

*ETHIOPIA's ENVIRONMENTAL AND SOCIAL SAFEGUARDS
FRAMEWORK (ESSF) FOR THE CRGE INITIATIVE*

Ministry of Environment, Forest and Climate Change

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Abbreviations and Acronyms

ADB: Asian Development Bank
CRGE: Climate Resilient Green Economy
CRGE-F: Climate Resilient Green Economy-Facility
CRGE-S: Climate Resilient Green Economy- Secretariat
EIA: Environmental Impact Assessment
EIB: European Investment Bank
EIS: Environmental Impact Study
EMP: Environmental Management Plan
EPA: Environmental Protection Authority
ESF: Environmental Safeguards Framework
ESIA: Environmental and Social Impact Assessment
ESSF: Environmental and Social Safeguards Framework
FIEs: Federal Implementing Entities
GIRP: Grievance Investigation and Resolution Process
GPP: Grievance Point Person
GRM: Grievance Redress Mechanism
M and E: Monitoring and Evaluation
MEFCCCC: Ministry of Environment, Forest and Climate Change
MoFEC: Ministry of Finance and Economic Cooperation
PIN: Project Idea Note
REO: Regional Environmental Organization
RIEs: Regional Implementing Entities
SEA: Strategic Environmental Assessment
SSF: Social Safeguards Framework
TOR: Terms of Reference
UNCBD: United Nations Convention on Biological Diversity
UNCCD: United Nations Convention to Combat Desertification
UNFCCC: United Nations Framework Convention on Climate Change
WB: The World Bank
WEPO: Woreda Environmental Protection Office

Glossary of terms

For the purpose of this Framework:

Affected Parties: Individuals, group of individuals or communities who may be directly impacted by the CRGE Facility financed operation. The impacts may be positive or negative.

Audit: the process through which how well compliance with policy objectives and regulatory requirements is met and the trustworthiness of the implementation of conditions attached to an approved environmental impact study report is examined.

Categorization: The process of screening projects in terms of their potential environmental and social adverse and beneficial impacts during the project identification phase, using the “Checklist for the Environmental and Social Screening at Project Idea Note (PIN) Stage” presented in Annex 1 of the ESSF, in order to classify projects in Schedule I, II or III.

Complainant: A potentially project-affected or interested party that brings a complaint about a CRGE-financed project either to a kebele, woreda, regional or CRGE Secretariat-level grievance redress system.

Complainant: Person, group or organization or its representative, making a complaint.

Complaint /Grievance: Expression of dissatisfaction made to an organization related to its services and /or processes where a response or resolution is explicitly or implicitly expected.

Consultation: the process of engaging affected people and other interested parties in open dialogue through which a range of views and concerns can be expressed in order to inform decision-making and help build consensus. To be meaningful, consultation should be carried out in a culturally appropriate manner, with information in local languages distributed in advance.

Coordinating (enabling) entities: The coordinating entities for the CRGE initiative are the MEFCC and MoFEC. MEFCC is the overall lead on climate change in the Ethiopian Government and retains ultimate responsibility for delivering on the ambitions of the Climate Resilient Green Economy initiative. MOFEC is responsible to lead on fiscal management and economic planning for Ethiopia. Also, MOFEC leads on the CRGE Facility and hosts the CRGE Facility Secretariat.

CRGE Facility (The Facility): The Facility was established by the GoE and is housed at the MoFEC to help mobilize, blend, combine and sequence domestic and international, public and private finance to support the institutional building and implementation of Ethiopia’s CRGE Initiative.

CRGE Secretariat (The Secretariat): The Secretariat is a unit seated in MOFEC that, in close coordination with MEFCC, supports the Facility’s Management Committee and Task Force on the Facility-related matters. The Facility Secretariat is under the direct supervision and control of the State Minister of External Economic Cooperation, which chairs the Management Committee, and is responsible for the overall coordination of The Facility’s portfolio.

Eligibility: The criteria for qualification to receive benefits under a resettlement program.

Eminent Domain: The right of the state (GoE) to acquire land, using its sovereign power, for public purpose. National laws such as, the Constitution, proclamation 455/2007, 456/2007 establish which public agencies have the prerogative to exercise eminent domain.

Environmental Impact Assessment (EIA): A tool used to identify and assess the potential impacts (be it positive or negative) of a proposed project (or activity), evaluate alternatives, and formulate appropriate mitigation, management and monitoring measures (generally in the form of an environmental management plan).

Environmental Impact Study (EIS) report: A document prepared and submitted by a Proponent that serves as an application for an Environmental Clearance Letter. It is a comprehensive study containing sufficient information to enable the Competent Agency to determine whether and under what conditions a proposed project should proceed.

Environmental Management Plan (EMP): An Instrument that outlines the mitigation/enhancement, monitoring, consultative and institutional strengthening measures to prevent, minimize, mitigate or compensate for adverse environmental and social impacts and to enhance beneficial impacts. An EMP shall specify how, when and by whom these measures shall be implemented.

ESSF (the Framework) is a tool used to manage potential adverse impacts in a unified process through a guide consisting of a set of methodologies, procedures and measures to facilitate adequate environmental and social management (risk and impact management) related to CRGE initiatives financed by the Facility. Effective implementation of the ESSF will therefore ensure environmental and social sustainability of the CRGE initiative.

Feedback: Opinions, comments, suggestions, and expressions of satisfaction or dissatisfaction.

Grievance redress procedures: The processes established under law, local regulations, or administrative decision to enable property owners and other displaced persons to redress issues related to acquisition, compensation, or other aspects of resettlement and overall CRGE project issues

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Impact: Impact means any change to the environment or to its component that may affect human health or safety, flora, fauna, soil, air, water, climate, natural or cultural heritage, other physical structure, or in general, subsequently alters environmental, social, economic or cultural conditions.

Implementing entities: An implementing entity (IE) is a sectoral Ministry or a regional government. A reduction action falls within the mandate of an implementing entity. This makes IEs indispensable to the successful implementation of reduction interventions. Implementing

entities will coordinate their SRM activities through their CRGE units

Initial Environmental Examination Report: Document similar to an EIS, but with reduced details and depth of assessment and discussion.

Interested parties: Individuals or groups who have expressed support or concern regarding a proposed or existing CRGE Facility financed operation.

Land Acquisition. The process of acquiring land under the legally mandated procedures of eminent domain for CRGE related projects.

Participation: a key process of the CRGE planning and implementation tool through which stakeholders' influence and share control over development initiatives and the decisions and resources which affect them. It is a process which can improve the quality, effectiveness and sustainability of projects and strengthen ownership and commitment of government and stakeholders.

Person: Person means any natural or juridical person

Precautionary approach: Precautionary approach means that where there are threats of serious or irreversible environmental and social damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.

Proponent: Proponent means any organ of government if in the public sector or any person if in the private sector that initiates a project.

Public Disclosure: The process of making information available to affected people and other interested parties, particularly with regard to the environmental and social aspects of projects. Disclosure of information should be done in a timely manner, in publicly accessible locations and in a language and format readily understood by affected groups.

Resettlement Action Plan: A resettlement action plan [RAP] is the planning document that describes what will be done to address the direct social and economic impacts associated with involuntary taking of land.

Resettlement Entitlements: Resettlement entitlements with respect to a particular eligibility category are the sum total of compensation and other forms of assistance provided to displaced persons in the respective eligibility category.

Reviewing: The determination of whether or not the environmental impact study report meets the approved Terms of Reference and provides satisfactory information and analysis that is required for decision-making.

Safeguards: Safeguards are sets of principles, rules and procedures put in place to achieve social and environmental goals by avoiding negative impacts and promoting co-benefits.

Scoping: The stage in the EIA System where the project impact assessment requirements are more definitely established and focused to provide the Proponent and the stakeholders the

final scope of work and terms of reference for the EIS.

Screening: The process that decides whether or not a project requires assessment, and the level of assessment that may be required.

Stakeholders: Stakeholders are persons or groups who are affected by or can affect the outcome of a project. These can include affected communities, local organizations, NGOs and government authorities. Stakeholders can also include politicians, commercial and industrial enterprises, civil society organization, academics, religious groups, national social and environmental public-sector agencies and the media.

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Introduction

1.1 Overview of the CRGE Initiatives

The main development objective of the Government of Ethiopia (GoE) is to eradicate poverty and sustain growth. The country's development policies and strategies are geared towards this end through the Growth and Transformation Plan (GTP) which carries forward important strategic directions pursued under the *Plan for Accelerated and Sustained Development to End Poverty* and the *Sustainable Development and Poverty Reduction Program*. As a vehicle for the GTP, issues of environment and climate change initiatives are addressed in the GTP so as to ensure sustainable development. In line with this, Ethiopia has set a vision to achieve middle-income status by 2025. To make this ambition a reality, Ethiopia has prepared a Climate Resilient Green Economy (CRGE) strategy which has triple core objectives; namely: reducing greenhouse gas emissions from different sectors, reducing vulnerability to climate change, and ensuring economic growth. It is also vital to underline that the GoE has considered the CRGE as a key pillar in the GTP-2 planning process that will be launched soon.

Achieving a CRGE will require a coordinated and sustained effort by all parts of the Ethiopian society-the government, civil society, academia, the private sector and, most importantly, the public. To this effect, Ethiopia is now starting to transform the CRGE strategy into actions and welcomes collaboration with domestic and international partners. Subsequently, Ethiopia has established a CRGE Facility managed by the Ministry of Finance and Economic Cooperation (MOFEC) and the Ministry of Environment, Forest and Climate Change to mobilize financial resources from domestic and international sources and disburse to stakeholders responsible for the implementation of the CRGE initiatives. The CRGE Facility is operational since September 2012 and has managed to attract funding from development partners. Moreover, the former Environmental Protection Authority has been upgraded to a Ministry level (MEFCC) by the Proclamation No. 803/2013; and this shows the political leadership, priority and commitment for the CRGE. Pertinent sector organizations have established CRGE units to ensure that sectors and regions work towards effective implementation on sustainable, strategic resilient and mitigation initiatives aligned to the GTP, which is essential for lasting, inclusive and sustainable development. Hence, the CRGE initiative is a necessity as well as an opportunity for Ethiopia. It is an opportunity to realize our country's huge potential in renewable energy (including geothermal, hydro, solar and wind) and a necessity to arrest agro-ecological degradation that threatens to trap millions of our citizens in poverty.

In light of the above, it is clear that the implementation of the CRGE initiatives may generate adverse environmental and social impacts. Therefore, as part of its striding effort to ensure the attainment of the triple interrelated core objectives of the CRGE strategy, the GoE has prepared prepare the Environmental and Social Safeguards Framework (ESSF) to address environmental and social issues that may arise from any CRGE investments. Moreover, the preparation of the safeguards framework is based on the provisions and principles of the national environmental and social policies and legal frameworks, including the Constitution and the Environmental Impact Assessment Proclamation.

1.2 Rationale for the preparation of the ESSF

The implementation of the CRGE initiatives may generate adverse environmental and social impacts. Thus, the GoE is committed to avoid, minimize, and mitigate adverse environmental and social impacts, if any, in the design and implementation of CRGE investments as per its policies and legal frameworks, including the Constitution. To this effect, a specific ESSF has been prepared to guide the formulations and implementations of the CRGE initiatives in an environmentally sound and socially acceptable manner to help end poverty and sustain growth. Thus, as a responsible nation, Ethiopia will manage all sectoral and cross-sectoral CRGE investments using the ESSF to ensure sustainable development.

In light of the above, the GoE, through the CRGE coordinating and implementing entities, integrates environmental protection and social development into CRGE investments in a proactive manner to contribute towards sustainable development. To achieve a balance between developmental initiatives, and environmental sustainability and social well-being in its operations, the GoE gives due importance to environmental and social considerations in appraising and financing CRGE investments to avoid, minimize, and/or mitigate environmental and social adverse impacts and risks, if any; and is committed to comply with all relevant environmental and social policies and legal frameworks of the country as well.

Therefore, the ESSF provides an enabling mechanism to GoE to meet environmental and social safeguard requirements associated with investments that it finances through the CRGE Facility. It defines roles, responsibilities/institutional framework, and provides procedures to avoid, minimize, and mitigate any direct, indirect and potential environmental and social risks and impacts which may arise from the among others implementation of CRGE investments. It also addresses mechanisms for public consultation and disclosure of project documents as well as redress of possible grievances in case this is needed during project implementation.

1.3 Objectives and Principles of the ESSF

The overall purpose of the ESSF is to contribute to the achievement of the CRGE objectives by guiding the CRGE coordinating and implementing entities to adequately address environmental and social considerations at all stages of CRGE investment.

The specific objectives of the ESSF are to:

- customize a set of internationally recognized standards and frameworks in environmental and social safeguards to the CRGE investment;
- avoid, minimize or mitigate any direct, indirect, and potential adverse environmental and social impacts of CRGE investments;
- define and set in place the roles and responsibilities of all relevant stakeholders/institutions in executing safeguards of CRGE investment initiatives throughout their life cycles; and

- ensure that effective mechanisms are in place for safeguard compliance during CRGE investment implementations.

General Principles

To achieve the objectives of the ESSF and ensure due diligence in managing potential environmental and social impact/ risks, the ESSF anticipates that the CRGE investments would be implemented based on the following fundamental principles:

Early application of environmental and social safeguards: Safeguards instruments should be applied proactively in the CRGE investments to contribute towards sustainable development.

Participation of stakeholders: All concerned stakeholders and affected people should be given the opportunity to participate meaningfully at all stages of CRGE investment.

Information Dissemination: Sufficient information should be provided in accessible and culturally appropriate ways. Providing information about the project at an early stage of the ESSF/SSF process enables the public to understand the trade-offs, contribute meaningfully to project design and implementation, and to have greater trust with the coordinating and implementing entities of the CRGE projects.

Prevention and mitigation of adverse impacts: one of the key principles is to prevent and/or mitigate any harm to the environment and to people by incorporating environmental and social concerns as an intrinsic part of CRGE investment cycle management. Environmental and social issues will be tracked during all stages of the CRGE investment cycle to ensure that supported investments comply with the procedures and guidelines laid out in the ESSF.

Accountability and Transparency: Both CRGE implementing and executing entities are accountable for providing sufficient information on their CRGE investment proposals to the CRGE coordinating entities, and for managing the potential impacts of their CRGE investments. The CRGE coordinating entities are accountable for the decisions that are taken in line with the CRGE investments. By doing so, the ESSF would enable all entities involved in the CRGE implementation to be accountable and transparent in all their undertakings.

1.4 Scope of the ESSF

The ESSF applies to investment all projects financed through the CRGE Facility and other national financing mechanism. The main ones are the initiatives identified in the Green Economy Strategy, Ethiopia's Programme of Adaptation to Climate Change (EPACC) and the Climate Resilient Strategy, among others.

All CRGE implementing entities that seek finance from the CRGE Facility should prepare their investment proposals in compliance with the requirements of the ESSF. The ESSF will apply right from the conceptual stage of any major development initiatives of the CRGE Facility; and both the CRGE coordinating and implementing entities are required to fulfill their responsibilities as described in the ESSF.

1.5 Methods of the Framework Preparation

1.5.1 Review of relevant documents

Relevant policy and legal documents such as the Constitution of the FDRE; Environmental Policy and legal frameworks and pertinent guidelines; social development policies and legal frameworks; and multilateral environmental agreements and multilateral social development agreements to which Ethiopia is a party were reviewed to take into account of these systems for the operational applicability of the ESSF and for providing critical information on how to address environmental and social impacts which will emanate from CRGE investment projects. Moreover, the CRGE Vision and Strategy, EPACC, Climate Resilient Strategy, and the CRGE Facility Implementation Manuals were reviewed to gather information on, but are not limited to, the scope and other contents of the ESSF, and institutional arrangements for the implementation of the ESSF.

1.5.2 Review of relevant ESSF experiences

Review of relevant ESSF documents, including the safeguards policies of the World Bank, Africa Development Bank and other partners, was undertaken to get lessons on designing the structure of the ESSF for the CRGE Initiatives.

1.5.3 Consultation with key stakeholders

Various consultative meetings with key stakeholders will be held to actively seek their views and inputs on the designing, preparation and applicability of the draft ESSF. The inputs obtained from the stakeholders will be used to review, analyze and enrich the draft ESSF. The stakeholders to be consulted include, among others, CRGE Facility's management committee, sector ministries, higher learning institutions, private sector, civil society, environmental organizations and sector bureaus of national regional states and city administrations, and development partners, including World Bank, Norway and DFID (please Annex x for the detail list of stakeholders). Thus, the consultative meetings will be used to enrich the design and the preparation of the draft ESSF as well as assist to create awareness and transparency on the Framework among concerned stakeholders in each milestone; and such kind of approach will also enhance effectiveness and efficiency of the CRGE implementing entities when they will be engaged in preparing proposals & applying for financial support from the CRGE Facility.

1.5.4 Disclosure of the Framework

The ESSF will be disclosed and accessed at the offices of the MEFCC and the CRGE Facility/MoFEC. The framework will also be posted at the website of the MEFCC and the MOFEC. In addition, the disclosure of the ESSF will be advertised in the Amharic and English newspaper to encourage, facilitate and support the participation of relevant stakeholders and

individuals in the process of reviewing the draft ESSF; and comments and suggestions obtained using these approaches will be incorporated in the ESSF.

1.6 Organization of the report

Chapter 1 describes the overview of the CRGE initiatives, rationale, objectives, scope, methodology used for the preparation of the ESSF and the contents/outlines of the Framework. Chapter 2 focuses on the description of the CRGE. Chapter 3 assesses policies and legal frameworks relevant to the ESSF. Chapter 4 presents the Environmental and Social Safeguards Components and their process flow. Chapter 5 looks at the institutional aspects for coordinating and implementing the ESSF. Chapter 6 presents public consultation, participation and disclosure. Chapter 7 elaborates capacity building for safeguards compliance. Chapter 8 describes grievance redress mechanism. Chapter 9 looks at the benefit sharing mechanism. The final chapter examines monitoring, evaluation, reporting and learning mechanism. Additionally, Annexes EI – E XI describes issues pertinent to the Environmental Safeguards Framework; and Annexes SI-SXI presents issues pertinent to Social safeguards framework.

2. Description of the CRGE

Climate change is a problem that is set to continue growing and affecting primarily developing nations and least developed countries, including Ethiopia. Besides, Ethiopia is highly vulnerable to adverse impacts of climate change due to its low autonomous adaptive capacity, climate sensitive sectors, fragile environment prone to land degradation and desertification, and population pressures on use of natural resources, among others. It is also clear that the current climate variability leads to hazards such as floods, droughts and soil erosion. These impacts are felt by the most vulnerable in society. Furthermore, climate change will exacerbate these current impacts of the climate on the physical environment, economic growth, and the livelihoods of the most vulnerable. Thus, unless Ethiopia creates an economy that is climate resilient, these impacts will stand in the way of the country reaching its middle-income ambition. Above all, following the conventional development path would result in, but not limited to, reduced GDP by between 0.5 and 2.5 % or more per year, unsustainable use of natural resources, increased poverty and reduced food security, and a sharp increase in greenhouse gas (GHG) emissions. Cognizant of these facts, the GoE has set a vision of becoming a middle-income country by 2025, with a zero net in GHG emissions from 2010 levels while ensuring climate resilience. To make this ambition a reality, Ethiopia has prepared a climate resilient green economy (CRGE) strategy which has triple core objectives; namely: reducing greenhouse gas emissions from different sectors, reducing vulnerability to climate change, and ensuring economic growth.

The distinct rationale for the preparation and implementation of the CRGE strategy is fourfold. First, the strategy contributes towards the global mitigation of greenhouse gases to avoid dangerous climate change. Secondly, it addresses issues of conventional development path which will lead to the over-exploitation and degradation of natural resources such as forest and croplands. Thirdly, it reduces the current fiscal requirement for the import of fossil fuels. Finally, it avoids the lock-in of imported technology which although exhibits the lowest upfront capital cost, is not the optimal investment when future costs and benefits are accounted for.

In light of the above issues, the four elements of the CRGE Initiative (CRGE Vision, the Green Economy Strategy, the Climate Resilient Strategy/EPACC, and the SRM) are further described in the following sub-sections.

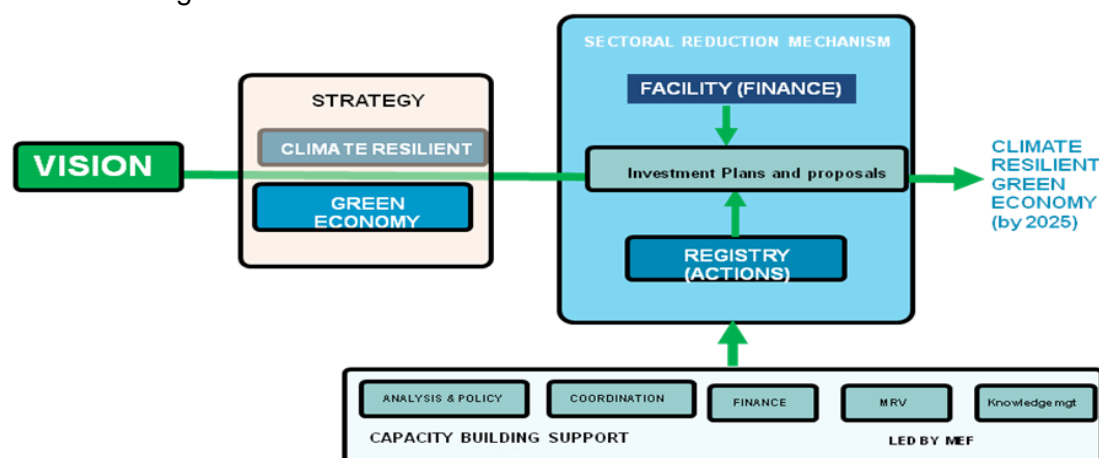


Fig. 1: The Architecture of the CRGE Initiative, Source: Green Economy Strategy (2011)

2.1. CRGE Vision

Ethiopia's Climate Resilient Green Economy Vision was developed through a process led by the then Environmental Protection Authority (recently upgraded to the Ministry of Environment, Forest and Climate Change as per the Proclamation Number 803/2013) with support from the Prime Minister's Office and the Ethiopian Development Research Institute. The late Ethiopian Prime Minister, His Excellency Meles Zenawi, presented the CRGE Vision to the international community at the UN International Climate Change Conference held in Durban in December 2011.

The Vision is to build a Climate Resilient Green Economy by 2025. This economy would be middle income (over USD 1000 GDP per capita), resilient to the negative impacts of climate change and would be achieved with no net increase in greenhouse gas emissions from 2010 levels. Ethiopia pursuit of a low emission rather than carbon-intensive development path for the 2025 horizon is both responsible and will have significant sustainability co-benefits. It would also enable Ethiopia to capture the new international climate financing and economic competitiveness opportunities provided by development partners and international organizations.

The CRGE Vision document provides Ethiopia with a common goal and roadmap for achieving a climate resilient green economy. Thus, the document, in addition to elaborating the implications of climate change for the country, addresses the main components required for the implementation of the CRGE Initiative such as a **CRGE Strategy** that identifies immediate spending priorities and financing opportunities (as well as highlights the need to build the Strategy on those identified in Ethiopia's Programme for Adaptation to Climate Change (EPACC) and the National Appropriate Mitigation Actions (NAMA), among others); **CRGE institutions** (e.g. CRGE Units in sector ministries and in National Regional States and City Administrations) responsible for effectively overseeing the implementation of climate related action plans; and a **CRGE Facility** as a financial mechanism to support the implementation of the CRGE as well as monitoring, reporting and verification system. Please see Ethiopia's CRGE Vision (2011) for further and detail information.

2.2. Green Economy Strategy (GES)

In 2011, in parallel with the CRGE Vision, the GoE also launched the GES component of the CRGE Initiative. The GES addresses seven sectors (Power Supply, Buildings and Green Cities, Forests /REDD+, Crop/Soil-based Emissions, Livestock, Transport, and Industry) and focuses on four pillars for action: a) adoption of agricultural and land efficiency measures; b) increased GHG sequestration in forestry through forest protection and reforestation, i.e., protecting and re-establishing forests for their economic and ecosystem services including as carbon stocks; c) deployment of renewable and clean power generation; and d) use of appropriate and more advanced technologies in industry, transport, and buildings. Establishing these pillars within the relevant parts of the economic development plan will prevent the economy from being locked

into an unsustainable pathway and can help attract the investment required for their development.

The GES identified and analysed 150 potential initiatives across the seven sectors, taking into account their potential to simultaneously enable or support the country in reaching its GTP targets, reduce/avoid GHG emissions in a cost-efficient way, and relevance and feasibility to be implemented in the local context. Accordingly, over 60 green economy initiatives have been prioritized for their potential to ensure that Ethiopia's 2030 greenhouse gas (GHG) emission levels do not exceed the base year (2010) emissions level, i.e. 150 megatonne CO₂ equivalent. This avoids about 255 megatonne CO₂ equivalent that would be emitted if a conventional development path were followed to meet economic growth goals set in the GTP. Thus, if fully realized, the GES can lead to a zero-net emission growth. It also makes the avoided 255 megatonne CO₂ equivalent (see figure below for the detail) eligible for financial support from international climate finance.

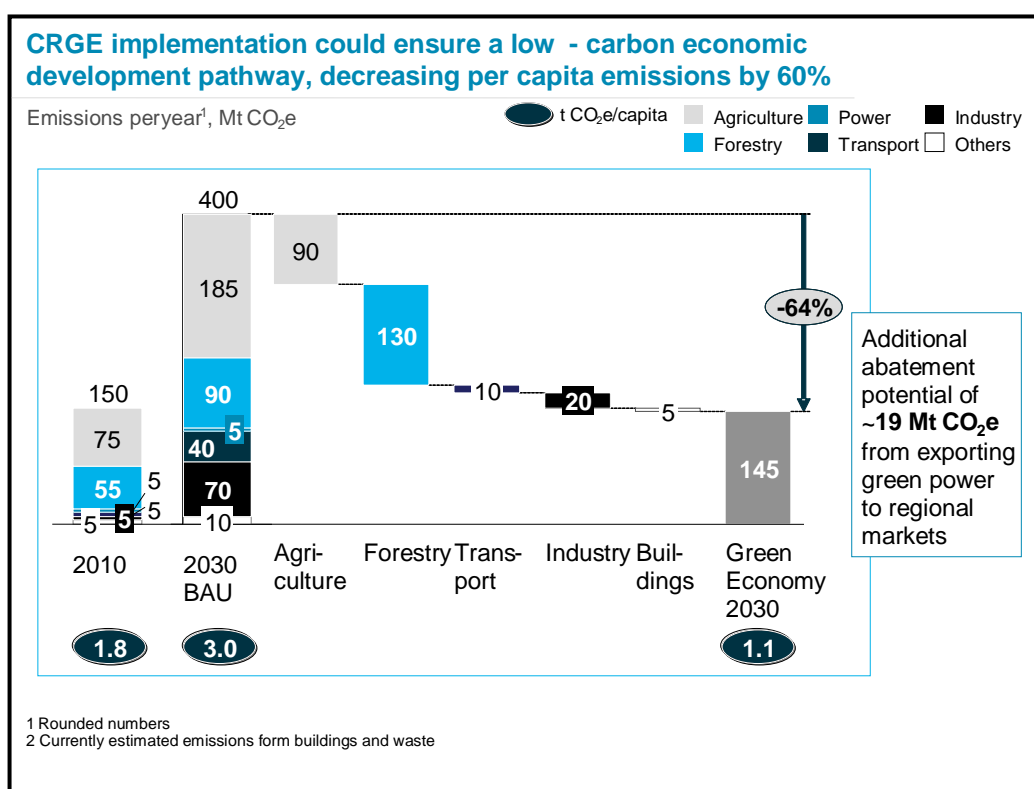


Fig. 2: Summary of Green Economy analysis (2010 and 2030), Source: Green Economy Strategy (2011)

Out of the sixty prioritized initiatives of the GES, four have been fast-tracked for immediate implementation; namely, attracting financing to exploit Ethiopia's vast hydropower potential, promoting advanced cooking technologies on a large scale, monetising reduced emissions from livestock, and reducing emissions from deforestation and forest degradation. Each of these initiatives offers the chance to immediately promote growth, capture large abatement potential, and attract available climate finance for implementation. Moreover, they are important enablers for the

country's economic development, and their implementation is feasible and considered as a priority by the GoE. Please see Ethiopia's Green Economy Strategy (2011) for detail.

2.3. Climate Resilient Strategy

A framework document called Ethiopia's Draft Programme of Adaptation to Climate Change (EPACC) has been also prepared, which consists of 20 sub-sectors such as water, agricultural production, biodiversity, health, infrastructure, and energy. It also includes seven supportive actions for the whole set of 20 response measures. The supportive actions include strengthening institutional capacity building, identifying and mapping disaster prone areas, strengthening information generation and dissemination, and covering climate change in educational curricula, among others.

As per the framework of the EPACC, the identified line ministries in collaboration with concerned stakeholders should prepare a detailed sector specific climate resilient strategy and investments to address the impact of both current climate variability and climate change so as to contribute to the attainment of the GTP objectives and achievements of the Millennium Development Goals, among others.

Accordingly, a Climate Resilient Strategy for the agricultural sector has been prepared. The reason for focusing on the agriculture sector is due to its importance to national income (contributing 41% of GDP and nine out of the top ten export commodities) and livelihoods (employing 85% of the Ethiopian people). This strategy is the starting point for subsequent climate resilience analysis across the remaining sectors of the economy. In this strategy, focus is given to the challenges faced in the agricultural sector related to current and future climate, options to cope with these challenges and finance sources to fund these options. Three tranches of work have been undertaken:

- Identification of the impact of current climate variability and projected future climate change on Ethiopia, which is a challenge to growth and wellbeing.
- Identification and cost options to build climate resilience and reduce the impact of current climate variability and climate change. This is the response to build climate resilient growth.
- Mapping of the steps necessary to finance and implement efforts to build climate resilience. This is the funding and institutions to deliver climate resilient options.

The key conclusions of the CR strategy for the agriculture sector are:

- Ethiopia's economic growth and the livelihoods of its people within agriculture are already negatively impacted by climate. This could get worse with climate change. Ethiopia already feels the impacts of hazards related to climate and variability in temperature and rainfall. These key hazards are droughts, floods and soil erosion. The worst impacts are caused by droughts, which have historically reduced GDP by between 1% and 4%. By 2050, the negative impacts of climate change, under an extreme scenario of rising temperatures and reduced rainfall, could be 10% of GDP or more.

- Ethiopia is already engaged in activities that build climate resilience but it needs to do more. As one of the fastest growing countries in the world, Ethiopia is undertaking significant development efforts. These development efforts are mingled with actions that build climate resilience. The analysis of the strategy shows that to mainstream climate resilience into investment in the agriculture sector will cost USD 600 m per year by 2030 with a shifting emphasis on private sector investment.
- Ethiopia can attract and secure finance from a variety of domestic and international sources. Funds can come from both public and private finance. The GoE has established a CRGE Facility that has started to pool this finance and match it to strategic and transformative actions that will deliver the CRGE. This will be effectively delivered through its implementing instruments, the Sectoral Reduction Mechanism (SRM).

Lastly, please see Ethiopia's Climate Resilient Strategy for the Agriculture Sector (2013) for further and detail information.

2.4. Sectoral Reduction Mechanism

The Sectoral Reduction Mechanism (SRM) aims to enable action on the priorities identified in the CRGE Strategies so as to allow Ethiopia to realize the CRGE by 2025. The SRM will therefore facilitate reductions in emissions and vulnerability to climate change through the preparation of detailed sector and regional investment plans, which will provide concrete sector and regional targets for implementing the CRGE and act as the basis upon which to leverage finance for the delivery of actions.

The SRM will compile a CRGE registry of actions to deliver the CRGE and will match them with funding from a pool of finance termed the CRGE Facility. Coupled with new systems for measuring, reporting and verifying impacts, a proactive approach to knowledge management, and related capacity building support, the SRM represents a comprehensive mechanism for responding to climate change.

2.4.1 CRGE Facility

As a critical part of the institutional arrangements (please see Section 6 for the detail), a CRGE Facility-hosted in and overseen by the Ministry of Finance and Economic Cooperation- has been established with a purpose to mobilize, access and combine domestic and international, public and private sources of finance to support the institutional building and implementation of Ethiopia's CRGE Strategy. The Facility also provides a single engagement point where the Government, development partners, the private sector, civil society and other stakeholders can engage and make decisions about climate change issues; thus, enhancing coordination and aid effectiveness and reducing fragmentation. The Facility will use climate finance to complement other existing forms of investment to strengthen Ethiopia's core climate-compatible development activities (in areas such as food security, energy, infrastructure development and natural resources management), eventually leading to the full integration of CRGE with the Government of Ethiopia's broader Growth and Transformation Plan (GTP). It is the Government's intention

that Ethiopia's development partners will increasingly channel their bilateral and multilateral climate funds through the CRGE Facility. To this effect, Ethiopia is in the process of accrediting its CRGE Facility by the Adaptation Fund Secretariat; and it is also in the process of preparing an accreditation application to the Green Climate Fund. This accreditation is useful to ensure transparency and compliance with international standards and requirements of climate finance institutions and development partners. For further and detail information on the CRGE Facility such as governance structure and operational methods, auditing and assurance, and MRV, please refer to the CRGE Facility Operations Manual.

2.4.2 CRGE Registry:

The CRGE Registry is a web-based application that organizations, individuals and in general stakeholders involved in the CRGE activities can use to exchange key information related to climate change, follow the management of projects and submit funding applications. The Registry system is being developed by the Ministry of Environment, Forest and Climate Change through support obtained from Strategic Climate Institutions Program (SCIP). It is intended to facilitate an effective and efficient implementation of CRGE investments. The registry will also function as a depository of projects submitted to the CRGE Facility, i.e., those that are funded and those that are in pipeline. The application has public and restricted (secured) access where the secured sections will provide registered users' access to submit, review and obtain official approval information for adaptation and mitigation project proposals they submitted. The public section will provide the public with valuable information on current CRGE and related activities without limitation of access.

It will also provide information on what type of CRGE related activities are being undertaken, in which area and by whom so that it will help avoid duplication of efforts and resources by CRGE actors. Therefore, the Registry will contribute to the successful achievement of the Ethiopia's Climate Resilient Green Economy vision, i.e., attaining a middle-income status with climate resilient green economy by 2025.

3. Policies and Legal Frameworks relevant to the ESSF

Relevant national policies and legal frameworks, and multilateral environmental agreements and social conventions (to which Ethiopia is a party) that are relevant for the ESSF are briefly described below. This ESSF has been prepared based on relevant national policies and legal frameworks. Environmental and social analyses of any CRGE investments will consider the national environmental and social system of the country, where relevant and feasible, with a view to minimizing possible adverse impacts and maximizing beneficial impacts

Moreover, relevant safeguards policies of development partners have been briefly reviewed to get lessons and apply them in the ESSF preparation and implementation.

3.1 The FDRE Constitution

The Federal Democratic Republic of Ethiopia Constitution issued in August 1995 has several provisions, which have direct policy, legal and institutional relevance for the appropriate implementation of environmental protection and rehabilitation action plans to avoid, mitigate or compensate the adverse effects of development actions. Article 40 of the constitution proclaims that land and natural resources are commonly owned by the people of Ethiopia and shall not be subject to sale or other means of exchange. Also, Articles 43, 44 and 92 of the Constitution specifically deal with the right to development, environmental rights and environmental objectives respectively, and some of the main provisions are listed as follows.

- People have the right to improved living standards and to sustainable development,
- People have the right to full consultation and to the expression of views in the planning and implementations of environmental policies and projects that affect them directly,
- People have the right to commensurate monetary or alternative means of compensation, including relocation with adequate state assistance for persons who have been displaced or whose livelihoods have been adversely affected as a result of State programs,
- The people and the state have common responsibility/obligation to protect the environment,
- The state endeavors to ensure all people live in a clean and healthy environment, and
- The state shall ensure that the design and implementation of development projects will not damage or destroy the environment.

Any CRGE investments are required to comply with these and other related provisions of the Constitution.

3.2. Environmental and related policies

Environmental Policy of Ethiopia

The environmental policy of Ethiopia, approved in 1997, is aimed at guiding sustainable social and economic development of the country through the conservation and sustainable utilization of the natural, man-made and cultural resources and the environment at large. The policy lists specific objectives encompassing wide range of environmental issues to be addressed through the adoption of the policy. It also provides overarching environmental guiding principles to be adopted to harmonize the environmental elements in sectoral and cross sectoral policies. The policy includes ten sectoral environmental policies (such as (i) Soil Husbandry and Sustainable Agriculture; (ii) Forests, Woodlands and Trees; (iii) Genetic, Species and Ecosystem Biodiversity; (iv) Water Resources; (v) Energy Resources; (vi) Human Settlement, Urban Environment and Environmental Health; (vii) Control Of Hazardous Materials and Pollution from Industrial Waste; (viii) Atmospheric Pollution and Climate Change; and (ix) Cultural and Natural Heritage); and ten cross-sectoral environmental policies (such as Pollution and the Environment; Community Participation and the Environment; Social and Gender Issues; and Environmental Impact Assessment). Generally, its overall goal is “to improve and enhance the health and quality of life of all Ethiopians, and to promote sustainable social and economic development through the sound management and use of natural, human-made and cultural resources and the environment as a whole, so as to meet the needs of the present generation without compromising the ability of future generations to meet their own needs”.

RURAL DEVELOPMENT POLICY AND STRATEGIES

Agriculture Development led Industrialization's (ADLI) core principle is that increased agricultural productivity is the engine for both agricultural and industrial growth. That is, through the use of Green Revolution technologies the low productivity of traditional Ethiopian farming systems would be substantially improved. It is aimed at transforming the country's economy in to a well-developed and prospered one. This agricultural policy and strategies is based on the objective realities of the country and its prime objective is to accelerate agricultural production and productivity at all levels.

The ADLI is reflected in the Rural Development Strategy (2001) which further stresses the role of increased agricultural production as the basis for the country's development. The strategy is driven by the quest for ensuring food security and enhancing rural employment opportunities. The Strategy is made up of eight building blocks; namely: Technology generation and dissemination; Food security, including resettlement and water harvesting; Agricultural extension and vocational training; Agricultural marketing (of inputs and outputs); Rural finance; Development of cooperatives; Rural transport; and Rural land administration and management.

In most of the above building blocks, environmental considerations are included in an implicit manner. Explicit consideration is rather given to the need to sustain production through use of

appropriate technologies, development of tailored extensions and trainings to agro-ecological zones, and sustainable land management and land use.

Biodiversity Conservation and Research Policy (1998)

The Biodiversity Conservation and Research Policy was approved in 1998 and it provides policy guidance towards the effective conservation, rational development and sustainable utilization of the country's biodiversity. The policy objectives accentuate public participation in biodiversity conservation, development and utilization, and also ensure that communities share from the benefit accrued from the utilization of the genetic resources and their traditional knowledge. The policy consists of comprehensive provisions on the conservation and sustainable utilization of biodiversity, and it underlines the requirements for implementers to adopt during planning and operational phase of projects and for those projects engaged in biological resource utilization to follow ESIA procedures.

Ethiopian Water Resources Management Policy (1999)

The overall goal of the policy is to enhance and promote all national efforts towards the efficient, equitable and optimum utilization of the available Water Resources of Ethiopia for significant socioeconomic development on sustainable basis. The policy aims to ensure access to water for everyone fairly and in a sustainable manner, protect water resources and sources, and promote cooperation for the management of river basins.

The specific objectives of the policy include:

- Promote the development of the water resources of the country for economic and social benefits of the people, on equitable and sustainable basis;
- Allocate and apportion the water, based on comprehensive and integrated plans and optimum allocation principles that incorporate efficiency of use, equity of access, and sustainability of resources;
- Manage and combat drought as well as other drought associated impacts, and disasters through efficient allocation, redistribution, transfer, storage and efficient use of water resources; and
- Conserve, protect and enhance water resources and the overall aquatic environment on sustainable basis.

The policy also requires water resources schemes and projects to have “Environmental Impact Assessment and Evaluation.”

Growth and Transformation Plan (GTP)

The Growth and Transformation Plan (GTP) carries forward important strategic directions pursued under the Plan for Accelerated and Sustained Development to End Poverty and the Sustainable Development and Poverty Reduction Program. During the plan period, the GTP encompasses qualitative and quantitative targets set in the areas of macro-economic performance, performance of economic and social sectors (including agriculture, trade and industry, mining, transport, telecommunication, energy, water and irrigation, construction and

urban development, education and health) and cross-cutting sectors (including: gender and children affairs, youth and sports development, HIV/AIDS prevention and control, social welfare, population development, labor affairs, culture and tourism, science and technology development and environment and climate change).

The GTP particularly emphasizes the fact that consideration of the environment plays a pivotal role in sustainable development. The Plan aims at building a 'Green Economy' and implementing the existing environmental laws as part of the key strategic directions to be pursued during the plan period. In the process of building a CRGE, the Plan identifies two key issues; namely: adaptation to climate change impacts and mitigation of greenhouse gases (GHGs).

The GTP sets out also a strategic direction of building a 'green economy' and strengthening the implementation of existing environmental laws. It has also the objectives of formulating and effectively implementing policies, strategies, laws and standards which will foster social and green economy development so as to enhance the welfare of citizens and ensure environmental sustainability.

3.3. Environmental Proclamations and Regulations

Environmental Impact Assessment Proclamation No. 299/2002

This proclamation clearly indicates that major development programs, plans and projects of the private or public enterprises shall be subjected to Environmental Impact Assessment study before their approval for implementation. This means that Environmental Impact Assessment is a proactive (not reactive) tool used to predict and manage the environmental effects of a proposed development activity during its design, construction, operation or an ongoing industry as a result of its modification.

The proclamation also provides a legal base for the effective means of harmonizing and integrating environmental, economic, cultural and social considerations in to the planning and decision-making processes there by promoting sustainable development. Moreover, it serves as a basic instrument in bringing about administrative transparency and accountability, to involve the public and the communities, in the planning and execution of development programs that may affect them and their environment.

The objective of undertaking the assessment study is to ensure the impacts of a development project and the incorporated mitigating measures for the adverse significant impacts, and policy programs are adequately considered while decisions are put into effect. Please see Annex E-VIII detail of the Proclamation.

Environmental Pollution Control Proclamation No. 300/2002 and *Industrial Pollution Control Regulation No. 159/2008*

This proclamation is aimed at eliminating or, when not possible, to mitigate pollution as an undesirable consequence of social and economic development activities. It also states that the protection of the environment and safeguarding of human health, as well as the maintaining of biota and the aesthetic value of nature are the duty and responsibility of all citizens. It further considers other important issues such as control of pollution; management of hazardous waste, chemical and radioactive substances; the importance and need to respect environmental standards; and punitive and incentive measures.

The Industrial Pollution Regulation applies to a factory which is in an industrial sector in a directive issued under this regulation (Tannery, Textile, cement, sugar, chemical processing, metal, paper and printing, and food processing) or has been notified by the competent environmental organ. According to this Regulation the eight sectors of industries (Tannery, Textile, cement, sugar, chemical processing, metal, paper and printing, and food processing) were given a five-year grace period to come to the standards and they were also allowed to establish environmental units, conduct environmental audit and to prepare Environmental management plan (EMP). The five-year time grace period came to an end by December 22, 2013; and by now all industries in Ethiopia should comply with the Industrial Pollution Regulation, the Pollution Control Proclamation, and the Environmental Standards for Industrial Pollution Control in Ethiopia, among others.

Solid waste management proclamation, proclamation No. 513/2007

The objective of the solid waste management proclamation is to enhance at all levels capacities to prevent the possible adverse impacts while creating economically and socially beneficial assets out of solid waste. The proclamation states that solid waste management action plans designed by, and implemented at, the lowest administrative units of urban administrations can ensure community participation and it is essential to promote community participation in order to prevent the adverse effects and enhance the benefits resulting from solid waste.

Solid wastes can be transported from one regional state or urban administration to another regional state or urban administration only if the recipient regional state or urban administration has notified the sender in writing of its capacity to recycle or dispose of it in an environmentally sound manner. The Proclamation has also listed the management of different solid wastes such as glass containers and tin cans, plastic bags, used tires, food related solid wastes, construction debris and demolition wastes

Environmental protection organs establishment proclamation (Proc. No 295/2002)

The objective of the Proclamation (No. 295/2002) to establish a system that fosters coordinated but differentiated responsibilities among environmental protection agencies at federal and regional levels as well as sector environmental units so as to foster sustainable use of

environmental resources, thereby avoiding possible conflicts of interests and duplication of efforts.

Moreover, the former Environmental Protection Authority has been upgraded to a Ministry level (MEFCC) by the Proclamation No. 803/2013; and the duties and responsibilities of the former federal environmental protection authority and the power and duties of the ministry of Agriculture with respect to matters related to forest are given to the Ministry of Environment, Forest and Climate Change

3.4 Social Policy and Legal Frameworks of Ethiopia

This section describes the legal and regulatory requirements for social development and safeguards management in Ethiopia.

The 1995 Constitution of Ethiopia declared principle of the GoE is revolutionary democracy, which is based on the twin pillars of the Constitution: respect for diverse collective identities (nationalities); and for individual rights (citizens). Under the Constitution, the GoE guarantees equitable access by all Ethiopian people to public goods and services. The constitution articles 14, 29, 31, 35, 39, 40, 41, 43 provide the core principles and frameworks for subsequent proclamations on issues related with social development. These principles and provisions are summarized below, where the details could be referred from the FDRE constitution attached with this report or could be accessed online.

- **Social Development**

- 1) Provides economic, social and cultural rights in engaging freely in economic activities, choose livelihoods, create and expand job opportunities for the unemployed including to find gainful employment,
- 2) Ensure improved living standards and sustainable development to the nations, nationalities and peoples of Ethiopia,
- 3) Ensures Ethiopians have the right to ownership of rural and urban land, as well as of all natural resources, is exclusively vested in the State and in the peoples of Ethiopia. Land is a common property of the Nation/s, Nationalities and Peoples of Ethiopia and shall not be subject to sale or to other means of exchange
- 4) Every person has the inviolable and inalienable right to life, the security of person and liberty.

- **Social Inclusion**

- 1) Equal access to public social services, with FDRE obligation to allocate resources to provide to the public health, education and other social services
- 2) Vulnerable groups support and assistance encompass the physically and mentally disabled, the aged, and to children who are left without parent or guardian.
- 3) Ensure Ethiopian farmers and pastoralists receive fair prices for their products, obtain an equitable share of the national wealth commensurate with their contribution,
- 4) Ensure equal rights to women in marriage, harmful customs, eliminate inequality and discrimination provision of affirmative measures in political, social and economic life as well as in public and private institution,
- 5) Nations, Nationalities and Peoples”, 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 identity, a common psychological make-up, and who inhabit an identifiable, predominantly contiguous territory. The Constitution recognizes their right 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 (including the right to establish institutions of government in the territory that they inhabit and equitable representation in state and federal governments).

- **Social sustainability, community consultation and participation**

- 1) Ensure participation and meaningful consultation of the nations, nationalities and peoples of Ethiopia to enhance the capacity of citizens for development and to meet their basic needs,
- 2) Ensure equal opportunities and participation for women with historical disadvantages such as property use, ownership and inheritance, employment, payment,
- 3) The constitution provides the right to hold opinions without interference to seek, receive and impart information and ideas and freedom of association for any cause or purpose.
- 4) Protect and preserve historical and cultural legacies, and contribute to the promotion of the arts and sport,

Various proclamations on labor, occupational safety and health, education, health, roads and policies on environment, population, health, education provided broad areas of social development legal frameworks in Ethiopia. The application of this ESSF is subject to the relevant national legal frameworks.

- **Land ownership, use, and compensation policy in Ethiopia**

Land in Ethiopia is a public property and that no individual has the legal right of ownership, and hence, rural or urban land could not be sold or mortgaged or transferred; citizens have usufruct right over land. A usufruct right gives the user of the land the right to use and 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 etc. Further, the constitution provides the following provisions on issues related with land,

- FDRE constitution Article 40 (the Right to property) No.2, *“Land is a common property of the Ethiopian Nations, Nationalities and Peoples of Ethiopia and shall not be subject to sale or to other means of exchange”*.
- The GoE has the right to expropriate private property for public purposes by providing the appropriate compensation (The FDRE Constitution (Article 40, No. 8).
- 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 or fruit trees that are part of the land etc.
- “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”.

- **Legislation on Expropriation of Land and Compensation**

The GoE issued a proclamation on Expropriation of Land Holdings 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.
- A land holder whose land has been expropriated for public use by the concerned government authorities is entitled for compensation for his property,
- The amount of 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.
- The proclamation sets the timeline for urban and rural land holdings to be vacated from the respective lands after a formal notice is given. Concerning entitlements and the types with classification Annex S-I on entitlements and eligibility provides guidance.
- **FDRE Council of Ministers Regulation**
 - FDRE Council of ministers issued regulation 135/2007 regarding the payment of compensation for property situated on land holdings expropriated for public purposes providing the basis for compensation of affected properties and to assist the affected persons to restore their livelihood. The full version of the regulation is attached in annex S-II.
 - The regulation sets the methods for the assessment of compensation, provision of land for land replacement and payment for the different types of assets and categorizes into ten parts.
 - The regulation recognizes that land replacement should be made for urban and rural lands.
- **Proclamation on Rural Land Administration and Land Use:**
 - This Proclamation, Proc. No. 456/2005, came into effect in July 2005. The objective of the Proclamation is to conserve and develop natural resources in rural areas by promoting sustainable land use practices. In order to encourage farmers and pastoralists to implement measures to guard against soil erosion, the Proclamation introduces a Rural Land Holding Certificate, which provides a level of security of tenure.
- **Proclamation on Research and Conservation of Cultural Heritage**
 - Proclamation No. 209/2000 provides legal framework for Research and Conservation of Cultural Heritage with provisions on management of cultural heritage. Among these are provisions on ownership and duties of owners, classification, registration, conservation and restoration, removal, the use, and expropriation of cultural heritage, preservation of cultural heritage situated on land given in usufruct, and establishment of museum.

3.5 Relevant and Applicable Multilateral Environmental Agreements

Ethiopia is a party to a number of Multilateral Environmental Agreements (MEAs). Many of the principles and provisions in these agreements have been well addressed in the national environmental policies and regulations. Please see Annex E-XI for detail list of MEAs signed and/or ratified by Ethiopia. Some of the main MEAs (such as UNFCCC, UNCCD, UNCBD, Rotterdam Convention, and Stockholm Convention) are briefly stated below.

United Nations Framework Convention on Climate Change (UNFCCC): Ethiopia has ratified the Convention by Proclamation No. 97/1994 on May 2/1994. This Convention takes into account the fact that climate change has trans-boundary impacts. Its basic objective is to provide for agreed limits regarding the release of greenhouse gases into the atmosphere and to prevent the occurrence or minimizes the impact of climate change. As Ethiopia's CRGE Initiative has a positive contribution to the objective of with the UNFCCC, every investment is expected to contribute to mitigation of greenhouse gas emissions.

The United Nations Convention to Combat Desertification: Ethiopia has ratified the Convention by Proclamation No. 80/1997. The objective of the Convention is to combat desertification and mitigate the effects of droughts in countries experiencing serious drought and/or desertification, particularly in Africa. As one of the core objectives of Ethiopia's CRGE Initiative is to reduce vulnerability to adverse impacts of climate change, every CRGE investment is required to contribute directly or indirectly to the objective of the Convention.

United Nations Convention on Biological Diversity (UNCBD): Ethiopia has ratified this Convention by Proclamation No. 98/94, on May 31, 1994. The Convention has three goals: (i) the conservation of biodiversity; (ii) the sustainable use of the components of biodiversity; and (iii) the fair and equitable sharing of the benefits arising from the use of genetic resources. Therefore, due attention will be given to this Convention in any CRGE investments where required and feasible.

The Stockholm Convention on Persistent Organic Pollutants: Ethiopia has ratified this Convention by Ethiopia by Proclamation No. 279/2002, on July 2, 2002. The Convention aims to ban the use of persistent organic pollutants (POPS). Therefore, any CRGE investment is required to respect the objective of the Convention as per the system of the country.

The Rotterdam Convention: Ethiopia has ratified this Convention by Ethiopia by Proclamation No. 278/2002, on July 2, 2002. This Convention relates to prior informed consent in the context of international trade in specific hazardous industrial chemicals and pesticides. Therefore, any CRGE investment is required to respect the objective of the Convention as per the system of the country

Above all, it is vital to note that these agreements be considered in environmental and social analyses of any CRGE investments, where relevant and feasible, with a view to minimizing possible adverse impacts and maximizing beneficial impacts.

3.6. Environmental and social safeguard policies of developmental partners

Most GoE development partners have environmental and social safeguard policies. The underpinning objective of these policies takes into account environmental and social consideration that could emerge during implementation of a given project or program. For the preparation of the CRGE ESSF, the environmental and social safeguards policies of the World Bank, the Global Environmental Facility, the Africa Developmental Bank and the European Investment Bank were considered.

A. The World Bank Safeguards Operational Policies

The World Bank has a system of safeguards which are periodically updated through a wider stakeholder's consultation. The World Bank environmental and social operational policies sets out the World Bank's commitment to sustainable development, through a set of environmental and social standards that are designed to support Borrowers' projects.

The environmental and social operational policies set out the requirements for Borrowers relating to the identification and assessment of environmental and social risks and impacts associated with projects supported by the Bank finance. The Bank believes that the application of these policies, by focusing on the identification and management of environmental and social risks, will support Borrowers in their goal to reduce poverty and increase prosperity in a sustainable manner for the benefit of the environment and their citizens.

The World Bank has ten operational policies which aim to avoid, or minimize or mitigate Bank supported investment risks, maximize the potential positive impacts and plan. The key policies related with the CRGE ESSF development are operational policy 4.01, Environmental Assessment, OP, 4.10 Indigenous Peoples policy, OP. 4.12 Involuntary resettlement policy.

- a. **OP. 4.01 Environmental Assessment:** this is an umbrella operational policy encompassing the natural environment (air, water, and land); human health and safety; social aspects (involuntary resettlement and cultural resources) and trans-boundary and global environmental aspects. The policy objective is to ensure that sub-projects are environmentally and socially sound. The type of environmental assessment (EA) would depend on the nature, scale, and potential environmental impact of the proposed investments. The policy classifies World Bank supported projects into specific categories based on the type,

location, sensitivity and potential environmental impacts in to category A, B, C and FI.

- b. **OP. 4.10 Indigenous Peoples policy:** This is one of the operational policies focusing on the indigenous and vulnerable segments of the population where the intended World Bank supported projects are going to be implemented. The objective of the policy broadly encompasses,
- i. Ensure that the development process fully respects the dignity, human rights, economies and cultures of Indigenous Peoples,
 - ii. Ensure that adverse effects during the development process are avoided, or if not feasible ensure that these are minimized, mitigated or compensated,
 - iii. Ensure that indigenous peoples receive culturally appropriate and gender and inter generationally inclusive social and economic benefits,
- c. **OP. 4.12 Involuntary Resettlement Policy:**

The World Bank in its involuntary resettlement policy stressed that unless well managed and mitigated resettlement may cause severe long-term hardship, impoverishment, and environmental damage unless appropriate measures are carefully planned and carried out. The overall objectives of the policy are the following:

- 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 the persons displaced by the project to share in project benefits. Displaced persons³ should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs,
- 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,

B. Safeguards and sustainability series of the African Development Bank

The environmental and social safeguards of the African Development Bank (AfDB, or the Bank) are a corner stone of the Bank's support for inclusive economic growth and environmental sustainability in Africa. As the Bank adapts to emerging environmental and social development challenges, safeguards can quickly become out of date, thus require periodic updating.

While improving clarity, coherence and consistency, the Bank has developed an Integrated Safeguards System (ISS). The ISS builds on the two previous safeguard policies—Involuntary Resettlement (2003) and Environment (2004) and on three cross-

cutting policies and strategies: Gender (2001), the Climate Risk Management and Adaptation Strategy (2009) and the Civil Society Engagement Framework (2012).

The Integrated Safeguards System of the African Development Bank

Environmental and social sustainability is key to economic growth and poverty reduction in Africa. The Bank's Strategy for 2013-2022 emphasizes the need to assist regional member countries in their efforts to achieve inclusive growth and transition to green growth. In addition, the Bank is committed to ensure the social and environmental sustainability of the projects. The ISS is designed to promote the sustainability of project outcomes by protecting the environment and people from potentially adverse impacts of projects.

The safeguards aim to:

- Avoid adverse impacts of projects on the environment and affected people, while maximizing potential development benefits to the extent possible;
- Minimize, mitigate, and/or compensate for adverse impacts on the environment and affected people when avoidance is not possible; and
- Help borrowers/clients to strengthen their safeguard systems and develop the capacity to manage, environmental and social risks, requires that borrowers/clients comply with these safeguards requirements during project

C. European Investment Bank (EIB), Environmental and Social Handbook

The EIB is a public institution driven by the policy objectives of the European Union and their principles of sustainable development, public participation, and accountability. It seeks to promote sustainable and inclusive growth while protecting the natural and social environment in a holistic manner, thereby ensuring that requirements relating to the protection of the environment and human well-being are integrated in the definition, preparation and implementation of all operations financed by the EIB.

The EIB recognizes the need for a proactive approach to ensure environmental and social considerations are taken into account during the early stages of strategic decision-making by promoters so as to have a real influence on the choice of alternative developments. Thus, the EIB promotes the application of strategic environmental assessment as a tool for identifying and evaluating potential impacts of plans and programs.

According to the European Investment Bank, the promoter shall carry out an environmental and social assessment for any project which is likely to have significant environmental and social impacts and risks. The promoter shall be responsible for putting in place its own systems that will allow for a comprehensive and rigorous environmental and social assessment of impacts and risks, using an integrated approach in order to achieve a high level of protection of the environment taken as a whole.

The European Investment Bank has set environmental and social standards for assessment and management of environmental and social impacts and risks, pollution prevention and abatement, standards on biodiversity and ecosystems, climate-related standards, cultural heritage, involuntary resettlement, rights and interests of vulnerable groups, labour standards, occupational and public health, safety and security and stakeholder engagement.

D. Environment and Social Safeguard Policy of the GEF

The Environment and social safeguard policy of the GEF was adopted in 2011 with the objective to prevent and mitigate any unintended negative impacts to people and the environment in GEF operations. The GEF safeguards policies are adopted from the World Bank operational policies with modifications based on inputs and advice from the GEF partners and operations and members of the GEF NGO Network. Both policies build upon the GEF's existing Public Participation Policy.

The safeguards policy includes criteria on the following seven safeguard standards: (1) Environmental and Social Assessment; (2) Natural Habitats; (3) Involuntary Resettlement; (4) Indigenous Peoples; (5) Pest Management; (6) Physical Cultural Resources; and (7) Safety of Dams.

In order to be accredited as a GEF Partner Agency, applicants will generally need to demonstrate to the GEF Accreditation Panel that they have policies and systems that comply with the criteria of all seven safeguard standards. Agencies receiving GEF resources will also need to demonstrate that their environmental and social safeguard systems include mechanisms for ensuring enforcement and accountability for the application of their policies.

Finally, the preparation of the CRGE ESSF is based on best practices (including screening and categorization) of the GoE's development partners reviewed above.

4. Environmental and Social Safeguards Framework Components

The ESSF for the CRGE Initiative comprises of two components: Environmental Safeguards Framework and Social Safeguards Framework. (However, if there are initiatives above a project level, strategic environmental assessment (SEA) is required first using the Guidelines on Strategic Environmental Assessment (EPA, 200X); see Annex E-X for detail.) In the following sections, each component of the Framework is elaborated.

4.1 Environmental Safeguards Framework (ESF)

The ESF component of the ESSF for the CRGE Initiatives aims to guide the CRGE coordinating and implementing entities in screening and categorization of projects, scoping, impact assessment, review and clearance, implementation, monitoring, auditing and reporting for the CRGE investments. This approach is useful to facilitate compliance with the environmental requirements of the country and assists all concerned stakeholders to address environmental issues in a holistic and synergistic manner at all stages of the CRGE project cycle.

Therefore, in light of the above, the ESF process flow is described as follows.

4.1.1 Step-1: Screening

Screening is the process by which a decision is taken on whether or not an EIA is required for a proposed project. It shall ensure that a full EIA is only performed for projects with potentially significant adverse impacts or where impacts are not sufficiently known. Thus, screening involves making a preliminary determination of the expected impact of a proposed project on the environment and of its relative significance. A certain level of basic information about the proposal and its location is required for this purpose (see Annex E-I for detail).

Based on the screening of the environmental and social issues (using project location, type, potential impacts and scale as stated in Annex E-I), a proposed project may be categorized as Schedules I, II or III. This categorization is briefly highlighted below in line with Ethiopia's Draft EIA Procedural Guideline Series I (EPA, 2003).

Schedule I (Projects requiring full EIA): A full environmental impact assessment is required for proposed projects likely to have significant adverse environmental impacts that are serious (i.e. irreversible, affect vulnerable/underserved people and social groups, involve involuntary resettlement, or affect cultural heritage sites), diverse, or unprecedented, or that affect an area broader than the sites of facilities subject to physical works (e.g. dams and reservoirs, large-scale industrial plants, geothermal and hydropower-developments, etc.).

Schedule II (Projects requiring partial EIA): A partial (or limited) environmental impact assessment (or an Initial Environment Examination-IEE) is used for proposed projects likely to have less adverse environmental impacts, which are site specific and mostly reversible, few if

any of them are irreversible, and in most cases mitigation measures already exist or can be designed more readily than Schedule I projects. The IEE report is used to determine whether or not significant environmental impacts warranting an EIA are likely. If an EIA is not needed, the IEE is regarded as the final environmental assessment report. Public consultation must be undertaken during the IEE process.

Schedule III (Projects requiring no EIA): Schedule III applies for projects likely to have minimal or no adverse environmental impacts. Beyond screening, no EIA or IEE action for this category of projects is required; and the decision on the screening of environment & social issues should be documented. As in some instances, capacity building activities during implementation may be needed to ensure that environmental considerations are addressed. To this effect, relevant environmental clauses should be included in the environmental clearance letter and/or financial agreements of the projects so as to ensure compliance with environmental and social safeguards requirements.

In light of the above project categorizations, a prescriptive list of projects subject to or exempt from EIA is stated in the Ethiopia's (Draft) EIA Procedural Guideline Series 1(EPA, 2003). Moreover, list of projects that require only full EIA is stated in the (Draft) Directive No.1/ 2008. However, both documents are found at a draft level and not yet presented for public consultations at various administrative levels.

Therefore, to address the above gaps and categorize projects based on their impacts, a discretionary/customized approach will be used for all CRGE project proposals to be submitted to the CRGE Facility. In discretionary/customized approach, proposals are screened on an individual or a case-by-case base (using the environmental and social screening checklist attached in Annex E-I) to decide whether or not an EIA is required and to categorize proposed projects as well. See Environmental Categorization Form in Annex E-II for detail.

The prepared environmental and social screening checklist has been customized based on the EIB's and ADB's Checklists for the environment and social screening so as to fit Ethiopia's situations. The first and the second screening checklists of Annex 1 provides a list of questions about the project and its environment, which shall help answer the question if a proposed project is likely to have a significant effect on the environment. The third checklist (c) of Annex E-I provides information on criteria that shall facilitate the evaluation of impact significance (UNEP, 2008).

There is no specific rule that can be used to decide whether the results of a screening checklist should lead to a positive or negative screening decision (i.e. whether an EIA required or not). As a general principle, the greater the number of positive answers and the greater the significance of the effects identified, the more likely it is that an EIA is required. Uncertainty about the occurrence or significance of effects should also point towards a positive screening decision as the EIA process will help to resolve the uncertainty. If the need for EIA has been affirmed, scoping follows as the next consecutive step.

The screening results should be documented. After a formal decision on the screening of a proposed project has been made by the competent authority (i.e. Ministry of Environment, Forest and Climate Change (MEFCC)), an official screening document has to be typically prepared which records the screening decision and provides an explanatory statement for this decision. Depending on the decision taken by MEFCC, two actions will be taken: (1) the decision report should be used to prepare the scoping document for public dissemination for Schedules I and II projects in the following stage; and (2) an environmental clearance letter for Schedule III projects (which don't require EIA or IEE) will be issued. It is vital to note that for Schedule I and II projects the screening decision should be briefly outlined in the EIA report.

4.1.2 Step 2: Scoping

Scoping is the process of determining the content and extent of the EIA studies, the information to be collected, and the analysis required to assess the environmental impacts. During scoping, three key questions should be answered: What effects could this project have on the environment?; Which of these effects are likely to be significant and therefore need particular attention in the environmental studies?; and Which alternatives and mitigating measures ought to be considered? Therefore, scoping is a crucial step in EIA because it identifies the issues of importance and eliminates those of little concern. In this way, it ensures that EIAs are focused on the significant effects and do not involve unnecessary investigations that waste time and resources.

The Scoping report should include as a minimum a brief description of the project, all alternatives identified, issues raised by interested and affected parties, and description of the public participation. Public participation is a mandatory requirement in the identification, planning, implementation and monitoring of CRGE projects, and an inherent component of the EIA process, especially of scoping and reviewing. As a general rule, the public should be involved as early as possible and continuous throughout the EIA process. The overall goal is the involvement of the public in decision-making.

The process is completed with the Terms of Reference (TOR), which are elaborated in the process, provide clear instructions to the project proponent on the information that needs to be submitted to the competent authority for EIA, and the studies to be undertaken to compile that information. However, experience shows that the TOR should be flexible and may need alteration as further information becomes available, and new issues emerge or others are reduced in importance (UNEP, 2008).

The TOR defines the scope of the environmental assessment, methodologies of the assessment, the responsibilities or obligations of the environmental assessment team, and the expected outputs, among others. Generally, the TOR may include background to the project (including objectives, scope, size and baseline information of the project), setting the

context of the problem, consideration of alternatives, institutional and public involvement, analysis of impacts, mitigation and monitoring, and conclusions and recommendations.

4.1.3 Step 3: Environmental Impact Study

The environmental impact study and the report preparation should be carried out as per the Ethiopia's draft "Guideline Series Documents for Reviewing Environmental Impact Study Reports" (EPA, 2003). See Annex E-III for detail.

At this step, based on baseline data to be collected (biophysical, social, health and economic), a comprehensive study shall be undertaken to identify the possible impact on environmental attributes. This step builds on and deepens the preceding steps (screening and scoping) to predict the nature (direct, indirect or cumulative), extent (local, regional, trans-boundary or global) and magnitude (high, moderate, low) of impacts and determine their significance, among other things. The assessment of the significance should include consideration of whether the adverse impacts are acceptable (after mitigation measures are applied) or unacceptable because of significant adverse impacts to people and their livelihoods and/ or because there will be an irreversible impact on the ecosystem.

A variety of methods/tools for impact assessment can be used including checklists, questionnaires, matrices, GIS, professional judgments, models and simulations. The study should incorporate policies and legal frameworks analysis, public consultation and consideration of mitigating measures as well as environmental management plan and monitoring plan. As stakeholder consultations are an integral part of the EIA process, emphasis should be given to consult all concerned stakeholders, including local communities, at this stage as well. To this effect, analysis and identification of stakeholders and structured consultation are useful. Please see Chapter 6 for detail of stakeholder consultations and information disclosure.

Based on the above information, data and analysis, environmental impact study report should be prepared and submitted to a concerned competent authority (MEFCC/CRGE-S) for review and approval.

4.1.4 Step 4: Reviewing

The main purpose of the review is to assess the completeness and quality of the EIA report for decision-making purpose and consider its implications for project implementation so as to ensure whether the project is environmentally sound and socially acceptable. To this effect, the review should consider the adequacy of compliance with legislative, administrative and other requirements; and information with regard to compliance with terms of reference, the use of appropriate methodologies, involvement of sufficient interested and affected stakeholders, and the examination of alternatives, impacts, mitigation and monitoring.

The review process should be based on and guided by the Draft “Guideline Series Documents for Reviewing Environmental Impact Study Reports” (Please consult Annex E-III for detail information and requirements of the guideline).

4.1.5 Step 5: Decision-Making

Based on the result of the environment impact study report review and the analysis of stakeholders’ interests, the concerned competent authority/MEFCC will decide whether to accept the EIA report as it stands, reject the report or request that the document should be amended. The competent authority will typically impose conditions if the project is approved, such as establishment of environmental unit (especially for mega-projects), implementation of the environmental management plan, periodic submission of report on the environmental performance of the project, and/or environmental standards to be observed. See Annex E-IV for detail of “Environmental Standards for Industrial Pollution Control in Ethiopia.”

It is also vital to emphasize that the decision-making should be consultative, participatory and influence others to behave responsibly and sustainably. Also, it should acknowledge and implement mandates and responsibility. A summary of evaluation, including reasons for decision, should be documented and made available to the public as well. Lastly, approval of a proposal cannot immune the proponent from being accountable of the occurrence of adverse significant impacts in the course of the implementation of the project.

4.1.6 Step 6: Monitoring and Reporting

During project implementation, the implementing entity/project proponent is required to report on the following main areas.

- (a) Compliance with measures agreed with the CRGE-S on the basis of the findings and results of the EIA, including implementation of EMP, as set out in the project document;
- (b) The status of the implementation of the mitigation measures; and
- (c) The findings of the monitoring plan. The CRGE-S bases supervision/follow up of the project’s environmental aspects on the findings and recommendations of the EIS report, including measures set out in the project implementation agreements, any EMP and other project related aspects.

The purpose of monitoring is to compare predicted and actual impacts proposed in the EMP, and take appropriate corrective actions if required as well as to satisfy the statutory obligations. The results of monitoring can be used to manage the environment, particularly to highlight problems early so that action can be taken. The range of parameters requiring monitoring may

be broad or narrow and will be dictated by the environmental management plan of the environmental impact study report of the project.

In general, the following three types of environmental monitoring will be used for CRGE initiative depending on nature of a project. *Baseline monitoring*: a survey should be conducted on basic environmental parameters in the area surrounding the proposed project before construction begins (pre-audit study); and subsequent monitoring can assess the changes in those parameters over time against the baseline. *Impact monitoring*: the biophysical and socio-economical (including public health) parameters within the project area, must be measured during the project construction and operational phases in order to detect environmental changes, which may have occurred as a result of project implementation. *Compliance monitoring*: It employs a periodic sampling method, or continuous recording of specific environmental quality indicators or pollution levels to ensure project compliance with recommended environmental standards (see Annex 4 for detail). Also see Annex E-V for reporting template and Annex E-VI for compliance monitoring template.

It is also vital to note that some impacts may need ongoing monitoring during construction and operation phases of the project. This would have importance to ensure effective implementation of the environmental management plan using periodical monitoring and analysis of selected environmental parameters, submission of reports, verification of predicted impacts, and monitoring that mitigation measures are being implemented, among others.

4.1.7 Step 7: Auditing and Reporting

The last stage of an EIA is to carry out an *Environmental Audit* some time after completion of the project. The audit should include an analysis of the technical, procedural and decision-making aspects of the EIA. Technical aspects include: the adequacy of the baseline studies, the accuracy of predictions and the suitability of mitigation measures. Procedural aspects include: the efficiency of the procedure, the fairness of the public involvement measures and the degree of coordination of roles and responsibilities. Decision-making aspects include: the utility of the process for decision making and the implications for development. The audit will determine whether recommendations and requirements made by the earlier EIA steps were incorporated successfully into project implementation. Lessons learnt and formally described in an audit can greatly assist in future EIAs and build up the expertise and efficiency of concerned institutions.

4.2 Social Safeguard Framework Process Flow

This framework provides general guide for all social development and safeguards concerns related with the CRGE investments. The framework will provide guidance on sustainable, inclusive, and accountable and climate smart developments through the CRGE initiatives. The framework has the process, key steps and subsequent instruments on

underserved/vulnerable peoples and initiative induced resettlement. It also details appropriate road map for the social, cultural, institutional and functional aspects of the social development dimension of sustainable development through climate resilient green economy.

Social development puts people at the heart of its undertaking in every corner of the development processes. The poor, vulnerable and underserved people, if properly consulted have a vision and solutions to the challenges they face every day such as meager income, multilayer vulnerability, exclusion and isolation, unaccountable institutions and powerlessness. Thus, the GoE CRGE implementing entities initiatives will promote social inclusion, cohesion, resilience, citizen security and accountability so as to make the investments socially sound and sustainable.

The GoE CRGE related investments could mainstream social sustainability by including an all-inclusive range of social opportunities, risks, and impacts that will ensure the social sustainability of the projects. For a CRGE initiative to be socially sustainable, should reach the poor, the underserved and vulnerable people in the project identification, appraisal, and implementation and follow up process. If a project resulted in involuntary resettlement or restriction of access to resources, then should address the concern using the GoE and global best practice instruments to identify, value, compensate, restore livelihoods and address complaints emanating from project implementation.

CRGE Project Key Social Safeguard Consideration

Most of the literature reviewed for the development of this ESSF and GoE initiatives with development partners commonly singled out the issues related with underserved/vulnerable peoples and involuntary resettlement or restriction of access to resources as key social safeguard considerations. The constitution and other relevant legal frameworks and policies of the GoE gave due emphasis for underserved/vulnerable people to be meaningfully consulted in development planning and benefit from projects implemented in the country. The GoE has promulgated laws to address the involuntary resettlement arising while undertaking investments to properly consult, value, compensate and restore livelihoods of affected people.

4.2.1 The Underserved/Vulnerable peoples social development requirements

Defining Underserved Peoples

As to the global best practices (The World Bank and the African Development Bank) on Indigenous Peoples, the contents and characteristics of the group identified by the GoE constitution as “Nations, Nationalities and Peoples” is in line with the provisions of development partners. The GoE Constitution recognizes the presence of different socio-cultural groups, including historically disadvantaged and underserved communities, pastoralists, agro-pastoralists, and minorities, as well as their rights to socioeconomic equity and justice. Thus, the summary below draws from the GoE position on underserved and vulnerable peoples.

Article 39 of the Ethiopian Constitution recognizes the rights of groups identified as “Nations, Nationalities and Peoples”. The following are main characteristics 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
- Inhabit an identifiable, predominantly contiguous territory.

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 state and Federal governments

The Constitution also recognizes another group called “national minorities”. Article 54(1) states that: “Members of the House [of Peoples Representatives], on the basis of population and special representation of minority Nationalities and Peoples, shall not exceed 550; of these, minority Nationalities and Peoples shall have at least 20 seats.” These groups have less than 100,000 members and most live in the ‘Developing Regional States’.

Owing to their limited access to socioeconomic development and underserved status over the decades, the Ethiopian government has designated four of the country’s regions, namely: Afar, Somali, Benishangul Gumz, and Gambella as Developing Regional States (DRS). In this respect, Article 89(2) of the Ethiopian Constitution stipulates: ‘The Government has the obligation to ensure that all Ethiopians get equal opportunity to improve their economic situations and to promote equitable distribution of wealth among them’. Article 89(4) in particular states: ‘Nations, Nationalities and Peoples least advantaged in economic and social development shall receive special assistance’.

4.2.1.1 Step one: Screening for social issues

The CRGE initiative implementing entities should screen the proposed potential investments as early as possible to identify the extent and complexity of the potential positive and adverse social impacts and risks. Above all, the ultimate goal of screening is to boost social cohesion and support investments that promote social inclusion in the interests of enhancing equity and equitable access to common resources, goods and services. It will also contribute to the GoE development goal of poverty reduction, sustainable development and achieve a middle income status by 2025 through climate resilient green economy. The GoE is also keen to assure that the implementation of the projects comply with international conventions on human rights and avoid inconveniences to its citizens at best.

The extent and complexity of social issues varies from initiative to initiative, may have positive as well as negative social impacts. The framework will ensure that the adverse

social impacts are minimized or mitigated and their positive contributions enhanced. While screening and later at appraisal should consider unforeseen potential factors influencing social impacts and risks pertaining to the context of the initiative and implementing entities nature of operations.

The screening for underserved, vulnerable peoples and involuntary resettlement and restriction of access to resources could start by reviewing the existing literature on the proposed initiative and similar social assessments, resettlement plans; the GoE constitution and policies, field studies, and other GoE studies.

A. Key Indicators for Underserved and Vulnerable Peoples

A.1. Vulnerable Peoples

The GoE in its draft Social Protection Policy focused on protecting the rights and interests of people susceptible to social risks and vulnerabilities by addressing power imbalances and structural causes that perpetuate economic inequality and social exclusion. This will help the GoE to promote social dialogue in the society which will be supported by budget allocation and legal framework leading to social justice. The term Underserved/Vulnerable Peoples refers to a distinct, social and cultural group possessing the unique characteristics in varying degrees.

Basic principles regarding vulnerable peoples are stated in many of the GoE constitution and various proclamations, where the most comprehensive one is the Draft Social Protection Policy. The policy actions identified **vulnerable people** encompassing vulnerable pregnant and lactating women, children, the elderly, persons with disabilities, labor constrained individuals and households, the unemployed, those exposed to natural and manmade calamities, persons living with or directly affected by HIV and AIDS and other chronic debilitating diseases, victims of social problems such as drug users, beggars, victims of human trafficking and commercial sex workers and people with difficulties in accessing basic social services. The GoE draft social protection policy is attached in annex S-III of this ESSF.

A.2. Underserved peoples

Accordingly the key characteristics of underserved peoples include,

- Self-identification and identification by others with a unique identity
- Collective attachment to land and natural resources the project is planned
- Customary cultural, economic, social or political institutions that are separate from those of the dominant society and culture
- Have a unique language of their own
- Covers groups who have collective attachment to geographically distinct habitats or ancestral territories

As a comprehensive documentation with a well stated description is the World Bank Operational Policy 4.10 on Indigenous Peoples is provided as further reference attached in

annex S-IV. Underserved peoples screening checklist is attached in annex S-V. The screening checklist should be completed, signed and documented at the initiative coordination office. A copy will also be retained at all levels of the investment implementing offices to be verified at any time.

4.2.1.2 Step Two: Appraisal

Once the CRGE implementing entities identified underserved or vulnerable peoples with the above key indicators, then will discuss on the required instrument to make the proposed initiative meet the requirements of socially sustainable development. The instrument widely used to address the concerns of underserved and vulnerable peoples is social assessment. The CRGE Facility should require all investments irrespective of the region the program/projects will be implemented with likely significant positive and adverse social impacts on underserved/vulnerable peoples undertake a social assessment (SA).

A. Social Assessment

A social assessment will provide the basis for the initiatives to understand the social and cultural context, levels of vulnerability and possible areas of cooperation to reach and benefit the people. The assessment need to provide the program/project context, identify, assess and address related potential positive and adverse social impacts and risks according to the requirements spelled out in the GoE constitution and various proclamations. The social assessment could also draw global best practice lessons from other social assessments conducted by GoE sector ministries for other development investments. The social assessment is not a standalone process rather an integral part of other safeguard instruments stated in various parts of this document. The implementing entity should include a summary of the social assessment findings into the program/project document. Basic principles for conducting a social assessment and underserved/vulnerable peoples plan requirements are given in annex S-VI.

B. Community Participation and Consultation

As one of the key tools used to consult the community where the initiative is intended to be implemented, community participation and consultations should be culturally appropriate for the underserved or vulnerable peoples, inform project design, using culturally appropriate development measures as well mitigation or compensation measures. The consultations should ensure that the development process fully respects the dignity, human rights, economies, and cultures of underserved or vulnerable peoples. The social assessment findings and recommendations should ensure underserved or vulnerable peoples receive social and economic benefits that are culturally appropriate and gender and inter-generationally inclusive

Community participation and consultation is fundamental for the success and sustainability of CRGE investments as articulated in the constitution and other relevant proclamations and legal frameworks. Community consultation should be one of the common requirement for identification and characterization of underserved or vulnerable peoples and involuntary resettlement of people by CRGE projects. The basics of community consultation include,

- Should be conducted in the local language and culturally appropriate setting
- Has to introduce the proposed project ideas,
- Identify the potential positive benefits, negative risks and proposed mitigation measures
- The discussion agenda level of complexity should consider the target audience
- Ensure support for the project or document differences identified in the community consultation
- Basic principles and guides for conducting community consultations is given in annex S-VII.

4.2.1.3 Step Three: Underserved/Vulnerable Peoples Plan, monitoring, evaluation and reporting

The social assessment identified positive impacts, risks and mitigation measures should be set in to a plan to be implemented as part of the broader project undertaking. The plan should be monitored, evaluated and reported like all components of the project as per the planning tool attached in annex S-VI. A key guiding supervision and monitoring checklist for CRGE investment is attached with in annex S-VII.

4.2.2 Involuntary Resettlement: Land Acquisition and Restriction of Access to Resources

The CRGE facility or its implementing entities while initiating projects should consider whether it results in involuntary resettlement or restriction of access to natural resources as integral part of the project cycle. During the early stage of project identification, the CRGE facility or its implementing entities identified any potential involuntary resettlement or restriction of access to natural resources under the proposed initiative should consider the following as key requirements,

- Assess the nature and magnitude of the likely displacement due to the proposed initiative;
- Explore all viable alternative investment designs to avoid, where feasible, or minimize resettlement or restriction of access;
- Assess the GoE legal frameworks and policies covering resettlement, compensation and valuing assets

This will lead to the type of instrument to be used to address the concerns related with the resettlement issue discussed in subsequent sections. Therefore, once the CRGE facility or its implementing entities explored the various social safeguard issues under the proposed initiatives at the identification stage, then will consider the following indicative characters for further instrument identification. Most of the concepts, principles and instruments are adapted from The World Bank policy OP. 4.12 Involuntary resettlement, African Development Bank resettlement policy and the GoE related proclamations on resettlement, expropriation, and compensation. The provisions of the World Bank, Involuntary Resettlement Policy are attached in annex S-VIII.

4.2.2.1 Step One: Screening

This section of the ESSF specifies global best practices and the GoE policies on involuntary resettlement that applies to all land acquisition and restriction of access to resources due to a proposed CRGE initiatives. As stated above in the screening process, if a proposed initiative has a potential impact to involuntarily resettle or restrict access to natural resources, the key considerations will check about,

- The nature and magnitude of the likely displacement due to the proposed investment;
- Explore all viable alternative project designs to avoid, where feasible, or minimize resettlement or restriction of access;
- Assess the GoE legal frameworks and policies covering resettlement, compensation and valuing assets; details should answer the following questions;
 1. What is the nature of the proposed program/project and requirement; permanent or temporary taking of land?
 2. Does the proposed program/project restrict access to resources people are accustomed to or change use pattern?
 3. Will the program/project result in restriction of access to resources in parks and protected areas?
 4. Does the CRGE program/project affect a protected area or a natural habitat?
 5. Are there underserved or vulnerable peoples in the proposed initiative implementation area? How will the program/project address the issues of underserved and vulnerable people?

The answers for the above questions supplemented by the screening results will help the CRGE Facility or implementing entities determine the type of instruments to address the issues and concerns related with involuntary resettlement and restriction of access to natural resources. An involuntary resettlement screening checklist is attached in annex S-IX. The screening checklist should be completed, signed and documented at the project coordination office. A copy will also be retained at all levels of the program/project implementing offices to be verified at any time.

4.2.2.2 Step Two: Appraisal

Once the CRGE initiative extent and impact is identified on involuntary resettlement or restriction of access to natural resources the appraisal of the investment by the CRGE facility requires a preparation of the necessary instruments. This might be to prepare a resettlement action plan or process framework. The steps here will specify how the CRGE facility and implementing entities will use the checklist to review the proposal, clear for disclosure before investment approval.

B.1. Resettlement Policy Framework

The resettlement policy framework (RPF) is an umbrella framework adopted by projects when the specific location and extent of impact is not known. This section of the ESSF describes a framework of common principles, objectives, institutional arrangements and procedures that will govern resettlement activities on all CRGE projects. It allows project implementers, which may be in many locations, agencies, or communities, to undertake specific subprojects involving resettlement without having to re-negotiate fundamental agreements.

The RPF highlights the GoE's overall objectives when dealing with involuntary resettlement:

- a) Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs,
- b) Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs,
- c) Provides sufficient investment resources to enable the persons affected by the project to share in project benefits,
- d) Affected persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs,
- e) Affected 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.

It should be understood that the more that is agreed at the RPF stage the less that needs to be discussed and settled in each project case. Thus, where there will be dozens or hundreds of projects by the CRGE implementing entity, it is much more efficient for the project to take the time to get the RPF as complete as possible. The RPF as an umbrella framework to guide all resettlement related concerns should establish the basis for calculating the actual compensation for different kinds assets, trees and structures will ease the process for later stages where each project do not set its own decisions.

B.2. Resettlement Action Plan (RAP)

The scope and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement. Global best practice in involuntary resettlement sets out that a RP is required at appraisal stage of CRGE projects whenever land acquisition in a project affects more than 200 people, takes more than 10 percent of any holding, and involves physical relocation of population. Albeit more than 200 people are affected, if all land acquisition is minor (10 percent or less of all holdings is taken) and no physical relocation is involved, an abbreviated resettlement plan is acceptable.

The ESSF provides criteria for determining the need for a RAP if any of the projects if land needs to be acquired such that people are displaced from land or productive resources and the displacement results in:

- a) relocation, the loss of shelter, the loss of assets or access to assets important to production;
- b) the loss of income sources or means of livelihood; or
- c) the loss of access to locations that provide higher incomes or lower expenditures to business or persons
- d) the number of households affected by project should be more than 200 to prepare a resettlement plan

A RAP is not required if land needs to be acquired and will be donated voluntarily or purchased on a "willing buyer, willing seller" basis. The conditions of the land acquisition must be documented in the project application. However, one of the key milestones on "willing buyer, willing seller" is documentation of the process which could be verified during supervision or at any stage of the project. The points below set a list of outlines the required information related with the preparation of RAP:

- Principles and objectives for resettlement under the project;
- Legal frameworks;
- Estimated population displacement and categories of affected people;
- Eligibility criteria for various categories of affected people;
- Methods of valuing affected assets;
- Organization, procedures and responsibilities;
- Methods for consultation with, and participation of, affected people;
- Schedule for implementing resettlement provisions ;
- Grievance redress mechanisms;
- Budget and funding arrangements; and
- Supervision and monitoring arrangements.

A brief outline of a sample RAP is attached in annex S-X.

B.3. Abbreviated Resettlement Action Plan

An abbreviated plan will be prepared when the number of households affected by A CRGE project affects less than 200 people. Details related with the outline of an abbreviated resettlement action plan and an abbreviated plan include,

- An abbreviated plan covers the following minimum elements,
- A census survey of displaced persons and valuation of assets;
- Description of compensation and other resettlement assistance to be provided;
- Consultations with displaced people about acceptable alternatives;
- Institutional responsibility for implementation and procedures for grievance redress;
- Arrangements for monitoring and implementation; and
- A timetable and budget.
- In case some of the displaced persons lose more than 10% of their productive assets or require physical relocation, the plan also covers a socioeconomic survey and income restoration measures.

B.4. Process framework

In projects involving involuntary restriction of access to legally designated parks and protected areas, the nature of restrictions, as well as the type of measures necessary to mitigate adverse impacts, is determined with the participation of the persons displaced or restricted of access during the design and implementation of the project. In such cases, the CRGE implementing entity prepares a process framework acceptable to the CRGE Facility, describing the participatory process by which

- Specific components of the project will be prepared and implemented;
- The criteria for eligibility of displaced persons will be determined;
- Measures to assist the displaced persons in their efforts to improve their livelihoods, or at least to restore them, in real terms, while maintaining the sustainability of the park or protected area, will be identified; and
- Potential conflicts involving displaced persons will be resolved,
- A description of the arrangements for implementing and monitoring the process,
- The framework will provide a community consultation and participation plan
- The process framework will provide an implementation and monitoring plan

A CRGE implementing entity implementing a project involving restriction of access will provide the CRGE Facility a draft process framework that confirms the relevant provisions of ESSF as a condition of project appraisal. Besides, at the project implementation stage enforcing the restriction, the implementing entity prepares a plan of action, acceptable to the CRGE facility, describing the specific measures to be undertaken to assist the persons displaced and restriction of access.

B.5. Improving or Restoring Livelihoods and Living Standards

The ESSF as a comprehensive guide for the CRGE Facility on the implementation of projects a framework on how groups or communities will be involved to improve or restore livelihoods and living standards. The most common features could encompass,

- The most equitable basis for sharing access to resources under restricted use,
- Alternative resources available for use, and other opportunities to offset losses,
- Community consultation and participation method by which adversely affected community members will make collective decisions about the options available to them as eligible individuals or households.
- Institutions and implementing arrangements for livelihood restoration and improving living standards will be articulated
- Devising reliable and equitable ways of sustainably sharing the resource at stake,
- Should provide a menu of access to alternative resources
- Explain public or private employment (or financial subsidies) for local residents with alternative livelihoods or the means to purchase resource substitutes.

4.2.2.3 Step Three: Monitoring, evaluating and reporting of involuntary resettlement

A comprehensive outline of supervision/monitoring and reporting of a resettlement action plan and an abbreviated plan is attached with this framework as annex S-XI.

5. Institutional Aspects for Coordinating and Implementing the ESSF

The institutional aspects for coordinating and implementing of the ESSF are useful to ensure that that CRGE projects are compliant with the procedures and guidelines set in the Framework and relevant national and regional proclamations and regulations as well. Generally, the coordination and implementation of the ESSF will take place through the existing CRGE facility structure. To this effect, a brief description of these institutions together with their roles and responsibilities in planning and implementation of CRGE projects are presented below.

5.1 CRGE Facility Organisational Structure

The institutional aspects for coordinating and implementing of the ESSF are useful to ensure that that CRGE projects are compliant with the procedures and guidelines set in the Framework and relevant national and regional proclamations and regulations as well. Generally, the coordination and implementation of the ESSF will take place through the existing CRGE Facility structure. To this effect, a brief description of these institutions (Ministerial Steering Committee, CRGE Facility Secretariat, CRGE Management Committee, CRGE implementing entities, and Advisory body) together with their roles and responsibilities in planning and implementation of CRGE projects and the Framework are presented below, including the organo-gram.

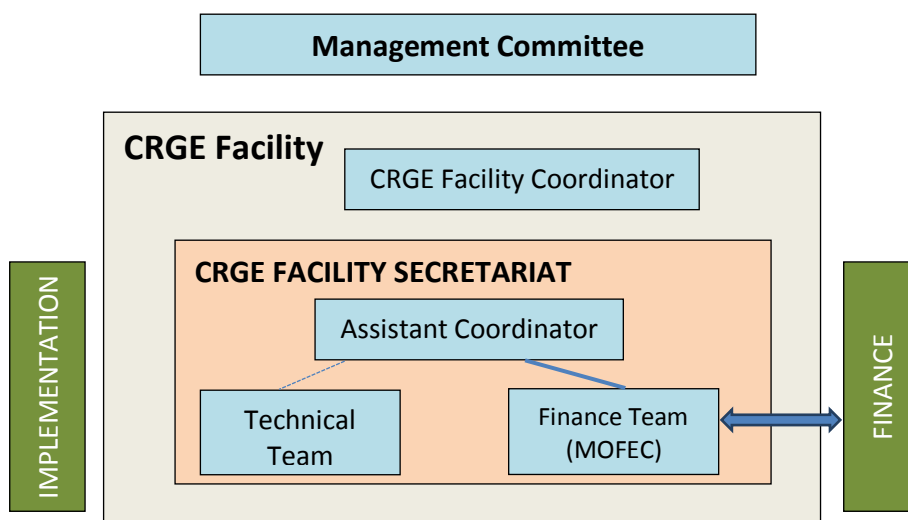


Figure 3: Basic Structure of the CRGE Facility

5.1.1 The Ministerial Steering Committee

The Facility shall be governed by the CRGE Ministerial Steering Committee, which is chaired by the Prime Minister's Office, and comprises one representative from each of the Ministries prioritized by the CRGE Strategy. The Steering Committee is responsible for the following:

- Setting overall policy direction and guidance to ensure coherence and/or collaboration between The Facility and national programmes, maintaining close collaboration with national authorities to ensure flexible adaptation of the Facility activities to changes in national programmes;
- Setting the criteria and scope for approving SRAPs and investment proposals, and determine the overarching priorities for the CRGE Facility;
- Approving the annual overall programme and setting the operational direction of The Facility in order to ensure alignment with the CRGE Strategy and the GTP; and
- Facilitating coordination and coherence with other relevant climate change initiatives related to the UNFCCC, the UNCBD, the UNCCD, the UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD), the World Bank's Forest Carbon Partnership Facility (FCPF) and Climate Investment Funds (CIF) and initiatives of other international and regional organisations and coalitions.

5.1.2 The CRGE Management Committee

MOFEC and MEFCC will co-chair and supervise the activities of the CRGE Management Committee.

All sector ministries involved in the CRGE strategy will be represented both at state minister level and by high level technical support from the civil service (form senior technical experts from the CRGE unit). Moreover, each Ministry will nominate an alternate to attend when the state minister and/or senior representative are unable to attend. Overall, the Management Committee will:

- Provide oversight of The Facility, in accordance with the CRGE Ministerial Committee guidance and decisions;

- Review and approve The Facility's Annual Strategic Plan, which shall include the proposed budget framework and programme priorities. The Annual Strategic Plan shall be prepared by the Facility's Secretariat;
- Review and make fund allocation decisions on all Facility activities appraised by the CRGE facility secretariat as per the parameters set for The Facility;
- Review and approve the Annual Consolidated Reports submitted by IEs. The Annual Consolidated Report shall be based on the annual narrative and financial reports of The Facility's programmes;
- Maintain oversight of financial management of The Facility; and
- Oversee effective monitoring and evaluation of all Facility activities to ensure fund-wide success and transparency, including receiving and approving the Annual Monitoring and Evaluation Report from The Facility's Secretariat, including commissioning independent performance evaluations and 'lessons learned' exercises.

The Management Committee also determines the allocation of funds to proposals approved by the CRGE Facility Secretariat and addresses comments provided by the Advisory Board.

5.1.3 CRGE Facility Secretariat

The CRGE Facility secretariat comprises the CRGE Coordinator, Assistant Coordinator, the finance team and the technical team.

Under the auspices of the Management Committee, the Secretariat is seated in MOFEC and is responsible for the overall management and coordination of the Facility's portfolio.

A **CRGE Facility Coordinator** who is assigned by the State Minister for External Economic Cooperation of MOFEC in consultation with the State Minister for Environment and Forest. The Coordinator reports to the Management Committee and is responsible for the day to day management of the Secretariat and efficient and effective operation of the Secretariat.

- **CRGE Facility Assistant Coordinator**, who coordinates the Secretariat and ensures effective and efficient operations
- A **Finance Team**, based in MOFEC, provides administrative and analytical support necessary to the mobilisation, recording, allocation, management and oversight of pooled funds, ensuring that the CRGE Facility satisfies its fiduciary responsibilities to all Finance Partners; and provides project implementation advice. It also provides all administrative and analytical support necessary to receipt and recording of proposals,

liaison with the CRGE Technical Team, provides the coordination and facilitation of the Management Committee meetings, and monitoring, evaluation and reporting of approved actions.

- A **Technical Team**, led by MEFCC, provides technical support to the implementing entities to generate proposals and facilitates and leads the technical review of proposals. It is also responsible for the measurement, reporting and verification of emissions and vulnerability outcomes stemming from approved actions. Further, based on the ESSF and relevant national environmental and social policies and legal frameworks, the Ministry of Environment, Forest and Climate Change is responsible for reviewing the ESIA report and other relevant safeguards documents (such as RAP, ARAP and ESMP) of CRGE projects and issuance of environmental clearance letter as well as for monitoring.

The Facility Coordinator is under the direct supervision and control of the **State Minister of External Economic Cooperation, working in close collaboration with the State Minister for Environment and Forest.**

5.1.4 Advisory Body

The Advisory Board will consist of development partners (including those capitalizing each of The Facility's Windows), representatives of relevant multilateral organizations, international NGOs and civil society, the private sector and academia. The AB will be hosted and chaired by development partners, on an annual rotational basis.

The Advisory Board will review SRAPs and provide comments and suggestions to both the CRGE Secretariat. However, the Advisory Board is not part of the decision-making process, except as donor representatives on the Management Committee with regards to approval of funds from the International Account.

5.1.5. CRGE Implementing Stakeholders

Implementing Entities (IEs) of the CRGE are Federal (FIEs i.e. line ministries) and Regional governments (RIEs i.e. Sector Bureaus). Federal Implementing entities are the interface with the Facility in that they are the only entities that submit sectoral action plans/programs/projects, receive funds and report results.

At the federal level, these entities include the Ministry of Agriculture, the Ministry of Water and Energy, the Ministry of Industry, the Ministry of Trade, the Ministry of

Transport, the Ministry of Health, and the Ministry of Urban Development and Construction as well as other relevant ministries and authorities (for example the Basin Authorities).

It is the responsibility of the Implementing Entities, in collaboration with concerned stakeholders/Project Proponent, to prepare and carry out the necessary safeguards instruments required by the ESSF, and to obtain the environmental clearances for each CRGE programme/project before commencing the project. Sound environmental practices have to be incorporated into the CRGE project design and implementation, and potential negative impacts will have to be mitigated to acceptable levels/standards. The IE/ proponents are responsible for the quality and accuracy of the information in the ESIA document, as well as the submission of the ESIA documents to the CRGE Secretariat as per the ESSF.

5.2 Summaries of responsibilities for the ESSF Implementation

Organizations	Responsibilities
MoFEC	<ul style="list-style-type: none"> • Informs implementing entities/ proponents about the ESSF process and requirements of the project; includes the ESSF in the information package to be provided to concerned stakeholders; • Participate in a grievance redress mechanism, as described in the ESIA and this ESSF, to receive and facilitate resolution of affected peoples' concerns, complaints, and grievances about the Project's financial performance; • Check that necessary environmental and social clearances and approval(s) from MEFC have been obtained prior to agreement and release of finance;
MEFCC	<ul style="list-style-type: none"> • In collaboration with MoFEC, Coordinates and oversees CRGE projects as per the ESSF and national safeguards requirements; • Review and approve environmental assessment reports and applications for issuance of environmental clearance letter • Informs implementing entities/ proponents about the ESSF process and requirements of the project and includes the ESSF in the information package to be provided to concerned stakeholders; • Ensure that CRGE projects comply with the ESSF and national environmental and social requirements; • Participate in a grievance redress mechanism, as described in the ESIA and this ESSF, to receive and facilitate resolution of affected peoples' concerns, complaints, and grievances about the Project's environmental performance • Conduct the environmental and social management capacity building activities of IE/ proponents and other stakeholders as per the ESSF. • In coordination with MoFEC and others, undertake monitoring of the implementation of the ESMP (mitigation and monitoring measures), RAP, etc.,
IE/Proponent	<ul style="list-style-type: none"> • Obtains environmental clearance letter and other relevant permits before the commencement of the project • Ensure that Project implementation complies with the ESSF and national environmental and social requirements • Periodically (Quarterly) report to CRGE-Secretariat/MoFEC/MEFCC aspects of environmental and social safeguards management and monitoring based on the results of project monitoring • Ensure that sufficient funds are made available to adequately implement the EMP/RAP • Participates in a grievance redress mechanism, as described in the EIA and this ESSF, to receive and facilitate resolution of affected peoples' concerns, complaints, and grievances about the Project's environmental performance • Ensures proper and timely implementation specified in the EMP/RAP, conducts environmental training as specified in the EIA/EMP, • Based on the results of EMP monitoring, identifies environmental corrective actions, prepares and implements a corrective action plan, as well as informs concerned stakeholders
Ministerial Steering Committee	Give overall policy direction and guidance to ensure coherence and collaboration among CRGE coordinating and implementing entities
CRGE Management Committee	Provide oversight of the ESSF implementation Review and Check the performance of the ESSF
Advisory Body	Give advice for the effective implementation of the ESSF

6. CAPACITY DEVELOPMENT FOR SAFEGUARD COMPLIANCE

The effective implementation of the Framework depends mainly on the capacity of the CRGE implementing entities (FIEs and RIEs) and other concerned stakeholders in addressing environmental and social issues in their initiative. To this effect, the CRGE coordinating entities (MEFCC and MoFEC) makes an effort to sensitize, aware and build the capacity of the implementing entities and concerned stakeholders. The awareness and the capacity building areas focus on the environmental and social issues of the CRGE Initiative, national environmental and social safeguards policies and legal frameworks, and procedures, importance, and application of the ESSF. A special emphasis will also be given to the Environmental Safeguards Framework and the Social Safeguards Framework components of the ESSF to ensure management of environmental and social safeguard issues.

Based on the above mentioned capacity building areas and other related issues, the CRGE coordinating entities will undertake safeguards capacity needs assessment, design capacity building program and implement it accordingly. Generally, they will provide short safeguards training programs at least two to three times a year. Moreover, they will also undertake planned awareness activities using various approaches such as websites, brochures, magazines, workshops and mass-medias, including radio, TV and newspapers, as well as community consultation and participation. Likewise, each CRGE implementing entity is required to undertake similar awareness and training activities for their staff and stakeholders. Besides implementing the capacity building program, continual reassessment will be carried out to evaluate its effectiveness and promote accountability.

Therefore, in addition to strengthening environmental and social management capacities, the safeguards capacity building will contribute to the sustainability and multiplier effects of the CRGE investments and the achievement of the triple core objectives of the CRGE strategies as well. It will also be useful to foster corporate environmental and social responsibility within the CREG coordinating and implementing entities as well as other concerned stakeholders.

7. Public Consultation, participation and Disclosure

Public consultation, participation and information disclosure are important and necessary in CRGE Projects preparation and implementation. These enable project affected people and other stakeholders to participate in and contribute to the project planning and implementation, and thereby help minimize adverse impacts and maximize project benefits. The level of public consultation and the scope of information dissemination will be commensurate with the environmental category of the project and the significance of the social impacts.

7.1 Public Consultation and Participation

During the ESIA process for Schedules I and II projects, project proponents are required to conduct meaningful consultation with relevant stakeholders. The stakeholders include, but not limited to, project-affected groups, underserved and vulnerable people and community groups, government organizations with emphasis at woreda level, and local nongovernmental organizations about the project's environmental and social aspects and to take their views into account. The project proponent is required to initiate such consultations as early as possible. For meaningful consultations, the proponent ought to provide relevant information in a timely manner and in a form and language that are understandable and accessible to the stakeholders being consulted. The project team (for Schedule II)/consulting firm (for Schedule I Project) of the proponent should consult the ESSF for the CRGE Initiative, and the national and national regional states environmental and social safeguards policies & legal frameworks for meaningful stakeholder engagement, including decision-making. Please also consult the Guidelines on Public Consultation for detail in Annex 6.

If a project involves involuntary resettlement, before appraisal the proponent shall disclose draft resettlement plans, including documentation of the consultation process, in a timely, culturally-appropriate and inclusive manner, in a place accessible to key stakeholders, including project affected groups. Such documentation should be disclosed in a language understandable to key stakeholders.

For Schedule I project, the project proponent consults relevant stakeholders at least twice: (a) shortly after environmental screening/during scoping and before the terms of reference for the ESIA are finalized; and (b) once a draft ESIA report is prepared. For the initial consultation, the proponent provides a summary of the proposed project's objectives, description, and potential impacts; for consultation after the draft ESIA report is prepared, the proponent provides a summary of the report's findings. In both cases, the summaries should be provided in advance of consultation and proactively disseminated to local stakeholders in a form and language meaningful to those being consulted. In addition, for Schedule I project, the proponent makes the draft ESIA report available at a public place accessible to project-affected groups and other stakeholders. Following the public consultation on the draft ESIA, the proponent supplements the ESIA by adding details of the public consultation process, as well as details of measures (to

be) taken to incorporate main findings of the ESIA report into project design and implementation. These will be publicly provided on the websites of the project proponent and MEFCC and MoFEC.

Lastly, it is vital to underline that the proponent continues to consult with relevant stakeholders throughout project implementation as necessary to address ESIA related issues that affect them.

7.2 Disclosure of Information

For meaningful consultations and participations between the project proponent and project-affected groups and concerned stakeholders on all Schedules I and II Projects, the proponent provides relevant material in a timely and culturally appropriate manner prior to consultation and in a form and language that are understandable and accessible to the groups being consulted. This approach is useful to facilitate awareness among relevant stakeholders that the information is in the public domain for review. This local release should occur in a reasonable timeframe, generally for 30 and 15 days for Schedules I and II projects respectively.

After the proponent submits all relevant documents including ESIA, ESMP, ARAP and/or ARAP to the CRGE-F, they are required to be published on the websites of MEFCC and MoFEC and the proponent as well for public review for *30 and 15* days for Schedules I and II projects respectively. In addition, they have to be disclosed and made available at the local level in specific locations accessible to affected communities and other stakeholders by the project proponent. Only after all steps of the ESIA process including all public consultation and all required disclosure are completed and verified, the project can be considered, reviewed, project design finalized and approved for implementation.

8. Benefit Sharing Mechanism

The GoE is pursuing green growth focuses on leveraging the synergies between the social, economic and environmental dimensions, while balancing efficiency and facilitating transformational change. Ethiopia's Climate Resilient Green Economy (CRGE) Strategy, considers synergies between economic development, poverty reduction, climate change mitigation and resilience across all sectors of the economy. At a macro level the GoE intends to garner broad benefits by attracting investment in innovation, creating green jobs and industries, conserving natural capital and advancing sustainable rural livelihoods.

Ethiopia as a country has not set a clear cut legal frameworks on sharing benefits derived from climate resilient green growth. As a principle, benefits should be used as an incentive to bring about change in behavior that can result in climate green growth. Benefits should be shared among communities, and stakeholders who contributed for the design, implementation and sustainability of climate green growth. It should also cover costs incurred for shouldering implementation, transaction and opportunity costs. It should also reach to effective facilitators of implementation. Although there is no legal framework to base a benefit sharing mechanisms for the CRGE initiatives, the FDRE constitution on article 89, sub article 6 states that “government has the duty to hold, on behalf of the people, land and other natural resources and to deploy them for their common benefit and development.” Given the comprehensive provisions, vested on the GoE, it will be fundamental for the CRGE Facility to set the guiding principles of benefit sharing mechanisms to its investments. The following four key principles could serve as key indicators to design a benefit sharing mechanism in proposed investments.

1. **Public consultation and participation**: as a lead principle provided in the constitution, all CRGE initiative implementing entities should design the respective investments with the participation of the community, where it is going to be implemented to be socially inclusive and incorporate the knowledge and experiences of the communities participated. The participation and consultation process with the community should be a continued process from the design to the implementation phase.
2. **Equity**: benefits should go to those with legal right, those incurring costs, to those who promote green growth, to effective facilitators of green growth implementation. Equity in benefit sharing should consider community members' regardless ethnicity, gender, religion, place of residence, disability status, age, HIV/AIDS status, occupational status or other stigmatized markers, confer disadvantage that excludes people from a range of processes and opportunities.
3. **Gender**: benefits should be tailored to help women play a vital role in driving a robust, shared green growth to achieve a middle-income country by 2025 and

build resilient societies. Thus, women should benefit from the CRGE investments to realize their potential, participation, and productive capacity.

4. **Effectiveness and Efficiency**: Benefits should be used as an incentive to bring about change in behavior that can result in climate green growth and should go to the actors providing these green growth development.

9. Grievance Redress Mechanism

The grievance redress mechanism (the Mechanism) is an essential part of the ESSF that intends to seek feedback from beneficiaries and resolve of complaints on the CRGE investment activities and performance. It should address affected persons' concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to all segments of the affected persons. Generally, the Mechanism will ensure that (i) the public within the CRGE investment influence are aware of their rights to access, and shall have access to, the mechanism free of administrative and legal charges; (ii) these rights and interests are protected from poor CRGE investment performance, especially of beneficiaries and/or affected persons; and (iii) concerns arising from CRGE investment performance in all phases are addressed effectively. Such kinds of approach are useful, among others, to improve outcomes of CRGE investments, help to prioritize supervisions, identify systematic implementation issues and trends, and promote accountability through creating more predictable, timely and results-oriented responses to citizen concerns (WB, 2013).

Accordingly, the CRGE coordinating and implementing entities will be required to set up a Mechanism that would conform to this Framework so as to address any grievance issues related to CRGE investment activities and performance.

9.1 Access

The national CRGE coordinating entities (MEFCC and MoFEC) and CRGE implementing entities in collaboration with concerned regional and woreda government organizations, will make the public aware of the GRM through public awareness campaigns, training and capacity building so as to contribute to the sustainability of CRGE investments and their multiplier effects. Any person, who has feedback or complaints regarding the performance or activities of the CRGE investments during preparation/designing, implementation and operation phases, shall have access to the Mechanism. Contact details in support of the Mechanism will be publicly disclosed and posted in the offices of concerned national and regional government organizations and in strategic places of CRGE investments' areas of influence. These will also be incorporated in the CRGE investments information materials (e.g. reports, magazines, brochures, flyers and posters).

9.2 Grievance Point Person

The Ministry of Environment, Forest and Climate Change, the CRGE-Facility/MoFEC, Regional Environmental Organizations, City Administration Environmental Organizations, and sector ministries/project proponents will each nominate and train one of their experts to be a Grievance Point Person (GPP) for CRGE investment-related issues. The GPPs will be responsible for the initial screening of feedbacks and complaints, as well as, the organization of preliminary meetings with concerned parties to establish the critical path to resolution. A registry of feedback or grievances received will be maintained by the GPPs for reporting to the CRGE-S, specifically for associated follow-up, resolution or non-resolution of issues. Feedback/grievance registries will be consolidated by the CRGE-S for discussions on how to further enhance grievance redress mechanism based on the feedback and complaints.

9.3 Grievance Investigation and Resolution Process (GIRP)

The CRGE coordinating and implementing entities will establish a clear GRM that allows any stakeholders, including project-affected peoples, to raise issues, feedback and complaints about the effects of CRGE investments at all administrative levels (kebele, woreda, region and national/CRGE-S). Feedback or complaints can be communicated using various approaches (e.g. in the form written documents-using the standard feedback/complaint form provided by the GPPs, in person, through email, media, etc.). Unresolved complaints at any administrative level will be brought to court or to the concerned government organization of the next administrative level. All complaints and responses should be documented at the respective environmental organization of the administrative level and the CRGE project implementing entity specifying: (a) type of grievance (e.g. information request, land acquisition grievance, resettlement grievance, etc.); (b) date of complaint; (c) status of complaint (pending or resolved); and (d) level at which the complaint was resolved/by whom, among others. To this effect, GIRP with clear timeline and responsibility is required at all administrative levels so as to be transparent, accountable and responsive. Accordingly, the steps of the GIRP at each administrative level are outlined as follows.

9.3.1 GIRP at the Kebele Level

- (i) Step 1: Feedback/Complaint Form will be completed by any interested persons or complainant and sent/submitted to the GPP of the CRGE implementing entity/proponent (at the kebele level) with a copy to relevant bodies (MEFCC/MoFEC/CRGE-S, Regional environmental organization, woreda environmental office, and/or CRGE implementing entity at various administrative levels).
- (ii) Step 2: Feedbacks and complaints will be recorded in the registry. In cases of complaints, the GPP of the implementing entity will assess the validity of the grievance. If evaluated as valid, within 10 days from the date the complaint is received,

the GPP of the implementing entity/proponent, in collaboration with a committee (comprising kebele officials and local elders) established for addressing grievances will organize meetings to discuss how to resolve the matter. All meetings will be recorded and copies of the minutes of meetings will be provided to beneficiaries or affected persons.

- (iii) Step 3: The relevant implementing entity shall take such mitigation measures as agreed in meetings from step 2 within 10 days, or some other period acceptable to the parties referred to in step 2.
- (iv) Step 4: When the complaint is resolved, the Complaint Form shall be signed by complainant, the established grievance redress committee of the kebele and annotated at each stage of process by the implementing entity with copies to be sent to the concerned woreda government organizations, regional and woreda environmental organization, and CRGE-S.
- (v) Step 5: If no understanding or amicable solution is reached at the Kebele level, or if no response is received from the relevant implementing entity, in collaboration with kebele grievance redress committee, within 15 days after the registration of complaint, the affected persons can appeal to the Woreda Environmental Protection Office, copying to the Woreda Administrative Office, Regional Environmental Organization, CRGE-S and/or other concerned stakeholders. The Woreda Administration Office will decide and take mitigation measures within one month of receiving the appeal.

9.3.2 GIRP at the Woreda Level

- (i) Step 1: Based on the appeal or complaint /grievance received from a kebele or woreda level complainant, the GPP of the Woreda Environmental Protection Office (WEPO) will record the issues in the registry and, in consultation with the environmental impact assessment unit of the WEPO, assess the validity of the appeal or the grievance. If evaluated as valid, the GPP will organize meeting(s) for a woreda grievance redress committee that will decide and take mitigation measures within one month or 15 days of receiving the appeal or complaint respectively. All meetings will be recorded and copies of the minutes of meetings will be provided to project-affected persons and other concerned stakeholders.
- (ii) Step 2: When the appeal or the complaint is resolved, the Appeal or the Complaint Form shall be signed by an appellant/complainant, the WEPO, and annotated at each stage of process by the GPP of the WEPO and the implementing entity.
- (iii) Step 3: If no understanding or amicable solution is reached, or if no decision or mitigation measure is received from the Woreda Environmental Protection Office within one month or fifteen days after the registration of the appeal or the complaint

respectively, the affected persons can present the issue to the woreda court or appeal to the relevant Regional Environmental Organization (REO).

9.3.3 GIRP at the Region Level

- (i) Step 1: Based on the appeal or complaint /grievance received from a woreda and/or regional level complainant, the GPP of the REO will record the issues in the registry and, in consultation with the environmental impact assessment division of the REO, assess the validity of the appeal and the grievance. If evaluated as valid, the GPP will organize meeting(s) for a regional grievance redress committee that will decide and take mitigation measures within one month or fifteen days of receiving the appeal or complaint respectively. All meetings will be recorded and copies of the minutes of meetings will be provided to project-affected persons and other concerned stakeholders.
- (ii) Step 2: When the appeal or the complaint is resolved, the Appeal/the Complaint Form shall be signed by a complainant, the REO, and annotated at each stage of process by the GPP of the REO and the implementing entity.
- (iii) Step 3: If no understanding or amicable solution is reached, or if no decision or mitigation measure is received from the Regional Environmental Organization within one month or fifteen days after the registration of the appeal or the complaint respectively, the affected persons can present the issue to the regional court (for a final decision) or appeal to the CRGE-S.

9.3.4 GIRP at the National Level

- (i) Step 1: Based on the appeal or complaint /grievance received from a regional and/or national level complainant, the GPPs of the CRGE-S (MEFCC and/or MoFEC) will record the issues in the registry and, in consultation with the concerned line directorates of the MEFCC, assess the validity of the appeal or the grievance. If evaluated as valid, the GPP will organize meeting(s) for a national grievance redress committee that will decide and take mitigation measures within one month of receiving the appeal or complaint respectively. All meetings will be recorded and copies of the minutes of meetings will be provided to affected persons and other concerned stakeholders.
- (ii) Step 2: When the appeal or the complaint is resolved, the Appeal/the Complaint Form shall be signed by a complainant, the CRGE-S, and annotated at each stage of process by the GPPs of the CRGE-S and the implementing entity.
- (iii) Step 3: If no understanding or amicable solution is reached, or if no response is received from the CRGE-S within 20 days after the registration of complaint, the affected persons can appeal to the CRGE-Management Committee. The CRGE-

Management Committee will provide a decision and take mitigation measures within one month of receiving the appeal/compliant.

- (iv) Step 4: If the affected person(s) is/are still not satisfied with the decision of the CRGE-Management Committee or if no response is received for twenty days from the date of submission, the complainant(s) as a last resort may submit his/her/their case directly to the federal court to get final decision.

10. Monitoring and Evaluation

Effective safeguards monitoring and evaluation is critical to continuously improving environmental/social impact and performance of CRGE investments and contribute to the achievement of CRGE triple core objectives as well. The safeguards *monitoring* is useful for detecting problems and taking mitigation measures at an early stage and for enhancing beneficial measures so as to ensure environmental and social sustainability of the CRGE investments. Safeguards monitoring also contains elements of accountability as it enables to confirm whether each CRGE investment is being implemented as per its specific safeguards instruments (such as EIS, EMP, RAP, SA) and related agreed documents with the CRGE-S. It also serves as a basis for evaluation as it provides relevant information on the overall progress and achievements of CRGE investments.

Therefore, each CRGE implementing entity will prepare and submit periodic (once in every quarter) safeguards monitoring report using the templates (attached in the Annexes part of the Framework-e.g. Annexes E-V, E-VII, S-VII, and S-XI) to the CRGE-S. The Social and Environmental Compliance Report should state how the specific safeguards requirements of CRGE investments are being met and what corrective actions, if any, are being taken.

Based on the submitted report, the coordinating entities will review and assess the CRGE investment of each implementing entity for its environmental and social safeguards compliance performance and will give feedback accordingly. (It is vital to note that in addition to the ESSF, and the national safeguards requirements, the environmental clearance letter (including conditions stated in it), the EIS reports, ESMPs and RAPs/ARAPs/SA of the financed CRGE investments provide the basis for the comprehensive monitoring and evaluation of the potential environmental and social impacts of the CRGE investments.) Besides, the CRGE coordinating entities will monitor annually each CRGE implementing entity's compliance with all safeguard requirements (such as the ESSF, and ESMP/RAP/ARAP/SA of specific initiative) especially for Schedules I and II investments. The coordinating entities will also prepare and submit an annual safeguards compliance monitoring report to concerned development partners and stakeholders. Furthermore, the CRGE Facility M and E system will be contextualized and applied to all CREG investments seeking finance from the Facility.

Lastly, independent consulting firm, in collaboration with concerned stakeholders, will carry out mid-term and final safeguards compliance evaluation and submit the reports to the CRGE

coordinating entities. Whenever ex-post evaluations are conducted, these will evaluate the sustainability of the outcomes of an operation.

11. Framework Update

As the ESSF is a living document, the CRGE coordinating entities, in consultation with the implementing entities and concerned stakeholders, will periodically (every three years) review the performance of the Framework and achievements of its objectives. The reason for reviewing and updating the Framework is twofold: to incorporate the changes based on the status of the prevailing policies and legal frameworks, if any; and/or to integrate lessons and experience to be obtained by applying the ESSF to various CRGE investments.

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Annexes

Environmental Annexes

Annex E-I: Checklist for the Environmental & Social screening at Project Idea Note (PIN) stage

Guidance:

Screening of environmental and social issues of all projects financed by the CRGE Facility must be carried out as early as possible so that environmental and social risks, impacts and opportunities can be appropriately integrated into the project planning and implementation rather than being brought in at the last minute. To this effect, a project proponent, in consultation with concerned stakeholders and local communities, must take an early action to submit the filled in screening checklist along with the PIN. See Annex E-IX for the PIN template. It is vital to underline that effective identification and management of the environmental and social risks, impacts and opportunities are key pre-requisites to assisting project proponents with the progress of their projects in a timely and efficient manner. It should also be noted that the environmental and social assessment is not a single action but an on-going and iterative process that takes place throughout the project cycle. Therefore, it is essential that the environment and social issues are taken into account during identification, appraisal, implementation, monitoring and evaluation.

Therefore, it is useful to note the following points while preparing the checklist.

- This checklist should be prepared and submitted by a project proponent to the CRGE Facility Secretariat to support the environmental categorization of a project.
- For projects comprising different components (with significant impact difference) it may be necessary to prepare more than one checklist.
- This checklist should be completed with the assistance of an Environmental and Social Development Safeguards Specialists.
- As this checklist focuses mainly on environmental issues and concerns, please ensure that social dimensions are adequately considered by referring to the social assessment section of the framework.
- Answer the questions assuming the “without mitigation” case. The purpose is to identify potential impacts. The response may be yes- if the activity is likely to occur, no- if it is not expected to occur or unknown- if it is uncertain at this stage whether it will occur or not.
- Use the “remarks” section of section B to discuss any anticipated mitigation measures as well as quantification of impacts if possible.
- To have some information and know how on how to rate impact significance, please see Section C of Annex E-I.

A: Project location & related information

Name of the Project & its location:				
Name of the Project Proponent:				
Summary of the project impacts:				
No.	Description	Responses of project proponent		
I	Is the project area in or close to -	Yes	No or Not sure	Remarks, including description of distance, direction, connection to the project area
1.1	• High forest priority areas			
1.2	• Biodiversity hotspot areas			
1.3	• Natural habitats			
1.4	• Cultural heritage site			
1.5	• Protected area, including its buffer zone			
1.6	• Wetlands			
1.7	• Densely populated area			
1.8	• Vulnerable people and community groups			

B: Rapid environmental and social impacts screening checklist

Environmental and Social Issues		Response of the proponent		
		Yes	No or not known	Remarks, including quantification of impacts if possible, & anticipated mitigation measures
B. I	National and Regional State(s) Environmental & Social Policies, Legislations and Standards			
1.1	Policies: Is the project/operation consistent with national and regional state(s) environmental and social policies?			
1.2	Legal context and compliance: • Is the project/operation likely to be consistent with national and regional state(s) environmental and social legal frameworks (including multilateral environmental agreements & social conventions to which Ethiopia is a party)?			
1.3	Environmental & Social principles and standards: • Is the project/operation likely to be consistent with the national and regional state(s) principles and standards?			
B. II	Environmental Issues			
2.1	Environmental impacts: • Will the project have an impact on air, soil, water through emissions or similar? • Will the project cause impacts on the environment through increased exploitation of natural resources (e.g. forests, fisheries, minerals) • Will the project cause alterations in the pattern of land use or land use conflicts?			
2.2	Trans-boundary impacts: • Will the project impact a cross-border national regional state(s) [(river, lake, forest, protected area, etc.)] • Will the project impact downstream riparian countries?			

	Environmental and Social Issues	Response of the proponent		
		Yes	No or not known	Remarks, including quantification of impacts if possible, & anticipated mitigation measures
2.3	Protected areas:			
	<ul style="list-style-type: none"> Does the project include activities within or adjacent to protected and environmentally sensitive areas? 			
2.4	Critical Habitats:			
	<ul style="list-style-type: none"> Does the project involve significant conversion or degradation of critical habitats? Does the project impact on an area of critical habitat? 			
2.5	Biodiversity:			
	<ul style="list-style-type: none"> Will the project impact an area high in biodiversity or impact on a vulnerable, endangered or critically endangered species? Will the project cause threat to the biodiversity and local ecosystems due to invasive species? 			
2.6	Forests:			
	<ul style="list-style-type: none"> Will the project impact high forest priority areas? Will the project involve significant conversion or degradation of high forest areas? 			
2.7	Cultural heritage:			
	<ul style="list-style-type: none"> Will the project adversely impact non-replicable cultural property (e.g. archaeological, historical or religious sites), sites with unique natural values or intangible cultural heritage (e.g. social practices, rituals and festive events)? 			
2.8	Pesticides Use & Pollution:			
	<ul style="list-style-type: none"> Will the project cause use of pesticides? 			
2.9	Vulnerability to climate change:			
	<ul style="list-style-type: none"> Will the outcome of the project and/or impact of the project on environment, communities or ecosystems be significantly affected by climate change projections? Will the project cause increase in flood flows? Will the project cause soil erosion and siltation? 			
2.10	Climate change mitigation:			
	<ul style="list-style-type: none"> Will the project cause Greenhouse Gas Emissions 			
B. III	Social Issues			
3.1	Social assessment:			
	<ul style="list-style-type: none"> Will the project/operation have significant adverse social impacts and risks? 			
3.2	Involuntary resettlement:			
	<ul style="list-style-type: none"> Will the project have any dislocation or involuntary resettlement? Will the project result in livelihood changes that can increase the pressure on available natural resources? 			
3.3	Underserved and vulnerable groups and Peoples:			
	<ul style="list-style-type: none"> Will the project have adverse impacts on vulnerable groups? Have vulnerable groups amongst impacted stakeholders been identified and included in project planning and consultation and engagement activities? Does the project have considered the Constitutional rights of underserved & vulnerable peoples & community groups (e.g. rights to lands, resources, & to be consulted, etc.) 			
3.4	Employment & Labour Standards:			
	<ul style="list-style-type: none"> Are there risks of forced and/ or child labour? Will the project cause increased local unemployment? 			
3.5	Occupational and public health, safety and security:			
	<ul style="list-style-type: none"> Will the project have an impact (direct /indirect) on occupational and public health and safety? 			
3.6	Stakeholder engagement:			
	<ul style="list-style-type: none"> Has the project engaged adequately with project-affected 			

	Environmental and Social Issues	Response of the proponent		
		Yes	No or not known	Remarks, including quantification of impacts if possible, & anticipated mitigation measures
	stakeholders?			
B. IV	Other Environmental & Social Issues			
4.1	Project boundaries & impacts: <ul style="list-style-type: none"> Are the project's ancillary/associated facilities/infrastructure and area of influence likely to pose any significant E&S impacts and risks? Will the project components generate or contribute to cumulative or long-term environmental or social impacts? Are there other developments directly associated with the proposed operation or which in combination will generate high impact? 			
4.2	Environmental and social management: <ul style="list-style-type: none"> Is the environmental and social capacity/performance of the project proponent/promoter to manage environment and social issues satisfactory? Does the promoter have an appropriate and effective management system in place? 			
4.3	Supply chain: <ul style="list-style-type: none"> Are there any risks of adverse environmental and social impacts of the project's supply chain? 			
4.4	Risks: <ul style="list-style-type: none"> Is the project/operation likely to pose significant risks from an environmental, climate and/or social point of view? Is the CRGE-Facility likely to be exposed to any reputational risk? 			

C. Magnitude of Impacts

Guidance

Conducting a prediction, description and evaluation of the potential environmental and social impacts of a proposed CRGE project is one of the key aspects of the ESSF to contribute to the achievement of objectives of the CRGE strategy. To this effect, the intensity (severe, notable or negligible), timing/duration (long-term, medium-term or short-term), spatial extend (far-range, mid-range or localized) and probability (definite/likely, possible or unlikely) of all identified impacts and their relative significance (high, medium or low) should be evaluated. In line with this, it should be noted that the result of the evaluation of the impact significance is useful to prioritize the urgent environmental and social issues and design mitigation/enhancement measures accordingly, provide coherent linkages among the prioritized issues, and plan monitoring linkage with the proposed mitigation/enhancement measures. It also provides strong basis of information for the decision-makers.

Impacts of typically high priority for CRGE project proposals are those which fulfill the following criteria:

- 1) Severe alterations of natural properties, functions or processes, which are of (a)

long-term duration and far range, or (b) long-term duration and mid range, or (c) medium-term duration and far range.

- 2) Notable alterations of natural properties, functions or processes, which are of long-term duration and far-range.

Impacts of typically low priority for subproject of SLMP-II are those which fulfill the following criteria:

- 1) Notable alterations of natural properties, functions or processes, which are of short-term duration and localized range; and
- 2) Negligible alterations of natural properties, functions or processes, which are of (a) short-term duration and localized, or (b) short-term duration and mid range, or (c) medium-term duration and localized range.

Thus, the evaluation of impact significance allows CRG coordinating and implementing entities to focus on the most relevant impacts, for which impact mitigation measures need to be implemented. It is vital to note that the above-mentioned criteria are not mutually exclusive but are very much interrelated, and the probability criterion is not integrated into the analysis but used as an indicator. It is also recommended to be cautious about the accuracy of all predictions to be made for each proposal, as they can only be as accurate and valid as the data and information available. It is therefore necessary to identify any information gaps and deficiencies while undertaking the analysis and to assess any uncertainties associated with the prediction of impacts. A precautionary approach should be pursued when uncertainty about impacts exists. The guiding process of impact rating, determination of significance and ranking is given below.

Table 1: Significance ratings for impact evaluation criteria (Source: UNEP (2008))

Impact rating		Description	Significance
Intensity	severe	severe alteration of natural properties, functions, processes	high
	notable	notable alteration of natural properties, functions, processes	medium
	negligible	negligible alteration of natural properties, functions, processes	low
Duration	long-term	continuously or regularly (once per day) over project life, permanent or irreversible effects (including aftermath effects)	high
	medium-term	several years (< 5) of duration, (including aftermath effects) reversible, periodic events (several times per year)	medium
	short-term	less than one year or restricted to construction, reversible	low
Spatial extend	far-range	effects beyond project site and nearby areas beyond 1,000 m distance of origin	high
	mid-range	within the project site and nearby areas within 1,000 m distance of origin	medium
	localized	punctual, within the area of the project site within 100 m distance of origin	low
Probability	definite/likely	highly probable (> 80%) or definite	high
	possible	fair chance of occurring	medium
	unlikely	little or no chance of occurring (< 20%)	low

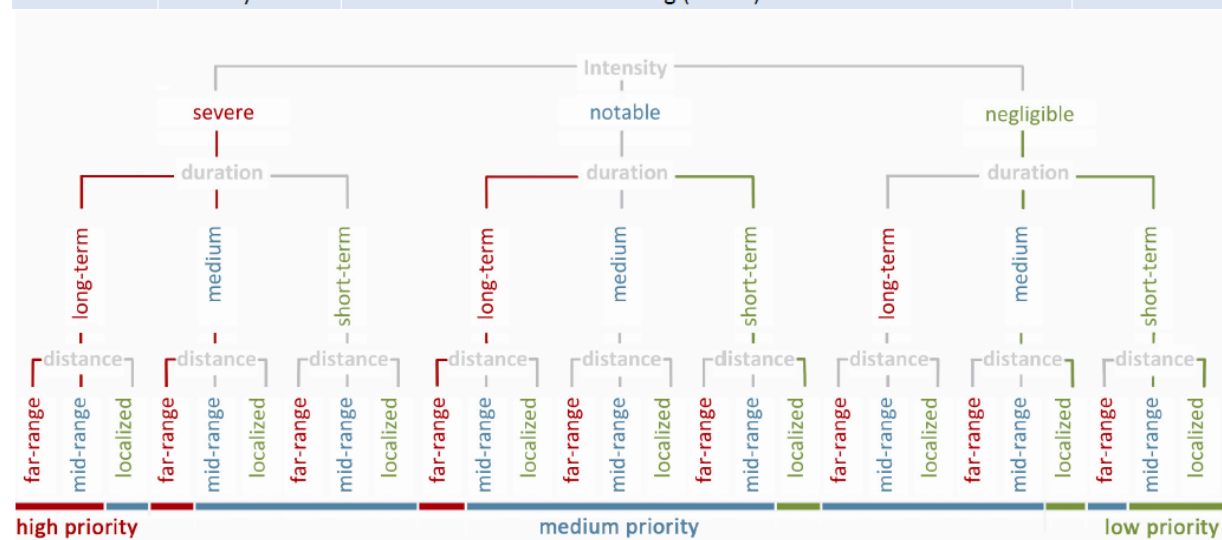


Fig. 4: Decision hierarchy used to identify high (red bottom line) and low priority impacts (green).

Source: UNEP (2008) Desalination Resource and Guidance Manual for Environmental Impact Assessments.

Annex E-II: DETERMINATION OF THE ENVIRONMENT CATEGORY

Guidance

All CRGE investments are subject to categorization to determine environmental assessment requirements. Categorization is to be undertaken using Rapid Environmental and Social Assessment (RESA) and review of additional documentation that may be required. RESA requires the completion of the environmental categorization form (See below for detail). The RESA checklists consist of questions relating to (i) the project location, the sensitivity and vulnerability of environmental resources in project area as well as social aspects, and (ii) the potential for the project to cause significant adverse environmental and environmental impacts.

The process of determining a project's environment category is to be initiated by the technical team of the CRGE Secretariat. The technical team will submit the proposed environment category (Schedules I, II or III) and the checklist to the Resources Mobilization Directorate Director for endorsement or further discussion as required. Final categorization will be the responsibility of the State Minister for the Environment Sector. Accordingly, a project is classified as:

- I. **Schedule I:** Projects with potential for significant adverse environmental impacts. An environmental impact assessment (EIA) is required to address significant impacts;
- II. **Schedule I:** Projects judged to have some adverse environmental impacts, but of lesser degree/significance than those for Schedule I projects. An initial environmental examination (IEE) is required to determine whether or not significant environmental impacts warranting an EIA are likely. If an EIA is not needed, the IEE is regarded as the final environmental assessment report; or
- III. **Schedule III:** Projects unlikely to have adverse environmental impacts. No EIA or IEE is required, although environmental implications are still reviewed.

Categorization is to be based on the most environmentally sensitive component. This means that if one component/activity of the project is with potential for significant adverse environmental impacts, then the project is to be classified as Schedule I regardless of the potential environmental impact of other aspects of the project. Certainly, it is only those aspects of the project with potential for significant adverse environmental impacts need to be assessed in detail. The scoping for the EIA and the TOR for the EIA report should focus on the significant environmental issues.

Environmental Categorization Form

<p>A. Instructions:</p> <p>(i) This form is to be completed by the technical team of the CRGE Secretariat and submitted to the Resources Mobilization & Strategy Development Directorate (RMSDD) of the Ministry of Environment, Forest and Climate Change (MEFCC) for endorsement by RMSDD Director and for approval by the Environment State Minister of MEFCC.</p> <p>(ii) If there is a change in the components or/and site of a project that may result in category change, the Project Proponent should resubmit a new application for project categorization for endorsement and approval. The old form should be attached for reference.</p>
<p>B. Project Information:</p> <p>Project No. _____</p> <p>Project Title: _____ Date: _____</p> <p>Project Stage: _____</p> <p>Coverage: [] Country; [] National Regional State; or [] Inter-National Regional</p>
<p>C. Environment Category:</p> <p><input type="checkbox"/> Schedule I</p> <p><input type="checkbox"/> Schedule II</p> <p><input type="checkbox"/> Schedule III</p> <p>If additional information is needed for categorization, either it will be requested from the project proponent, or safeguards team (to be drawn from MEFCC & MoFEC) of the CRGE- Secretariat will carry out site visit and collect relevant information. In the interim, the project is classified as:</p>

<p><input type="checkbox"/> Category</p> <p>List of Environmental and Social Safeguard Specialist to participate in fact finding :</p> <p>1.....</p> <p>2.....</p> <p>3.....</p> <p>Comments:</p>
<p>D. Documents attached: The categorization will be considered incomplete if proper documentation is not attached.</p> <p>Basis for Categorization:</p> <p><input type="checkbox"/> RESA Checklist;</p> <p><input type="checkbox"/> PIN and/or Site Description (must be attached);</p> <p><input type="checkbox"/> Other:_____</p>
<p>E. Basic Environmental Assessment Requirements</p> <p>Please check one of the Schedules I, II, or III</p> <p><input type="checkbox"/> Schedule I:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Environmental Impact Assessment (EIA) <input type="checkbox"/> Environmental Management Plan including a Budget <input type="checkbox"/> Public Consultation (at least twice) <input type="checkbox"/> Disclosure X days in advance of CRGE Management Committee Consideration <p><input type="checkbox"/> Schedule II:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Initial Environmental Examination (IEE) <input type="checkbox"/> Public Consultation <input type="checkbox"/> Environmental Management Plan including a Budget <input type="checkbox"/> Disclosure X days in advance of CRGE Management Committee Consideration

[] Schedule III:

☐ Review of Environmental Implications

F. Signatures

Category Assigned by:

	Name	Title	sig. & date.....
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

Endorsed by:

1.	_____	_____	_____
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Approved by:

1.	_____	_____	_____
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Annex E-III: Draft “Guideline Series Documents for Reviewing Environmental Impact Study Reports” EPA (2003)



Review GUIDELINE
DOCUMENT 1 Final.doc

Annex E-IV: Draft “Environmental Standards for Industrial Pollution Control in Ethiopia,” EPA (200x)



Environmental
STANDARDS FOR INDUSTRY

Annex E-V: Draft “Environmental Assessment Reporting Guide,” EPA (2004)



Reporting
format.doc

Annex E-VI: Draft “Guidelines on Public Consultation” (MEFCC, 200X)

Annex E-VII: Suggested Environmental and Social Management Plan Compliance Monitoring Template**I. Project Information**

- 1.1. Name of proponent:
 1.2. Project Title:
 1.3. Environment category:
 1.4. Location:

II. Main findings of the monitoring, including grievance issues:**III. Impacts/issues as per the ESMP:**

ISSUES (POTENTIAL IMPACT)	MITIGATI NG MEASUR ES	SCHEDULE / DURATION OF MITIGATING MEASURES	Complianc e Progress Indicator	Status of Compliance				MEANS OF VERIFICATI ONS/REMA RKS	Factors Affecting Safeguards Compliance	Actions Needed
				Overall Target	Target As of the Reporting Period	Actual As of the Reporting Period	Variance			

IV. Conclusions and recommendations:**V. Signatures**

	Name	Sign.	Date
Prepared by:	1-----	-----	-----
	2-----	-----	-----
	3-----	-----	-----
Approved by:	1-----	-----	-----

Annex E-VIII: Environmental Impact Assessment Proclamation No. 299/202



Proc No. 299-2002
Environmental Impact

Annex E-IX: CRGE Project Preparation Manual



CRGE Project
Preparation Manual_F

Annex E-X: Draft Guidelines on Strategic Environmental Assessment



Guidelines on
strategic environment

Annex E-XI: Multilateral Environmental Agreements

No.	Multilateral Environmental Agreements to which Ethiopia is a party	Adoption	Entry into Force	Date/year of ratification/accession/acceptance etc.
1	Convention on Biological Diversity (CBD)	22 May 1992	29 Dec. 1993	May 31, 1994 (proc.# 98/1994)
2	Cartagena Protocol on Biosafety to the Convention on Biological Diversity	January 2000	September 2003	signed - 24 May 2000 Ratified - 22 Sept 2003 (proc.# 362/2003)
3	Convention to Combat Desertification	1994	26 Dec. 1996	Ratified in 1997 (Proc.# 80/1997)
4	International Treaty on plant genetic resources for food and Agriculture	Nov. 2001.	June 2004	Ratified - 2003
5	Vienna Convention for the Protection of the Ozone Layer	March, 1985		Became party on January 1996
6	Montreal Protocol on Ozone Depleting Substances	Sept. 1987	01 Jan. 1989	Became party on January 1996
7	UN Framework Convention on Climate Change (UNFCCC)	1992, Rio	March 1994	31 May 1994
8	Kyoto Protocol to the UNFCCC	Dec. 1997 (Adopted) March 1998	16 February 2005	21 February 2005
9	Stockholm Convention on Persistent Organic Substances	Signature period (23 May 2001-22 May 2002)	17 May 2004	Signed - (17 May 2002) Ratified - (2 July 2002) Proc.No.279/2002
10	Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade	10 Sept. 1998		Ratified - 2 July 2002 (Proc.No.278/2002)
11	Basel Convention on the Trans boundary Movement of Hazardous Wastes and their Disposal	1989 Adopted	1992	Ratified on 31 Feb. 2000 (Proc.# 192/2000)
12	Basel Ban Amendment	22 September 1995		Ratified on 3 July 2003 (Proclamation No. 356/2003)
13	Protocol on Liability and Compensation for Damages Resulting from Trans boundary Movements of Hazardous Wastes and Their Disposal	10 December 2000		Ratified on 3 July 2003 (Proclamation No. 357/2007)
14	Bamako Convention on the ban of the Import into Africa and the Control of Trans boundary Movement and Management of Hazardous Wastes within Africa	Jan. 30, 1991	22 April 1998.	Acceded - 2002 (Procl. No. 355/2003)
15	Convention on International Trade in Endangered Species of Wild Fauna and Flora	Signed - 3 March 1973	Entered into force - 1 July 1975	Ratified – 04/07/1989
16	Multilateral Environmental Agreement Ethiopia is considering to join			
	a) Kyoto Protocol Second Amendment			
	b) Minamata Convention on Mercury			

Social Annexes

Annex S-I: Annex-S-I Sample Compensation Entitlement Matrix



Annex-S-I Sample
Compensation Entitle

Annex-S-II Council of Ministers Regulation No. 135-2007



Annex-S-II Council
of Ministers Regulatio

Annex-S-III Final Draft of the National Social Protection Policy



Annex-S-III Final
Draft of the National

Annex-S-IV OP 4.10 World Bank Indigenous Peoples Policy



Annex-S-IV OP 4.10
World Bank Indigenou

Annex-S-V-Underserved Peoples Screening Checklist



Annex-S-V-Underser
ved Peoples Screenin

Annex-S-VI Underserved Vulnerable Peoples Plan and Social Assessment Basic Principles



Annex-S-VI
Underserved Vulneral

Annex-S-VII Social Safeguards Compliance Monitoring and supervision checklists



Annex-S-VII Social
Safeguards Complian

Annex-S-VIII OP 4.12 Involuntary Resettlement section



Annex-S-VIII OP
4.12 Involuntary Res

Annex-S-IX Involuntary Resettlement Screening Checklist



Annex-S-IX
Involuntary Resettler

Annex-S-X Sample RAP Template



Annex-S-X Sample
RAP Template.doc

Annex -S-XI Resettlement Supervision Guidelines



Annex -S-XI
Resettlement Supervi