akaki is needed to use local “Bajajs” and horse-driven carts;
- Compensation should be in line with replacement cost
- Government should provide Land for Land, or House for House option
- Attentions for people with disabilities: they are very few (hearing, listening, seeing, walking and elders) and still require support. The following are suggested Mitigation Measures: The NGOs and Ministry of Social Affairs and Labor may intervene. It is also the responsibility of the stakeholders to handle those groups on equal opportunity base at workplaces.
- The project should consider providing additional support to Squatters’ (unlawful tenants especially those that pass the night with landlords.
- Location advantage: Compensation payment should consider all the benefits PAPs will lose by being relocated and that compensation estimates should be made on the basis of replacement cost. It should also consider market values in relation to the location advantage of the lost property/site. Revisiting the type of houses and their values at time of assessment, in building urban houses, and thereby considers bridging the gaps.

Overall, community has weighed both positive and adverse consequences of the project and gave their opinions freely. They requested the government skills training and give priority of employment to women and youth. The youth appreciate transformation of farming occupation to industrial employees for better payment and livelihoods.

Plate 1. Land Development, Bank and Urban Renewal Project Office (Akaki Kality Sub-city)
Plate 2. Discussion with Woreda 9 Office Representatives at Kilinto-Kersa

Plate 3. The General Kilinto Industrial zone area
10. Valuation and Compensation Methods for Loss of Assets

10.1. Compensation Procedures and Approach

A strategy will be adopted for compensation of the affected properties/assets follows the Federal Government and Regional Government laws and regulations. In addition to the FDRE and Regional Governments laws and regulations, MOI’s RPF with its stakeholders (LABPA and LDBUO) and WB policies and other supplementary guidelines will be adopted in the process of setting procedures for compensation payment. The compensation procedures and approach in this RAP will adopt the following three steps.

(1) Establishment of Property Valuation Committees

Property valuation committees will be established in Akaki-Kality Sub-city at Woreda level those are traversed by the project. The composition and number of the committee members will be as per FDRE law. The property valuation committee for rural and urban areas will be different. The property valuation committees will provide PAPs with adequate valuation of affected properties and assets and estimates the compensation for the assets they will be losing; proper valuation will be undertaken by the valuation committee and reviewed by the resettlement/compensation committee.

(2) Assessment of Properties and Assets

All properties and assets (houses, crop/grazing lands, farm trees etc.) affected by the project will be assessed at a full replacement cost, which is based on the present value of replacement. The current old mud plastered rural farm house can’t build the pre-urban /urban residence of cement/sand and iron-bar windows/doors and labor is expensive.
(3) Establishing Unit Rates

Unit rates will be established for each of the assets and properties that might be expropriated in the industrial zone site—for crop/grazing lands, farm trees and removed houses on the basis of the current market value (see Fig 3; Appendix Table 3).

The compensation procedure and approach will be determined on the willingness and readiness of owners of a resource to give up their rights. Compensation payment to PAPs will be effected after the property valuation committee makes the final estimate of compensation payable for the affected properties at a full replacement cost and reviewed by the Resettlement committee and finally approved by the Kaki-Kality Land Adm ((LABPA) and Development, Bank and Urban renewal office (LDBUO) and Industrial Zone Development Corporation (ISDC/MOI). Payment to affected properties and assets will be effected before the commencement of the IZ construction works. The payment procedures and mechanisms to be adopted will be simple and easily understandable to PAPs also.

Compensation payment will address the following four questions.

- What to compensate for (e.g. land, structures, businesses, fixed improvements or temporary impacts, lost income);
- How to compensate;
- When to compensate
- Amount to be compensated.

Compensation for land structures, business, fixed improvements and other temporary impacts are based on among other things on market valuation, production and productivity valuation, negotiated settlements, material and labor valuation, disposition of salvage materials and other fees paid.

Compensation for land structures, business, fixed improvements and other temporary impacts are based on among other things on market valuation, production and productivity valuation, negotiated settlements, material and labor valuation, disposition of salvage materials and other fees paid.

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. The compensation approach will be determined on the willingness and readiness of the owners of a resource to give up their rights.

Compensation for temporary impacts will be calculated on the basis of the criterion/principles;

- 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).

In addition, PAPs will be entitled to transitional assistance which include moving expenses, temporary residence (if necessary), employment training and income support while awaiting employment and should have an option for full replacement cost 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.

PAPs that do not have license or legal permit and even squatters will be eligible for compensation payment. According to WB policies 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.

10.2. Income Restoration

Income restoration refers to reestablishment of income levels for the PAPs prevalent at the time of displacement. Income restoration is an important component for the resettlement of PAPs who have lost their productive base, businesses, jobs, or other income sources, regardless of whether they have also lost their houses.
In income restoration, issues such as, source of livelihood (monetary and non-monetary), availability of land for replacement, existing skills of PAPs, employment opportunities and other income restoration options will be provided.

The strategy for PAPs who might lose their assets and properties, income restoration plans or program will require support and services in the long and short term basis.

The short term strategy will be to provide support plans which will include compensation payment made for lost assets and properties before relocation, allowances for transportation and moving agricultural extension and other related supports until the income level of PAPs is restored. This short term support also involves provision of employment opportunities at project construction site.

Long-term income strategy for income restoration involves land and non-land-based economic activities that will provide a sustained source of income over a longer period of time and to enable income restoration, or better still, improvements in PAPs standard of living.

PAPs will also need to receive skill training, employment opportunities to restore their livelihood. Tailor made skill training programs could be planned and implemented on the need and interest of PAPs. During implementation of the RAP social development plans, such as skill training associated with credit services could be provided to PAPs in order to establish themselves. IZs have to work closely with micro finance institutions and micro enterprise development organizations; and NGOs working in vicinities. The changes brought to the livelihood of PAPs after the training and employment opportunities and other supports provided to them by the project office has to be monitored regularly. PAPs whose farmland is located within the IZs and permanently and temporarily lost for the industrial expansion and construction works of the project will receive monetary compensation at full replacement cost.

PAPs losing trees (fruit and non-fruit bearing) will also receive monetary compensation, however, the foregone benefits and loss of income from the trees need to be determined and calculated accordingly.

**10.3. Methodology in valuing losses**

There are three commonly known methods of valuing assets and properties,
- Income based approach,
- Replacement cost a market data
- Comparable sales approach.

However, in this RPF, the methodology for valuing assets will be based at Full Replacement Cost. Full Replacement Cost is one method of valuation of property and that determines the amount of replacement through compensation. The concept of Full Replacement Cost is based on the premise that the costs of replacing productive assets that have been removed and replacement through compensation because of industrial zone project or improper on-site management. These costs are taken as a minimum estimate of the value of measures that will reduce the removal/ damage or improve on-site management practices or prevent damage.

The replacement cost approach involves:
- Direct replacement of expropriated assets, covers an amount sufficient for replacement;
- Net depreciation;
- Moving expenses; and
- Other transaction costs.
World Bank’s OP 4.12 defines replacement cost, “method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transition costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account.”

In Places where markets are not well organized or thin, replacement of assets may be scarce, or loss of human or social capital might also be debilitating there is a need to establish supplemental income strategies.

With regard to land and structures, replacement cost is defined as shown in the following table (Table 2) for the different land use type, such as, agriculture, urban and rural land (See Appendix Table 4).

### 10.4. Replacement Costs for Land, Houses and Public Infrastructures

#### Table 2. Replacement cost by type of impacts (crop/grazing, houses and public infrastructure)

<table>
<thead>
<tr>
<th>Agricultural Land</th>
<th>For Public Infrastructure</th>
<th>For Houses</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is the pre-project or pre-displacement, whichever is higher</td>
<td>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 area</td>
<td>It is the market cost of the materials to build a replacement structure (house) with an area and quality similar to or better than the affected house, or partially repaired valuating carried out for old farm house made of wood door/windows that plastered with mud can’t replace a type of house in pre urban/urban that use blockets, sand, cement with iron bar windows /door + dry latrine as minimum urban house standard. Hence, the estimate at valuation may leave them homeless for ever. <em>Revisit valuation procedure to fit resettlement</em></td>
</tr>
<tr>
<td>Market value of land of equal productive potential or use located in the vicinity of affected land</td>
<td>The cost of any registration and transfer taxes</td>
<td>The cost of transporting building materials to the construction site</td>
</tr>
<tr>
<td>The cost of land preparation to levels similar to those of the affected land</td>
<td>The cost of transporting building materials to the construction site</td>
<td>The cost of any labor and contractors’ fees</td>
</tr>
<tr>
<td>cost of any registration and transfer taxes</td>
<td>The cost of any labor and contractors’ fees</td>
<td>The cost of any registration and transfer taxes</td>
</tr>
</tbody>
</table>

### 10.5. Basis for Valuation

The basis for the valuation of affected assets and properties is Gross Current Replacement Cost (GCRC). The assessment and valuation would be made by the Kaki-Kality Land Adm ((LABPA) and Land Development, Bank and Urban renewal office (LDBUO) and Industrial Zone Development Corporation (ISDC/MI. They may use the RPF defines Gross Current Replacement Cost as ‘the estimated cost of erecting an industrial shelter/ as new building having the same gross external area as
that existing with the site works and services on a similar piece of land’. The valuation process will also consider the use of “compensation value” for affected properties.

The valuation of affected assets and properties will be carried out by experienced and skilled valuators. According to Proclamation (455/2005), “The valuation of property situated on land to be expropriated shall be carried out by certified private or public institutions or individual consultants on the basis of valuation formula adopted at the national level.”

In order to provide PAPs with adequate compensation for assets and properties they will be losing, proper valuation will be undertaken by the valuation committee and reviewed by the resettlement/compensation committee. The valuation committee, in close consultation with PAPs and in collaboration with the Akaki-Kality Sub-city administration that include the Kaki-Kality Land Adm (LABPA) and the Land Development, Bank and Urban renewal office (LDBUO). They are the main facilitators and will prepare the unit rates for the affected assets to be determined on the basis of market value. Those above group pay bills resettle and clear the land and pass cleared land to Industrial Zone Development Corporation (ISDC/MOI) to use for industrial purposes as per their agreement.

### 10.5.1. Valuation for Loss of Houses

Compensation procedures for loss of houses will be established in consultation between the Akaki-Kality Sub-city Administration and Resettlement/Implementation Committees that will be established at Akaki-Kality Sub-city Administration at Woreda level. The implementing teams should include the Kaki-Kality Land Administration (LABPA) and Land Development, Bank and Urban Renewal Office (LDBUO), Woreda and the Industrial Zone Development and Environment Safeguard Directorate (IZDESD) as stakeholders can execute the expropriation/compensation procedures in concert with the subcommittee that includes PAPs and RHC and other collaborative stakeholders (condominium owners, Addis Ababa Road Construction, CBOs, etc.).

In determining replacement cost for loss of houses, the following points should be considered:

- Current construction 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;
- The unit rate (or bill of quantity) is estimated on the basis of the type of the affected houses. The cost of each house that would be replaced is estimated on the basis of specification and bill of quantities prepared by the municipalities of each town and verified by the valuation committee and PAPs; Irrespective of the location of the area, the unit costs for the similar types of houses are taken to be identical.
- Estimate the disturbance allowance. The disturbance allowance is considered to cover the loss of established businesses, and include social disruptions and inconveniences. Disturbance allowance will be used by PAPs to cover expenses associated with relocation including access to social and public services.

The compensation payment for houses, Crop and grazing lands, farm trees, fences and other structures affected by the project as described above shall take place at full replacement cost. The project affected households and institutions that would be relocated from their current location will receive compensation equivalent to the location advantage they might lose due to the project.

PAPs losing part of their housing plot that is similar to earlier amount in possession will be given in another habituate site where social infrastructures are in place before the resettlement commenced.

The formula adopted as per proclamation of 135/2007 shows (See Annex Table 4 on compensation)
Cost of construction (current value)
Cost of permanent improvement on land
Amount of refundable money for the remaining term of lease contract

10.5.2. Valuation for Permanent Loss of Agricultural Land/Crop Loss

The principle for permanent loss of agricultural land /crop loss/ is that it should be compensated with land for land compensation (or land for land replacement) in those areas where land is available for replacement.

To the extent that land cannot be provided as a replacement for lost agricultural land, the principles for monetary compensation will apply. Cash compensation is paid for loss of crops, grazing lands and trees. The compensation rates for loss of trees and crops from lost agricultural land will be established by the Akaki-Kality Sub-city and the Woredas. The implementing team will be mainly from the Kaki-Kality Land Adm ((LABPA ) and Development, Land Bank and Urban Renewal Office (LDBUO ) and IZDEPD as one of the principal stakeholders.

They can execute the expropriation/compensation procedures in concert with the subcommittee that includes PAPs and other collaborative stakeholders. The cost estimate for compensation for public infrastructure and payment will be made by the sub-city (LDBUO). The value will be estimated based on the assessment by the Woreda and the valuation committee (which includes. The unit rates for loss of trees and crops from lost agricultural land will be prepared by the valuation committees and submitted for approval to the Resettlement / implementation committees. The formula for calculating compensation for crops, unripe and ripe perennial crops will follow as presented in Table 3, Appendix Table 4.

**Table 3: Valuation formula for perennial crops**

<table>
<thead>
<tr>
<th>Crops</th>
<th>Ripe perennial crops</th>
<th>Unripe perennial crops</th>
</tr>
</thead>
<tbody>
<tr>
<td>The total area of the land in m²</td>
<td>Annual yield in kg</td>
<td>No. of plants (legs)</td>
</tr>
<tr>
<td>Value of the crops per kg (Tef, wheat, linseeds chickpea, lentil)</td>
<td>Current price of the produce</td>
<td>Cost incurred to grow per Hectare of land by soil and crop types, vars.</td>
</tr>
<tr>
<td>10.5.3.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The amount of crops to be obtained per m² or qt/ha</td>
<td>Cost of permanent improvement on land</td>
<td>Cost of permanent improvement on land (use of improved seeds, herbicides, fertilizers and SWC)</td>
</tr>
</tbody>
</table>

Any PAP whose agricultural land is expropriated for the project road will be compensated as per Proclamation (No. 455/2005), which provides displacement compensation for rural landholders whose lands expropriated permanently that amounts ten times the average annual income secured during the five years preceding the expropriation.
Table 4: Types of Losses from Agricultural Land

<table>
<thead>
<tr>
<th>No.</th>
<th>Category of Losses</th>
<th>Type of Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Permanent and Temporary loss of</td>
<td>Farmland (annual and perennial crops), grazing lands, farm trees</td>
</tr>
<tr>
<td></td>
<td>land</td>
<td>Housing plot and compound</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Business premises plot</td>
</tr>
<tr>
<td>B</td>
<td>Income sources and livelihood</td>
<td>Income from standing crops</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Income from grazing land, quarries and pottery soils</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Income from affected business and co-ops</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Income from perennial crops</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Income from trees</td>
</tr>
<tr>
<td>C</td>
<td>Public utilities</td>
<td>Loss of Electricity and Telephone poles, water pipes</td>
</tr>
<tr>
<td>D</td>
<td>Socio-environment related issues</td>
<td>Environmental impacts that will result due to IZs construction activities /</td>
</tr>
<tr>
<td></td>
<td></td>
<td>works (Noise, Dust, blast etc)</td>
</tr>
</tbody>
</table>

FDRE Proclamation 455/2005, (Article 8 (displacement Compensation) No. 1 states that; “A rural landholder whose landholding 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 principle of compensation also follows that of income restoration of PAPs. According to the five year average crop budget and gross income is calculated and the proportion of income equivalent to land loss is determined. In the case of fruit trees, the calculation will take into account a major interruption of the income series after a tree has reached its economic limit of life and a new tree planted instead will have reached its fruit bearing age.

10.5.4. Valuation for Public Utility Lines

Public utilities that will be affected due to the construction of the road project include telephone and electricity poles, mill, and co-op shops.

The implementing team that include: the Akaki- Kality Sub-city: LDBURO, LABPA and Woreda Administration and the IZDESD (the facilitator) and other formed committees will take the responsibility to notify the PAPS and RHC on the relevant dates, and request completion of relocation works before the commencement of any activities on the proposed industrial zone site. The relocation of the affected public properties is normally carried out by the service providers upon payment of relocation cost and to be completed prior to commencement of the works. The infrastructures planning, development and the technical support for laying out the residence site shall takes place before the relocation.
10.6. Special Attention to the Needy Vulnerable Groups

The RPF provides special attention to the needs of vulnerable groups among the PAPs, especially poorer households, including the landless, elderly and disabled, women and children, vulnerable groups and ethnic minorities, and other historically disadvantaged.

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.

The following categories of PAPs will be used in identifying the groups of PAPs for the purposes of determining impacts:

- **Project affected persons (PAPs)** are individuals whose assets may be lost, including land, property, other assets, and/or whose access to natural and/or economic resources is reduced as a result of activities related to sub-project(s).
- **Project affected households as groups** of PAPs in one household and where one or more of its members are directly affected by the project. These include members like the head of household, male, and female members, dependent relatives, tenants, etc.
- **Underserved and Vulnerable groups of people.** These groups are tied to their traditional or customary lands and natural resources, but these lands might not be under legal ownership pursuant to national law. Therefore, land-take might impact them seriously, and the project will avoid, and if not feasible, will document land take and use with the PAPs. They will be informed of their rights under national laws, including any national laws recognizing customary rights or use and the project will offer them adequate compensation as stated in the entitlement matrix together with culturally appropriate development opportunities. Further, from these households the project will separately identify the vulnerable members, such as those who are too old or too ill; children; those living with HIV/AIDS; women; unemployed youth; minority ethnic groups, if any, etc. Households headed by women that depend on sons, brothers, and others for support is especially vulnerable. Similarly, households with elderly or seriously ill persons are eligible for additional support. The outcome of the Social Impact Assessment indicates that the following issues are of concern to various the project beneficiary communities and would affect them differently:

  - Physical displacement (land take and economic displacement)
  - More effective consultation, access to information, on project activities and benefits;
  - Loss of common property resources (access to farming, grazing land and water; resources, etc.)

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 operational 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.
(1) 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);
(2) PAPs must be consulted about land acquisition and compensation and offered technical and financial options, including the most economically feasible alternatives; and
(3) 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 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.

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

- A socio-economic survey will be completed to determine scope and nature of resettlement impacts.
- The socio-economic study will be carried out to collect data in the selected sub-project sites.
- 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 1 describes the requirements for the RAP in detail. In general, the RAP contains the following information:

- Baseline Census;
- Socio-Economic Survey;
- Specific Compensation Rates and Standards;
- Entitlements related to any additional impacts;
- Site Description;
- Programs to Improve or Restore Livelihoods and Standards of Living;
- 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.

11. **Institutional and Organizational Arrangement Responsibility for the RPF**

11.1. **Organizations at Federal Government Level**

Organizations that operate at the Federal Government level and have some role to play in the planning and implementation of the project include Industrial Zone Development Corporation (ISDC/MOI and the implementing agency that include the Addis Ababa City administration represented by the Akaki-
Kality Sub-city with two main offices consist of Land Administration and Building Permit Authority (LABPA) and Land Development, Bank and Urban Renewal Office (LDBURO); the Woreda, and the stakeholders committee plus PAPs and RHC. The overall policy guidelines and coordination at various collaborative offices can provide adequate governance and management; and budget release for timely operations.

The Kaki-Kality Sub-city LABPA and are the main stakeholders to provide adequate governance, management and budget release for timely operations and the monitoring activities. The Akaki-Kality Sub-city Land Administration and Building Permit Authority (LABPA) and Land Development, Bank and Urban Renewal Office (LDBURO) are the main stakeholders in implementing RAP (compensation and livelihood activities). The industrial Zone team with Environment Safeguard Management Team in the Industrial Zone Development Corporation (ISDC/MOI), can facilitate and participate in the monitoring/evaluation (Fig4). Table 5 shows the different organizations operating at Federal level that will have the role and responsibility in the planning and implementation of the CJC project.

Table 5. List of institutions/stakeholders at Federal Government level that will have role during planning and implementation of RAP

<table>
<thead>
<tr>
<th>No</th>
<th>Organizations</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Industrial Development Zone Corporation (IDZC/MOI)</td>
<td>Provide overall policy guidelines and coordination at Ministerial level and also provide adequate governance and management</td>
</tr>
<tr>
<td></td>
<td>(with project in Competitiveness and Job Creation/CJCP/MOI on capacity building)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Addis Ababa City Adm Akaki-Kaliti-sub-city (LABPA, LDBURO,)</td>
<td>Provide overall coordination and as implementation agency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Land Administration and Building Permit Authority (LABPA)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LAND Development, Bank and Urban Renewal Office (LDBURO)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Release and approval of fund for compensation</td>
</tr>
<tr>
<td>4</td>
<td>Ministry of Federal Affairs</td>
<td>Follow up and ensure that the provisions are provided to PAPs as per the proclamation 455/2005</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prepare national valuation formula-determination and compensation</td>
</tr>
<tr>
<td>5</td>
<td>IZDEP/MOI</td>
<td>Overall Management and Budget Allocation for the project implementation;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coordinate with Addis Ababa City Adm /Akaki-Kaliti-sub-city in the planning and implementation of the project</td>
</tr>
<tr>
<td>6</td>
<td>Addis Ababa City Adm /Akaki-Kaliti Sub-city</td>
<td>Re-establish Resettlement and Valuation committees at Woreda level;</td>
</tr>
<tr>
<td></td>
<td>i. Land Administration- Building Permit Authority (LABPA)</td>
<td>Responsible for the implementation of this Resettlement Action Plan;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Effect compensation payment for PAPs; Income restoration</td>
</tr>
<tr>
<td></td>
<td>ii. LAND Development Bank - Urban Renewal Office (LDBURO)</td>
<td>Provide support for Vulnerable groups;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Monitor the restoration of public services / utilities affected by the construction works, such as, water supply, etc.</td>
</tr>
<tr>
<td></td>
<td>ii. WoredaAdm</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>----------------</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Environmental Protection Agency (Addis Ababa City AdmEPA)</td>
<td>Can advise and on the appraisal and monitoring of the RAP</td>
</tr>
<tr>
<td>7</td>
<td>IZDEP/MOI (IZ team and Environmental and Safeguard Management Team this merely an expert team)</td>
<td>Appraisal and monitoring of the RAP with sub-city Monitor and Evaluate the implementation of the RAP Provide technical and logistic supports and capacity building for the project office in training, and related activities etc.</td>
</tr>
</tbody>
</table>
Figure 3. Organizational structure of the Ethiopian Industrial Development Zones Corporation
11.2. FDRE, Regional States (Federal City Administration)

According to the Constitution of FDRE, Regional States (Federal City Admin.) have the duties and responsibilities for planning, directing and developing social and economic programs, as well as the administration, development and protection of resources of their respective regions. This is also true for Woreda (or district) administrations. Each Woreda administration is governed by its own elected council. The Woreda council is more or less similar to that of the Federal and Regional Parliament (the Addis Ababa City Administration Council) in its structure; and appoints the executive committee which is responsible to run the day today activities at the Akaki-Kality Sub-city.

11.3. Addis Ababa City Administration

The Akaki-Kality Sub-city under the Addis Ababa City Administration will play important role in the implementation of this RPF. The city administration will facilitate the implementation by providing support and guidance to the Woreda administrations. The Addis Ababa City Admin in particular, EPA, the ESMT/IZDESD are responsible for the allocation of land and will closely monitor and oversee the implementation of this RPF.

At Addis Ababa City Adm, the Akaki-Kality Sub-city and Woreda administration offices, located along the industry project sites will have a major role and responsibility in the planning and implementation of the resettlement activities in their respective localities. The Woreda administration will be the main contact and will facilitate the relocation of PAPs.

Table 6: List of organizations responsible for this RPF

<table>
<thead>
<tr>
<th>No</th>
<th>Organizations</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>At Addis Ababa City Adm</td>
<td>Facilitate the development of the industrial zone by informing the zonal and Woreda authorities to provide all support for its smooth implementation</td>
</tr>
</tbody>
</table>
| 2  | Akaki-Kality Sub-city  
  i. Land Administration- Building Permit Authority (LABPA)  
  ii. LAND Development, Bank - Urban Renewal Office (LDBURO) | Monitor that appropriate mitigation measures are adopted concerning the adverse environmental and social impacts created by civil work activities of the project. |
| 3  | Woreda Administration Offices | Establish Resettlement and Implementation Committee and the Property valuation committees; Coordinate Valuation process and facilitate compensation for PAPs; Facilitate land for land compensation, facilitate the relocation sites and the restoration of services, and maintain data of properties that may be removed from expropriated land. |
| 5  | Akaki-Kality Sub-city/Woredas (Addis Ababa City Adm) | Identify land for the relocation of PAPs and provide support in restoration; and provide special attention and support for vulnerable groups, maintain data of properties removed from expropriated land |
| 6  | Woreda Adm : urban Agric. | Coordination and support of PAPs and provide agricultural data and cost estimates for crops |
11.4. Representatives of PAPs, NGOs and CBOs.

In addition to Government institutions, Representatives of PAPs, NGOs and CBOs operating at Woreda level will have important role to play in the planning and implementation of the project.

Representatives of PAP: PAPs will elect their representatives who will represent them in meetings and discussions to be held with the Woreda administration, valuation committee, and resettlement implementation committee with ESMT (IZDESD).

Local NGOs: There are no local NGOs at the present that operate in the project area.

11.5. Coordination between different agencies and jurisdiction

Akaki-Kality Sub-city (LABPA, LDBURO) and IZDESD from MOI will have a major role in the coordination of the project planning, procurement and implementation. Akaki-Kality sub-city (LABPA) and IZDEPD will be responsible for the implementation and supervision of the RAP. Akaki-Kality sub-city Land Administration-Building Permit Authority (LABPA) and LAND Development Bank - Urban Renewal Office (LDBURO and IZDESD from the Ministry of Industry (IZDESD), and others shall carry out the coordination work among the different actors at the Sub-city. The jurisdiction between the different donor agencies shall be mainly the responsibility of coordination between different agencies, the main actors are the Akaki-Kality Sub-city (LABPA and LDBURO) and IZDESD (major stakeholder) and Woreda compensation committee and other collaborative stakeholders, CBOs etc.

11.6. Resettlement/Implementation Committee

Addis Ababa City Administration EPA, LABPA and ESMT (IZDESD) and other agencies will play a monitoring role while Akaki-Kality sub-city and Woreda Admin will play key role in the facilitation and implementation of the RAP by establishing Resettlement/Implementation Committees and property valuation committees. The committee provides land for relocation, coordinating compensation payments, addressing grievances and related issues. The committees periodically carry out a site visit and listen to the complaints of both communities, the PAPs and RHC.

11.7. Property Valuation Committee

Property Valuation committees will be established at each of the Woreda and review the list of PAPs, registration of assets and properties; and shall establish unit rates, taking into account, Proclamation 455/2005 and councils of Ministers regulation 135/ 2007. A number of different professionals such as, agriculture experts and surveyors will be involved in establishing the unit rates, measuring the size of affected land and properties for compensation purpose. The involvement of the different experts will assist and speed up in the day-to-day task in the valuation of the affected assets, by establishing unit rates on the basis of set standards and analyzing the local conditions. In some instance, if the affected property requires a very specialized knowledge a separate committee of experts will be establish to conduct the valuation.

**Property Valuation Committee in IZ Areas:** The property and valuation committee established in the project site (IZs) as per FDRE proclamation should not exceed five members. In this RAP, the following members are proposed in line with FDRE proclamation.
The property valuation committee established in the town section/urban areas include the following members:

- Akaki-Kality sub - city *LABPA as a Chair Person
- **LDBURO
- Town Engineer/Surveyor
- PAPs representative
- IZ/ESMT (IZDESD) Representative or Agent

Woreda representative * LABPA = Land Administration - Building Permit Authority; **LDBURO = LAND Development, Bank – Urban Renewal Office

The property valuation committee will have the following major duties and responsibilities.

- Establish standards for unit rates of affected assets and properties
- Revalidate inventories of PAPs and affected assets
- Establish valuation ahead of time effect the compensation payment resettlement/ relocation activities.
12. Grievance Redress Mechanisms

Grievance redress procedures and mechanism for PAPs will be established by Akaki-Kality Sub-city, IZDESD and the Resettlement / Implementation committees. Grievance redress mechanism will ensure PAPs that they will be provided with the appropriate compensation payment and that all administrative measures are in line with the law. The grievance redress procedures will provide opportunity for PAPs to settle their complaints and grievances amicably. The procedure to be adopted will allow PAPs not to lose time and resources from going through lengthy administrative and legal procedures.

Grievances are first preferred to be settled amicably whenever possible through arbitral tribunal, which shall be established by Woreda authorities both for agricultural lands and residential houses, separately. The proposed members of the arbitral committee will be similar to that of the Resettlement / Implementation committee and will also include representatives of PAPs.

The procedures to be followed by the arbitral tribunal members to address grievances are;

- Be transparent and simple to understand;
- Provide PAPs with free access to the procedures;
- The procedure should be able to be activated rapidly;
- Representatives of PAPs should be part of the committee when deciding how to respond to the grievances; and
- The response time between activating the procedure and reaching a resolution should be as short as possible

Compensation payment should be effected after the property valuation committee makes the final estimate of compensation payable for the affected properties at a replacement cost and reviewed by the Resettlement committee, and finally approved by Akaki-Kality Sub-city. This is following the Akaki-Kality Sub-city (LABPA and LDBURO) practices. Compensation is only paid to the PAP after a written consent in the presence of members of the Resettlement committee. According to FDRE law, if a PAP is dissatisfied with the amount of compensation payment or other related measures he / she will be advised to take the case to arbitral tribunal. When cases or grievances are taken to the arbitral committee for resolution, the concerned PAPs will be given the opportunity to have positive discussions with the Resettlement / Implementation committee in the presence of elders/community leaders, local administration representative and or any influential person in the locality(Customary law and ADR mechanisms can be applied).

When a dispute is not resolved by the arbitral tribunal, or if any of the party disagrees, the last resort will be that the aggrieved party will be encouraged to appeal the case to the ordinary courts of law. However, this is not a preferred option. The preferred option of dispute settlement will be settling the dispute amicably because any recourse to courts may be costly, takes a very long time --even years before a final decision is made and may delay. Therefore, going to court will not be preferred choice for both parties concerned but relapse to option of ADR mechanism.

The best means of addressing any complaints or claims is through dialogue. Thus, when a PAP has a grievance, he/she will first be encouraged to discuss the issue with the RIC. If the RIC is not able to address the grievance, the complaint should be passed on to the Grievance Committee (GC). The GC will comprise of one representative from the Woreda Administration, one representative from the PAPs and one elderly person (influential) from the PAPs community. In order that this committee is independent, the members should not be members of the RIC.

When further arbitration is necessary, this will be conducted by an Arbitration Appraisal Committee (AAC). The AAC should be comprised of a member of the Akaki-Kality Sub-city Administration, the
IZ representative and respected/recognized community leader. If there is still no consensus, then legal recourse may need to be undertaken.

The informants said that the project should set up the grievance addressing structure at the PAPs, the Woreda administration and sub-city level to ensure transparency and equal access to resources and information regarding IZ activities. Moreover, they expressed that the appeal hearing mechanism mainly focuses on the mismanagement of the selection process of communities, fund and subprojects. At the Woreda level, the committee is organized from different sector offices and community representatives particularly from Woreda council/sub-city, elders, women, youth, CBO etc.

At the community level, the social audit committee is established, however, to find members of the committees different from development committees that are responsible for the implementation and management of the project activities is a challenge. Due to the concentration of the IZ on infrastructure development, appeals and grievances from individual households are rare. As a result, this committee focuses on the auditing of the fund flow and utilization, management of the project and plays an auditing role than addressing other forms of grievances, such as water use conflict.

The participants of the consultation meetings said that in a number of cases, appeals are rare in sub-city interventions. Furthermore, they emphasized the importance of the Woreda redress system and community audit and supervision committee to handle any complaint that may arise in relation to project and ensure adequate representation of vulnerable groups or underserved areas and women in the project planning and implementation process.

**Function of the Grievance Committee**

The broad functions of the GC are as follows:

- Record the grievances of PAPs categorize and prioritize them and provide solution to their grievances related to replacement land and compensation.
- If required, the GC would undertake site visit and ask for relevant information from the project authorities, etc.
- Fix a time frame; say a period of seven days, to resolve the grievances.
- Inform the aggrieved parties about the development of their respective cases and their decision to the project authorities and the aggrieved parties as well.

The following steps should be followed in order to achieve consensus for any grievance related to any aspect of the project:

- The affected person should file his grievance to the RIC. The grievance note should be written, signed and dated by the aggrieved person.
- The RIC should respond within seven days. Thus, any meetings and discussions to be held with the aggrieved person should be conducted within this time frame. If the grievance relates to valuation of assets, then other experts may need to be brought in to assist in valuing the assets, and this may necessitate a longer period of time. In this case, the aggrieved person must be notified that his/her complaint is being considered.
- If the aggrieved person does not receive a response or is not satisfied with the outcome of the meetings, then the case is passed on to the GC.
- The GC will then attempt to resolve the problem within seven days of the complaint being lodged with them, again through dialogue and negotiation. If no agreement is reached at this stage, then the complaint is taken to the AAC.
- The AAC will embark on further negotiations with the aggrieved PAP. If the PAP does not agree on the decision of the AAC, he/she may appeal to the Zonal courts of law within three months from the decision of the committee.
Response Time

It is expected that the mechanism for hearing grievances using the RIC, GC and AAC mechanisms, will happen within seven days. However, as the entire resettlement and rehabilitation process has to be completed before road construction or civil work starts, these committees may meet frequently and more than once every week, depending on the complexity and the number of such cases.

Resettlement / Implementation Committee

Woreda level resettlement / implementation Committee will be established with the responsibility of planning, coordinating and monitoring of compensation payments and relocation activities. The Akaki-Kality Sub-city and the woreda committee will be responsible to establish similar committees at the Woreda or Keble administration level.

The Woreda level resettlement/implementation committee will have the mandate, authority to ensure the proper implementation the RPF/RAP, assess the timely payment of compensation to the PAPs and other support mechanisms. The committee will report directly to Akaki-Kality Sub-city Administration offices (Land administration and Building Permit Authority and the LAND Development, Bank - Urban Renewal Office= LDBURO)and the IZ agent.

Detail Terms of Reference (TOR) and guidelines will be drawn for the committee by LABPA and IZ. The task and responsibility of the resettlement/implementation committee is challenging, demands dedication and extra effort. The committee will be provided with necessary materials and equipment and also be paid allowance to carry out its tasks.

Duties and Responsibilities of the Committee

- Coordinating and supervising valuation committee, compensation payment, relocation activities
- Prepare guidelines for valuation committees,
- Ensure that appropriate compensation procedures are adopted and followed
- Oversee Project’s requirements related to the social environment
- Establish Woreda/kebele level resettlement / implementation committees
- Clarify policies and operational guidelines about compensation
- Reallocate land to permanently affected households
- Monitor the disbursement of funds
- Guide and monitor the implementation of relocation
- Coordinate activities between the various organizations involved in relocation
- Facilitate conflict resolution and addressing grievances
- Provide support and assistance to vulnerable groups

The composition of membership for the Resettlement / Implementation committee can vary. The following are the list of proposed members of resettlement committees.

Proposed Resettlement Committees Members

- Akaki Kality Sub-city (Land administration and Building Permit Authority): Chairperson
- Akaki-Kality Sub-city LDBURO
- Woreda Administrator
- Mayor of the Woreda town
- Town engineer/surveyor
- Communication and Mobilization Officer
- Representative of IZDEPA (IZ/ESMT)
- Representative PAPs
13. Eligibility Criteria and Entitlement Matrix

The industrial Zone Development Directorate of the Akaki Kality sub city (LABPA, LDBUBO and IZ/MOI will set the eligibility criteria for resettlement/relocation in the RPF and Environmental Procedure Manual. Both documents are in line with the eligibility criteria contained in FDRE Constitution and World Bank’s policy on Involuntary Resettlement (OP/BP 4.12).

Entitlement Matrix: The informants knew that the people of Ethiopia are given the right to improved living standards and sustainable development and the right to be consulted with respect to policies and projects affecting their communities (1995 Constitution Articles 43(1) and 43(2)). Additionally, all international agreements and relations by the State must protect and ensure Ethiopia’s right to sustainable development (1995 Constitution Article 43(3)). Lastly, the (1995 Constitution Article 44) guarantees the right to a clean and healthy environment.

(The 1995 Constitution Article 40(8) provides that “without prejudice to the right to private property, the State may expropriate private property for public use with the prior payment of adequate compensation.”. The participants of the consultation meetings openly expressed that they are aware of the fact that Persons who have been displaced or whose livelihoods have been adversely affected by a State program are provided, under the (1995 Constitution Article 44), to some form of compensation for their loss. Furthermore, they highlighted the provision of proclamation No. 455/2005 indicates project affected persons would be represented in the Akaki-Kality Sub City with IZ valuation and compensation Committee. The community members accepted the entitlement matrix as being fair.

This Resettlement Policy Framework also addresses the following:

- In case acquisition of either residential, business, or agricultural land causes displacement, land for land (or land of equal or similar value) compensation is the preferred option where feasible, if the affected person so desires.
- Assistance will be provided to tenants/lease holders and squatters to find alternative accommodation, if the affected person so desires.
- Income restoration assistance is provided if required.

Accordingly, the entitlement matrix in table 7 (required in every RAP/RPF) is designed to assist in bridging the gaps between government laws and the WB OP4.12.

Table 7: Entitlement matrix

<table>
<thead>
<tr>
<th>Land and 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</td>
<td>title holder</td>
<td>Cash compensation for affected land equivalent to replacement value</td>
</tr>
<tr>
<td>Tenant/ lease holder</td>
<td>Farmer/ Title holder</td>
<td>Tenant/Lease holder</td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------</td>
<td>---------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td><strong>Cash compensation for the harvest or product from the affected land or asset, equivalent to ten times the average annual income s/he secured during the five years preceding the expropriation of the land.</strong></td>
<td><strong>Land for land replacement where feasible, or compensation in cash for the entire landholding according to PAP’s choice.</strong></td>
<td><strong>Cash compensation equivalent to ten times the average annual income s/he secured during the five years preceding the expropriation of the land.</strong></td>
<td><strong>Cash compensation for affected land</strong></td>
</tr>
<tr>
<td>Greater than 20% of landholding lost</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>
<td></td>
</tr>
<tr>
<td>Land does not become economically viable.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.1.1.</td>
<td>13.1.2.</td>
<td><strong>Land used for business partially affected</strong></td>
<td><strong>Limited loss</strong></td>
</tr>
<tr>
<td>Commercial land</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets used for business severely affected</td>
<td>Title holder/business owner</td>
<td>Opportunity cost compensation equivalent to 10% 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>
<td></td>
</tr>
<tr>
<td>If partially affected, the remaining assets become insufficient for business purposes</td>
<td></td>
<td>Land for land replacement or compensation in cash according to PAP’s choice. 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>
<td></td>
</tr>
</tbody>
</table>

| 13.1.3. | 13.1.4. | Business person is lease holder | 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. |

<p>| Residential land | Title holder | Cash compensation for affected land, taking into account market values |
| Land used for residence partially affected, limited loss Remaining land viable for present use. | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>13.1.5.</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>
</tbody>
</table>
| 13.1.6. | Title holder | Land for land replacement or compensation in cash according to PAP’s choice.  
Land for land replacement shall be of minimum plot of acceptable size under the zoning law/s or a plot of equivalent 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) |
| 13.1.7. | Land and assets used for residence severely affected  
Remaining area insufficient for continued use or becomes smaller than minimally accepted under zoning laws | Rental/lease holder | 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) |
| Buildings and structures  
13.1.8. | Structures are partially affected  
Remaining structures viable for continued use | Owner | Cash compensation for affected building and other fixed assets, taking into account market values for materials  
Cash assistance to cover costs of restoration of the remaining structure |
<table>
<thead>
<tr>
<th>13.1.9.</th>
<th>Rental/lease holder</th>
<th>Cash compensation for affected assets (verifiable improvements to the property by the tenant). Disturbance compensation equivalent to two months rental costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.1.10.</td>
<td>Entire structures are affected or partially affected</td>
<td></td>
</tr>
<tr>
<td>13.1.11.</td>
<td>Remaining structures not suitable for continued use</td>
<td>Owner</td>
</tr>
<tr>
<td>13.1.12.</td>
<td>Rental/lease holder</td>
<td>Cash compensation for affected assets (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>13.1.14.</td>
<td>Squatter/informal dweller</td>
<td>Cash compensation for affected structure without depreciation Right to salvage materials without deduction from compensation Relocation assistance (costs of shifting + assistance to find alternative secure accommodation preferably in the community of residence through involvement of the project Alternatively, assistance to find accommodation in rental housing or in a squatter settlement scheme, if available) Rehabilitation assistance if required assistance with job placement, skills training)</td>
</tr>
<tr>
<td>13.1.16.</td>
<td>Street vendor (informal without title or lease to the stall or shop)</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</td>
</tr>
<tr>
<td>Standing crops 13.1.18.</td>
<td>Crops affected by land acquisition or temporary acquisition or easement (tef, wheat, chickpea, lentils linseed)</td>
<td>PAP (owner, tenant, or squatter)</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Farm Trees</td>
<td>Trees lost (mostly Eucalyptus trees)</td>
<td>Title holder</td>
</tr>
<tr>
<td>Grazing land</td>
<td>Loss of grazing land that used by oxen, cows, sheep, horses, donkey</td>
<td>Title holder</td>
</tr>
<tr>
<td>Temporary acquisition</td>
<td>Temporary acquisition</td>
<td>PAP (owner, tenant, or squatter)</td>
</tr>
</tbody>
</table>
14. Monitoring and Evaluation

The monitoring and evaluation process will assess the implementation of the RPF and ensure that it is carried out as per the plan and as per the requirements.

14.1. Internal Monitoring

Internal monitoring will be conducted by the LABPA (Akaki-Kality Sub-city), respective Woreda administration municipality and the IZ/ESMT. Since the magnitude and complexity of the operations is not quite large, ESMT of the IZDEPD will conduct the monitoring through field visits at least once a month. The LABPA and the local administration (Woreda) will also conduct its own monitoring of the RAP or in collaboration with the IZ/ESMT of the MOI.

The monitoring report by ESMT staff will be submitted to local authorities (Woreda and Municipality). A copy of this will be submitted to Addis Ababa EPA and IZ/ESMT/MOI. It will also be enclosed in the construction progress reports submitted by supervising engineers.

14.2. External Evaluation

The external evaluation will be done in a predictable manner and period. The Federal EPA and the Addis Ababa City Adm - EPA will be responsible for the external monitoring of the RAP. Both the Federal and Addis Ababa City Adm - EPA have significant role in the external monitoring and evaluation of the RAP. The WB supervision missions will also serve as one of the external monitoring mechanisms.

The objective of the external monitoring and evaluation, which is also a post resettlement assessment will be done by an independent consultant (or an NGO) commissioned jointly by LABPA of the sub-city and IZ/ESMT (MOI), to ensure that the project affected persons have secured and able to maintain at least their livelihood prior to the upgrading of the industrial zone project.

Hence, at the end of all expropriation/compensation operations a household survey will be carried out to evaluate the impacts of the resettlement and other implemented social mitigation measures. During the survey, Woreda, Municipalities and Keble level administrations will be consulted to provide their assessments of the impacts of the mitigation measures applied.

After completion of the resettlement/rehabilitation operations, it is expected that PAPs should be better off than prior to resettlement. Therefore, resettlement/rehabilitation operations need to be monitored as regard performance and compliance with the set goals. The evaluation report will be used as a planning instrument to correct pending issues and suggest a post-project monitoring period in the aim to ensure that PAPs have not been subject to impoverishment induced by the IZs on the RSDP operations.

To assess the achievements and progress of the implementation of the RPF, IZ/EST (MOI) will organize project completion workshops with other Government agencies and representatives of PAPs.

15. Public Disclosure

Public disclosure of the RPF has to be made to PAPs and other stakeholders for review and comments on entitlement measures and other issues in the implementation of the RPF. The purpose of the disclosure is to receive comments and suggestions from PAPs and incorporate appropriate suggestions.
As per WB guidelines, this Resettlement Policy Framework will also be disclosed in a form, manner and language comprehensible to PAPs and at a place accessible to the displaced population and other stakeholders for review and comments on entitlement measures. The purpose of the disclosure is to receive comments and suggestions from PAPs, stakeholders and to incorporate appropriate suggestions.

The Public disclosure of this RPF will be made in local languages. This could be done; by publishing it in official Newspapers of both at the Federal Government Newspapers and also in the Regional Governments Newspapers; depositing / posting it in a range of publicly accessible places; such as, Kebele and Woreda administration offices. Once it is disclosed, the public have to be notified through administrative and community structures about the availability of the RPF documents and be requested to make their suggestions and comments. Comments and critiques made on the draft RPF by PAPs and other stakeholders will be taken by LABPA (Sub-city) and IZ (IZDESD I) for consideration in any of the revised draft.

The project funding agency, The World Bank will also disclose the RPF electronically through its website prior to the processing of the project.
16. Implementation Schedule, Budget and Arrangement for Funding

It is roughly estimated that the Kilinto Industrial Zone site Relocation, compensations and site clearance will cost about 33 million Eth Birr.

**Budget:** The cost and budget estimate is prepared on the basis of the projected compensation payment and livelihood restoration or rehabilitation measures for PAPs as well as likely budget required for Administrative costs. Overall, it is difficult at this stage to provide an exact cost of resettlement and compensation activities related with the implementation of the Project because the project has not yet defined the specific area of intervention. The project will have to assess budget needs related with compensation, resettlement in accordance with principles in this RPF, identify and secure the source of funding.

**Arrangements for Funding**

The Bank will finance the cost of land improvement associated with resettlement activities. Compensation and land acquisition for resettlement sites will be funded by the government, particularly for IZs at the Kilinto industrial project. This requirement should be an excellent incentive to minimizing land impacts through appropriate design that could minimize social-environmental adverse impacts.

**Table 8. Items, cost and assumption**

<table>
<thead>
<tr>
<th>#</th>
<th>Item</th>
<th>Costs</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Compensation for loss of Land</td>
<td>Qt/ hectare</td>
<td>For land acquisition purposes, based on Ethiopian average market cost, or from similar projects</td>
</tr>
<tr>
<td>2</td>
<td>Compensation for loss of Crops</td>
<td>Qt/ hectare of farm lost</td>
<td>Includes costs of labor invested and average of highest price of staple food crops and Ethiopian market prices</td>
</tr>
<tr>
<td>3</td>
<td>Compensation for Buildings and Structures</td>
<td>If applicable</td>
<td>This compensation may be in-kind or cash and take into account market values for structures and/or materials. Costs for basic housing needs should include ventilated pit latrines, outside kitchen, and storage.</td>
</tr>
<tr>
<td>4</td>
<td>Compensation for Trees(Farm Trees) Cost for grazing lands</td>
<td>/year/tree</td>
<td>Includes costs of labor invested and average of highest price of trees (and tree products) and Ethiopian market prices</td>
</tr>
<tr>
<td>5</td>
<td>Cost of Relocation Assistance/Expenses</td>
<td>/household</td>
<td>This cost reflects the moving and transportation allowance</td>
</tr>
<tr>
<td>6</td>
<td>Cost of Restoration of Individual Income</td>
<td></td>
<td>Assumed to be higher than the GDP/capita in Ethiopia</td>
</tr>
<tr>
<td>7</td>
<td>Cost of Relocation and rehabilitation for disabled and homeless</td>
<td></td>
<td>Assistance/Expenses with NGOs, CBOs</td>
</tr>
<tr>
<td>8</td>
<td>Cost of Restoration of Household Income</td>
<td></td>
<td>These costs reflect the livelihood restoration program of the RAP</td>
</tr>
<tr>
<td>9</td>
<td>Cost of Training and capacity building (priority to Youth and women of the PAPS )and make them to participate in the industry project</td>
<td></td>
<td>This is a mitigation measure involving capacity building and involves PAPs and affected communities</td>
</tr>
</tbody>
</table>
17. References

5. Environmental Pollution Control (Proclamation No. 300/2002).
8. FDRE, Environmental Protection Authority, the Procedural EIA Guideline of EPA (2003).
13. FDRE, Federal Negarit Gazeta, Proclamation No. 455/2005, A proclamation to provide for the expropriation of landholdings holding for public purposes and payment of compensation.
Annex

PART I : Tables and Figures

Appendix Table 1. People met during the RPF Study

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ato Milkias Teklegiorgis</td>
<td>Competitiveness and Job Creation project (MOI)</td>
<td>Project Manager</td>
</tr>
<tr>
<td>Ato Shiferaw Solomon</td>
<td>Investment and Industrial Zone Corporation (MOI)</td>
<td>Director General</td>
</tr>
<tr>
<td>Ato Yaregal Miskir</td>
<td>Industry Development and Environ Safeguard Directorate</td>
<td>Directorate/Deputy Corp Manger</td>
</tr>
<tr>
<td>Ato Tensay Yimam</td>
<td>Industrial Zone Team Expert</td>
<td>IZ Team Expert</td>
</tr>
<tr>
<td>W/t Adugna Habtu</td>
<td>Environment Safeguard Management Team (ESMT)</td>
<td>ESMT expert (Environment)</td>
</tr>
<tr>
<td>Ato Mengistu Regassa</td>
<td>Ministry of Industry</td>
<td>Advisor to State Minter of MOI</td>
</tr>
<tr>
<td>Ato Gezehgn Hirko</td>
<td>Akaki-Kality sub-city</td>
<td>Head of the LABPA</td>
</tr>
<tr>
<td></td>
<td>Land adm and Building Permission Authority (LABPA)</td>
<td></td>
</tr>
<tr>
<td>Ato Semeredin</td>
<td>Akaki-Kality Subcity Land Development Bank and Urban Renewal Office (ESMT)</td>
<td>Head of the LDURO</td>
</tr>
<tr>
<td>Ato Dereje Mitiku Dugma</td>
<td>LDUR Encoder Database Management</td>
<td>Senior Encoder</td>
</tr>
<tr>
<td>Ato Moges Mega</td>
<td>LDURO compensation and resettlement</td>
<td>compensation and resettlement Officer</td>
</tr>
<tr>
<td>Ato Alemu</td>
<td>Akaki Kality Sub-city/Woreda09</td>
<td>Deputy Woreda Adm</td>
</tr>
<tr>
<td>Ato Sentayehu Nano</td>
<td>Ft, Abyneh Primary School</td>
<td>Deputy Director</td>
</tr>
<tr>
<td>Ato Guteme Melka</td>
<td>Kilinto village/Kersa PAP compensated for lost cropland</td>
<td>PAP</td>
</tr>
<tr>
<td>age 67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ato Girma Reba</td>
<td>Kilinto village/Kersa PAP compensated for lost cropland</td>
<td>PAP</td>
</tr>
<tr>
<td>Age 73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>W/o Atsede Taye</td>
<td>Kilinto village/Kersa PAP</td>
<td>PAP</td>
</tr>
<tr>
<td></td>
<td>Name</td>
<td>Location</td>
</tr>
<tr>
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</tr>
<tr>
<td>16.</td>
<td>W/o Weyneshet Bekele</td>
<td>Kilinto village/KersaPAP</td>
</tr>
<tr>
<td></td>
<td>age 47</td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>Ato Bishada Bitaw</td>
<td>Lost house and cropland</td>
</tr>
<tr>
<td></td>
<td>age 80</td>
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</tr>
</tbody>
</table>
Appendix Table 2B: Indicative Outline of a RAP Budget (Asset acquisition, Amount or number, Total estimated cost and agency)

<table>
<thead>
<tr>
<th>Asset acquisition</th>
<th>Amount or number</th>
<th>Total estimated cost</th>
<th>Agency responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crops and economic trees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community infrastructure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Acquisition and Preparation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crops areas and others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community infrastructure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relocations</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Transfer of possessions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Installation costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Rehabilitation</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Training</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Capital Investments</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Technical Assistance</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Monitoring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix Fig 1. Organizational Structure for Ministry of Industry (MOI)
Appendix Fig 1. Agenda and Minutes of discussion at Yeshi Total for PAPs
Appendix Fig 2. Potential PAPs from Klinto Industrial Zone area (those who attended the meeting)

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Age</th>
<th>Gender</th>
<th>Education</th>
<th>Experience</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A. F.</td>
<td>30</td>
<td>M</td>
<td>B</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>B. M.</td>
<td>55</td>
<td>M</td>
<td>C</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>C. L.</td>
<td>24</td>
<td>M</td>
<td>D</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>D. N.</td>
<td>37</td>
<td>M</td>
<td>E</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>E. O.</td>
<td>27</td>
<td>M</td>
<td>F</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>F. S.</td>
<td>45</td>
<td>M</td>
<td>G</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>G. T.</td>
<td>60</td>
<td>M</td>
<td>H</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>
PART II: WB Operational Policies, Forms, Glossary and Relevant Laws

(1) OP 4.12 - Involuntary Resettlement
For the purpose of this paragraph, the term "subprojects" includes components and subcomponents.

"Bank" includes IBRD and IDA; "loans" includes IDA credits and IDA grants, guarantees, Project Preparation Facility (PPF) advances and grants; and "projects" includes projects under (a) PPFs advances and Institutional Development Fund (IDF) grants, if they include investment activities; (b) grants under the Global Environment Facility and Montreal Protocol, for which the Bank is the implementing/executing agency; and (c) grants or loans provided by other donors that are administered by the Bank. The term "project" does not include programs supported by Development Policy Lending (for which the environmental provisions are set out in OP/BP 8.60, Development Policy Lending), or by Program-for-Results Financing (for which environmental provisions are set out in OP/BP 9.00, Program-for-Results Financing. "Borrower" also includes, wherever the context requires, the guarantor or the project implementing agency.

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 4.10, Indigenous Peoples, and OP 4.11, Physical Cultural Resources.

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

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 8.00, Rapid Response to Crises and Emergencies).

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

“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. 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).

The Involuntary Resettlement Sourcebook provides good practice guidance to staff on the policy. “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.

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.

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.

Such support could take the form of short-term jobs, subsistence support, salary maintenance or similar arrangements. See OP 4.10, Indigenous Peoples.

Where the borrower has offered to pay compensation to an affected person in accordance with an approved resettlement plan, but the offer has been rejected, the taking of land and related assets may only proceed if the borrower has deposited funds equal to the offered amount plus 10 percent in a secure form of escrow or other interest-bearing deposit acceptable to the Bank, and has provided a means satisfactory to the Bank for resolving the dispute concerning said offer of compensation in a timely and equitable manner. See OP 4.04, Natural Habitats.

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

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).

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.

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

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.

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 The World Bank Policy on Access to Information, para. 34 (Washington, D.C.: World Bank, 2002). An exception to this requirement may be made in highly unusual circumstances (such as emergency 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. Impacts are considered "minor" if the affected people are not physically displaced and less than 10 percent of their productive assets are lost.

(2) Annotated Outline for Preparing a Resettlement Policy Framework and a Resettlement Action Plan (RAP)

Resettlement Policy Framework

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).

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.
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.

**Resettlement Action Plan**

This template is extracted from OP 4.12 Annex A. Its full description can be found in the World Bank external website [INSERT LINK].

The scope and level of detail of the RAP will vary depending on the magnitude and complexity of resettlement or displacement. The RAP is prepared based on the most recent and accurate information on the: (i) proposed resettlement and its impacts on displaced persons and other adversely affected groups; and (ii) legal issues affecting resettlement. The RAP covers elements that are specific to the project context.

A broad outline of the RAP, as applied to sub-projects covered under a RPF includes, but is not limited to, the following:

*Description of the sub-project:* General description of the sub-project and identification of sub-project area or areas.

*Potential Impacts:* Identification of the: (i) the sub-project components or activities that require resettlement or restriction of access; (ii) zone of impact of components or activities; (iii) alternatives considered to avoid or minimize resettlement or restricted access; and (iv) mechanisms established to minimize resettlement, displacement, and restricted access, to the extent possible, during project implementation.

*Objectives:* The main objectives of the resettlement program as these apply to the sub-projects.

*Socio-economic studies:* The findings of socio-economic studies to be conducted in the early stages of project preparation, and with the involvement of potentially affected people will be needed. These generally include the results of a census of the affected populations covering:

(i) Current occupants of the affected area as a basis for design of the RAP and to clearly set a cut-off date, the purpose of which is 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) 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, 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, and to measure impacts (or changes) in their livelihood and living conditions.

There may be other studies that the RAP can draw upon, such as those describing the following:

(i) Land tenure, property, 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 locally recognized land allocation mechanisms, and any issues raised by different tenure systems in the sub project area;

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

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

(iv) Social and cultural characteristics of displaced communities, and their host communities, including a description of formal and informal institutions. These may cover, for example, community organizations; cultural, social or ritual groups; and non-governmental organizations (NGOs) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

Legal Framework: The analysis of the legal and institutional framework should cover the following:

(i) Scope of existing land and property laws governing resources, including state-owned lands under eminent domain and the nature of compensation associated with valuation methodologies; land market; mode and timing of payments, etc;

(ii) Applicable legal and administrative procedures, including a description of the grievance procedures and remedies available to PAPs in the judicial process and the execution of these procedures, including any available alternative dispute resolution mechanisms that may be relevant to implementation of the RAP for the sub-project;

(iii) Relevant laws (including customary and traditional law) governing land tenure, valuation of assets and losses, compensation, and natural resource usage rights, customary personal law; communal laws, etc related to displacement and resettlement, and environmental laws and social welfare legislation;

(iv) Laws and regulations relating to the agencies responsible for implementing resettlement activities in the sub-projects;

(v) Gaps, if any, between local laws covering resettlement and the Bank’s resettlement policy, and the mechanisms for addressing such gaps; and

(vi) Legal steps necessary to ensure the effective implementation of RAP activities in the sub-projects, including, as appropriate, a process for recognizing claims to legal rights to land, including claims that derive from customary and traditional usage, etc and which are specific to the sub-projects.

The institutional framework governing RAP implementation generally covers:

(i) Agencies and offices responsible for resettlement activities and civil society groups like NGOs that may have a role in RAP implementation;

(ii) Institutional capacities of these agencies, offices, and civil society groups in carrying out RAP implementation, monitoring, and evaluation; and

(iii) Activities for enhancing the institutional capacities of agencies, offices, and civil society groups, especially in the consultation and monitoring processes.
Eligibility: Definition of displaced persons or PAPs and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

Valuation of and compensation for losses: The methodology to be used for valuing losses, or damages, for the purpose of determining their replacement costs; and a description of the proposed types and levels of compensation consistent with national and local laws and measures, as necessary, to ensure that these are based on acceptable values (e.g., market rates).

Resettlement Measures: A description of the compensation and other resettlement measures that will assist each category of eligible PAPs to achieve the objectives of OP 4.12. Aside from compensation, these measures should include programs for livelihood restoration, grievance mechanisms, consultations, and disclosure of information.

Site selection, site preparation, and relocation: Alternative relocation sites should be described and cover the following:

(i) Institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, location 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;
(ii) Any measures necessary to prevent land speculation or influx of eligible persons at the selected sites;
(iii) Procedures for physical relocation under the project, including timetables for site preparation and transfer; and
(iv) Legal arrangements for recognizing (or regularizing) tenure and transferring titles to those being resettled.

Housing, infrastructure, and social services: Plans to provide (or to finance provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services to host populations; and any other necessary site development, engineering, and architectural designs for these facilities should be described.

Environmental protection and management. A description of the boundaries of the relocation area is needed. This description includes 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).

Community Participation: Consistent with the World Bank’s policy on consultation and disclosure, a strategy for consultation with, and participation of, PAPs and host communities, should include:

(i) Description of the strategy for consultation with and participation of PAPs and hosts in the design and implementation of resettlement activities;
(ii) Summary of the consultations and how PAPs’ views were taken into account in preparing the resettlement plan; and
(iii) Review of resettlement alternatives presented and the choices made by PAPs regarding options available to them, including choices related to forms of compensation and resettlement assistance, to relocating as individual families or as parts of pre-existing communities or kinship groups, to sustaining existing patterns of group organization, and to retaining access to cultural property (e.g., places of worship, pilgrimage centers, cemeteries); and
(iv) Arrangements on how PAPs can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that vulnerable groups (including
indigenous peoples, ethnic minorities, landless, children and youth, and women) are adequately represented.

The consultations should cover measures to mitigate the impact of resettlement on any host communities, including:

(i) Consultations with host communities and local governments;
(ii) Arrangements for prompt tendering of any payment due to the hosts for land or other assets provided to PAPs;
(iii) Conflict resolution involving PAPs and host communities; and
(iv) Additional services (e.g., education, water, health, and production services) in host communities to make them at least comparable to services available to PAPs.

**Grievance procedures:** The RAP should provide mechanisms for ensuring that an affordable and accessible procedure is in place for third-party settlement of disputes arising from resettlement. These mechanisms should take into account the availability of judicial and legal services, as well as community and traditional dispute settlement mechanisms.

**RAP implementation responsibilities:** The RAP should be clear about the implementation responsibilities of various agencies, offices, and local representatives. These responsibilities should cover (i) delivery of RAP compensation and rehabilitation measures and provision of services; (ii) appropriate coordination between agencies and jurisdictions involved in RAP implementation; and (iii) measures (including technical assistance) needed to strengthen the implementing agencies’ capacities of responsibility for managing facilities and services provided under the project and for transferring to PAPs some responsibilities related to RAP components (e.g., community-based livelihood restoration; participatory monitoring; etc).

**Implementation Schedule:** An implementation schedule covering all RAP activities from preparation, implementation, and monitoring and evaluation should be included. These should identify the target dates for delivery of benefits to the resettled population and the hosts, as well as clearly defining a closing date. The schedule should indicate how the RAP activities are linked to the implementation of the overall project.

**Costs and budget:** The RAP for the specific sub-projects should provide detailed (itemized) cost estimates for all RAP activities, including allowances for inflation, population growth, and other contingencies; timetable for expenditures; sources of funds; and arrangements for timely flow of funds. These should include other fiduciary arrangements consistent with the rest of the project governing financial management and procurement.

**Monitoring and evaluation:** Arrangements for monitoring of RAP activities by the implementing agency, and the independent monitoring of these activities, should be included in the RAP section on monitoring and evaluation. The final evaluation should be done by an independent monitor or agency to measure RAP outcomes and impacts on PAPs’ livelihood and living conditions. The World Bank has examples of performance monitoring indicators to measure inputs, outputs, and outcomes for RAP activities; involvement of PAPS in the monitoring process; evaluation of the impact of RAP activities over a reasonable period after resettlement and compensation, and using the results of RAP impact monitoring to guide subsequent implementation.
(3) Sample Grievance and Resolution Form

Name (Filer of Complaint): ____________________________________________
ID Number: ______________________________________ (PAPs ID number)
Contact Information: ______________________________________ (Village ; mobile phone)
Nature of Grievance or Complaint:
________________________________________________________________________
________________________________________________________________________

<table>
<thead>
<tr>
<th>Date</th>
<th>Individuals Contacted</th>
<th>Summary of Discussion</th>
</tr>
</thead>
</table>

Signature________________________ Date: __________

Signed (Filer of Complaint): ____________________________________________
Name of Person Filing Complaint: __________________________ (if different from Filer)
Position or Relationship to Filer: __________________________________

Review/Resolution
Date of Conciliation Session: __________________________________________
Was Filer Present?: Yes No
Was field verification of complaint conducted? Yes No
Findings of field investigation: __________________________________________

Summary of Conciliation Session Discussion:
________________________________________________________________________

Issues________________________
Was agreement reached on the issues? Yes No
If agreement was reached, detail the agreement below:
If agreement was not reached, specify the points of disagreement below:
________________________________________________________________________

Signed (Conciliator): ____________________________ Signed (Filer): __________

Signed: ____________________________
Independent Observer

Date: ____________________________
(4) Sample Table of Contents for Consultation Reports

1.0 Introduction.
1.1 Project Description
1.2 Applicable Laws, Regulations, and Policies to Public Engagement
1.3 Project Lenders

2.0 Stakeholder Analysis
2.1 Areas of Influence/Stakeholders
2.2 Description of Stakeholders

3.0 Stakeholder Engagement
3.1 Previous Consultation Activities
3.2 Implemented Community Engagement Activities
3.3 Project Sponsor’s Community Engagement Plan
3.3.1 Phase 1 – Initial Stakeholder Consultation
3.3.2 Phase 2 – Release of the SA Terms of Reference and Draft SLMP
3.3.3 Phase 3 – Release of SA Consultation Summary Report

4.0 Summary of Key Issues

5.0 Future Consultation Events
5.1 Phase 4 – Release of the SA Report and Action Plans
5.2 Phase 5 – RCDAP Planning Consultation
5.3 Phase 6 - Ongoing Project Communication

6.0 Disclosure Plan
Tables
Table 2.1: Consultation Activity Summary
Table 3.1: Initial Government Agency Consultations
Table 3.2: Summary of NGO Meetings
Table 3.3: Sub-County Committee Composition
Table 3.4: Summary of Community Discussions
Table 3.5: Local Community Comments
Table 4.1: Summary of Key Issues and Responses
Table 5.1: Summary of Future Consultation Activities per Stakeholder Group

TEMPLATE Table on Consultation Activity Summary

<table>
<thead>
<tr>
<th>Location and Communities Represented</th>
<th>Meeting Dates</th>
<th>Attendees</th>
<th>Discussion Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example:</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
## (5) Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Census</td>
<td>A field survey carried out to identify and determine the number of Project Affected Persons (PAPs) or Displaced Persons (DPs) as a result of land acquisition and related impacts. The census provides the basic information necessary for determining eligibility for compensation, resettlement, and other measures emanating from consultations with affected communities and the local government institutions.</td>
</tr>
<tr>
<td>Compensation</td>
<td>The payment in kind, cash or other assets given in exchange for the acquisition of land including fixed assets, is called compensation. These include other impacts resulting from activities to rehabilitate or cushion the impacts from displacement.</td>
</tr>
<tr>
<td>Cutoff Date</td>
<td>The cut-off date is the date of commencement of the census of PAPs or DPs within the EASP program area boundaries. This is the date on and beyond which any person whose land is occupied for EASP program, will not be eligible for compensation.</td>
</tr>
<tr>
<td>Grievance Mechanism</td>
<td>The RPF contains a grievance mechanism based on policies and procedures that are designed to ensure that the complaints or disputes about any aspect of the land acquisition, compensation, resettlement, and rehabilitation process, etc. are being addressed. This mechanism includes a procedure for filing of complaints and a process for dispute resolution within an acceptable time period.</td>
</tr>
<tr>
<td>Implementation Schedule</td>
<td>The RPF contains an implementation schedule that outlines the time frame for planning, implementation, and monitoring and evaluation of the RAPs for sub-projects, if applicable.</td>
</tr>
<tr>
<td>Land</td>
<td>Land refers to all types of agricultural and/or non-agricultural land and any structures thereon whether temporary or permanent and which may be acquired by the project.</td>
</tr>
<tr>
<td>Land Acquisition</td>
<td>Land acquisition means the possession of or alienation of land, buildings, or other assets thereon for purposes of the project.</td>
</tr>
<tr>
<td>Project Affected Persons (PAPs) or Displaced Persons (DPs)</td>
<td>Project affected persons (PAPs) or Displaced Persons (DPs) are persons affected by land and other assets loss as a result of EASP activities. These person(s) are affected because they may lose, be denied, or be restricted access to economic assets; lose shelter, income sources, or means of livelihood. These persons are affected whether or not they will move to another location. Most often, the term DPs applies to those who are physically relocated. These people may have their: standard of living adversely affected, whether or not the Displaced Person will move to another location; lose right, title, interest in any houses, land (including premises, agricultural and grazing land) or any other fixed or movable assets acquired or possessed, lose access to productive assets or any means of livelihood.</td>
</tr>
<tr>
<td>Project Impacts</td>
<td>Impacts on the people living and working in the affected areas of the project, including the surrounding and host communities are assessed as part of the overall evaluation of the project.</td>
</tr>
<tr>
<td>Project Implementing Unit (PIU)</td>
<td>Some projects make use of project implementing units (PIUs), which are generally separate units within the project recipient’s agency. The PIU is often composed of full time staff devoted to implementing the project, and have been encouraged to have separate teams with environment and social specialists who can carry out the activities, for example, as outlined in the RPF or RAP.</td>
</tr>
<tr>
<td>Rehabilitation Assistance</td>
<td>Rehabilitation assistance is the provision of development assistance in addition to compensation such as livelihood support, credit facilities, training, or job opportunities, needed to assist PAPs or DPs restore their livelihoods.</td>
</tr>
<tr>
<td>Replacement Cost</td>
<td>Replacement cost refers to the amount sufficient to cover full recovery of lost assets and related transaction costs. The cost should be based on Market rate (commercial rate) according to Ethiopian laws for sale of land or property. It is normally calculated based on a willing buyer-willing seller basis, but also applies in Ethiopia to acceptable market valuation or from an assessment from the Land Commission and government valuer.</td>
</tr>
<tr>
<td>Resettlement Action Plan (RAP)</td>
<td>The RAP is a resettlement instrument (document) to be prepared when sub-project locations are identified. In such cases, land acquisition leads to physical displacement of persons, and/or loss of shelter, and/or loss of livelihoods and/or loss, denial or restriction of access to economic resources. RAPs are prepared by the implementing agency and contain specific and legal binding requirements to resettle and compensate the affected people before project implementation.</td>
</tr>
<tr>
<td>Resettlement Assistance</td>
<td>Resettlement assistance refers to activities that are usually provided during, and immediately after, relocation, such as moving allowances, residential housing, or rentals or other assistance to make the transition smoother for affected households.</td>
</tr>
<tr>
<td>Resettlement Policy</td>
<td>The RPF is an instrument to be used throughout the project’s implementation. The RPF sets out the objectives and principles, organizational arrangements, and funding mechanisms for any resettlement,</td>
</tr>
<tr>
<td>Framework (RPF)</td>
<td>Rights and Entitlements</td>
</tr>
<tr>
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<td>------------------------</td>
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<tr>
<td></td>
<td>that may be necessary during implementation. The RPF guides the preparation of Resettlement Action Plans (RAPs), as needed, for sub-projects.</td>
</tr>
<tr>
<td></td>
<td>Rights and entitlements are defined for PAPs and DPs (with the cut-off date) and cover those losing businesses, jobs, and income. These include options for land-for-land or cash compensation. Options regarding community and individual resettlement, and provisions and entitlements to be provided for each affected community or household will be determined and explained, usually in an entitlement matrix.</td>
</tr>
<tr>
<td></td>
<td>The 1995 Constitution of the Ethiopia, Article 40(2), 40(4), 40(5) and 40(8) includes legal frameworks that protect the Ethiopian citizen’s rights to private property and set conditions for expropriation of such property for state or public interests.</td>
</tr>
<tr>
<td></td>
<td>Article 40(3) vests the right to ownership of rural and urban land, as well as of all natural; resources, in the government and in the peoples of Ethiopia;</td>
</tr>
<tr>
<td></td>
<td>Article 40(3)</td>
</tr>
</tbody>
</table>

### (6) Relevant Laws

<table>
<thead>
<tr>
<th>Property Rights and Land Rights</th>
<th>Law/Regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership of land is now vested in the State and Ethiopian citizens have only a use right (usufruct) over the land. This gives the user ownership of his/her possessions with the right to benefit from the fruits of his/her labor. This includes crops, perennial crops, trees for timber etc found on the land or any other permanent fixtures such as residential houses, business installations, stores and fences, amongst others. This overturned the 1960 Constitutional degree of private ownership of land.</td>
<td>Public Ownership of Rural Land (No 31/1975)</td>
</tr>
<tr>
<td>In 1975 Ethiopia nationalized urban land and extra houses (Proc. No. 47/1975). Residents have usage rights, urban centers must take inventory of land and plan sustainable land use. Urban residents get one plot of land for personal housing.</td>
<td>Proclamation No. 47/1975</td>
</tr>
<tr>
<td>A) All urban lands shall be property of the Government. B) Tenant shall be free from payment to the landowner. C) Any person or family own only a single dwelling.</td>
<td>Proclamation No. 47/1975, Article 2(3), Article 6(1) and Article 11(1)</td>
</tr>
<tr>
<td>According to these proclamations, landholders have open-ended usufruct rights over their possessions (i.e. there is no time limit on this usufruct), subject to a proof of permanent physical residence, ability to farm continuously and should meet administrative dues and obligations. In rural villages, farm households have a legal right to possess land through state mandated peasant associations.</td>
<td>Constitution of Ethiopia (No 1/1987, Article 13(2) and No 1/1995, Article 40(3))</td>
</tr>
<tr>
<td>Proclamation No. 89/1997 establishes the principles of rural land administration, which is devolved to the Regions • states that each Regional Council shall enact a law on land administration, which is in conformity with the provisions on environmental protection and federal utilization polices.</td>
<td>Proclamation No. 89/1997 &quot;Federal Rural Land Administration Proclamation&quot;</td>
</tr>
<tr>
<td>Proclamation No. 89/1997 recognizes the lawfulness of “holding rights” over land;</td>
<td>Proclamation No. 89/1997 &quot;Federal Rural Land Administration Proclamation&quot;</td>
</tr>
<tr>
<td>Proclamation No. 89/1997 confirms and details the Constitution principle that holding rights on land can be assigned to peasants and nomads, and that these are to be secured from eviction and displacement;</td>
<td>Proclamation No. 89/1997 &quot;Federal Rural Land Administration Proclamation&quot;</td>
</tr>
<tr>
<td>It provides various details with respect to redistribution of land, including that this redistribution is a Region responsibility. It establishes the possibility for Regions to perceive fees for the use of land and forest.</td>
<td>Proclamation No. 89/1997 &quot;Federal Rural Land Administration Proclamation&quot;</td>
</tr>
<tr>
<td>The leasehold policy (Proc. No. 80/1993) allows individuals and companies to attain access to land through auction, allocation, or lottery.</td>
<td>Proclamation No. 80/1993</td>
</tr>
<tr>
<td>Article 26 of the Constitution states that “Everyone shall have the right to his privacy and physical integrity. This right shall include protection from searches of his person, his home, his property and protection from seizure of property under his possession.”</td>
<td>Constitution Article 26</td>
</tr>
<tr>
<td>The 1995 Constitution of the Ethiopia, Article 40(2), 40(4), 40(5) and 40(8) includes legal frameworks that protect the Ethiopian citizen’s rights to private property and set conditions for expropriation of such property for state or public interests.</td>
<td>Constitution Article 40(2) Constitution Article 40(4) Constitution Article 40(5) Constitution Article 40(8)</td>
</tr>
<tr>
<td>Article 40(3) vests the right to ownership of rural and urban land, as well as of all natural; resources, in the government and in the peoples of Ethiopia;</td>
<td>Article 40(3)</td>
</tr>
<tr>
<td>Article 40(3) recognizes land as a common property of the Nations, Nationalities of, and peoples of Ethiopia and prohibits sale or any other exchange of land;</td>
<td>Constitution Article 40(3) Proclamation N° 89/1997 &quot;Federal Rural Land Administration Proclamation&quot;</td>
</tr>
<tr>
<td>Property Rights and Land Rights</td>
<td>Law/Regulation</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td><strong>Article 40(4)</strong> guarantees the right of farmers to obtain land without payment and the protection against eviction from their possession; and</td>
<td>Constitution Article 40(4)</td>
</tr>
<tr>
<td><strong>Article 40(5)</strong> guarantees the right of pastoralists to free land for grazing and cultivation as well as the right not to be displaced from their own lands.</td>
<td>Constitution Article 40(5)</td>
</tr>
<tr>
<td><strong>Article 40(7)</strong> states that “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. This right shall include the right to alienate, to bequeath, and, where the right to use expires, to remove his property, transfers his title, or claim compensation for it.</td>
<td>Constitution Article 40(7)</td>
</tr>
<tr>
<td><strong>Article 41(9)</strong> sets out the State responsibilities to protect and preserve historical and cultural legacies.</td>
<td>Constitution Article 41(9)</td>
</tr>
<tr>
<td>The Research and Conservation of Cultural Heritage Proclamation No. 209/2000 of Ethiopia defines cultural heritage broadly as &quot;anything tangible or intangible which is the product of creativity and labour of man in the pre-history and history times, that describes and witnesses to the evolution of nature and which has a major value in its scientific, historical, cultural, artistic and handcraft content.&quot;</td>
<td>Proclamation No. 209/2000</td>
</tr>
<tr>
<td>• Prior approval of the Authority for Research and Conservation of Cultural Heritage is required to remove from its original site of an immovable cultural heritage (Art. 21/1).</td>
<td>Proclamation No. 209/2000, Article 21/1</td>
</tr>
<tr>
<td>• Whenever registered, movable cultural heritage is encountered during the execution of the project it is possible to remove such property by notifying the Authority in advance (Art. 21/2).</td>
<td>Proclamation No. 209/2000, Article 21/2</td>
</tr>
<tr>
<td>ZikreHig Regulation No. 6/2002 provides for the lease holding of urban land for a specified period of time. It regulates the lease period for different functions, grade of land and payment of lease. It regulates manners of expropriation of land. It regulates that land could be expropriated for public use against payment of compensation.</td>
<td>ZikreHig Regulation No. 6/2002</td>
</tr>
<tr>
<td>Several Regions of Ethiopia have taken steps to develop regional land regulations.</td>
<td>Regional Land Regulations</td>
</tr>
<tr>
<td>Eligibility for compensation is discussed in Article 44(2) of the 1995 Constitution and Proclamation No 455/2005. These two legal documents give entitlement only to those who have formal legal rights over their holdings (properties).</td>
<td>Constitution Article 44(2)</td>
</tr>
<tr>
<td>Proclamation No 455/2005, Article 2 (3) stipulates that “Landholder” means an individual, government or private organization or any …other …organ which has legal personality and has lawful possession over the land to be expropriated and owns property situated thereon.”</td>
<td>Proclamation No 455/2005</td>
</tr>
<tr>
<td>Rural Land Administration and Land use Administration Proclamation (No. 456/2005 Article 17(1)) gives regional states the power to enact regional laws for rural land administrations. The regional laws are to be consistent with the Federal Constitution (No. 1/1995, Article 52(2) (d))</td>
<td>Proclamation No. 456/2005</td>
</tr>
<tr>
<td>Several regional states (including Amhara, Oromia and Tigray) are now building on the constitutional provisions to improve security of tenure, albeit within the general framework of State ownership of land. Leases are being introduced, that would guarantee lessees a long-term right of usage. Where leases are concluded between a regional administration and peasant farmers, it does not seem that these leases are reflected in any cadastral documentation (including maps) kept at woreda or region level.</td>
<td>Land Tenure</td>
</tr>
<tr>
<td>“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.”</td>
<td>Uncited</td>
</tr>
<tr>
<td>“People without titles or use right (e.g. squatters, encroachers) will be for specific assistance. They typically claim use rights or even ownership after occupation of unused or unprotected lands. They are likely to have invested in structures or land improvements that are eligible for compensation.”</td>
<td>Uncited</td>
</tr>
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