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1 INTRODUCTION

This Chapter of the report provides a demographic, cultural and economic overview of the Project Area and also describes the physical infrastructure and services available in the Social Study Area. The data was collection through desktop research (on national and regional data) and also household surveys and interviews with key informants and project affected people (for the site-related data). The purpose of collecting this information was to obtain baseline data for conducting the impact assessment and to monitor and measure changes against the potential future changes to the Social Study Area due to the implementation of the Project.

Ethiopia is located in the Horn of Africa and it is bordered by Eritrea to the north and northeast, Djibouti and Somalia to the east and southeast, Sudan and South Sudan to the west, and Kenya to the south. It is the second most populous country in Africa, with a population of 97 million people across a total area of 1.1 million square kilometres (km²).

The proposed Yirgalem IAIP and Dilla RTC sites are located in the Eastern SNNP Region, with the IAIP located in the Sidama zone and the RTC located in the Gedeo zone. Hawassa is the capital of the Sidama zone and is located approximately 220 km South-West of Addis Ababa, the country's capital city. Dilla is the capital of the Gedeo zone and is located approximately 356 km south of Addis Ababa.

The IAIP footprint in Sidama will occupy approximately 214.86 hectares (ha¹). After this project was taken forward, in early 2016, the Government initiated the resettlement process and to-date completed a survey of project affected people. In early September 2017 the Government also started contacting affected people to organise payment of compensation. The RTC footprint in the Gedeo Zone will occupy approximately 9.88 ha. The Government also has started the relocation process at the RTC site, and the survey of affected people was completed two years ago.

The proposed SNNP project affects an estimated 379 households (i.e. 334 and 45 households affected by the IAIP and RTC respectively), where people could be affected through physical or economic displacement or a combination of both. Taking into account that the average number of people in a typical SNNP region household is 4.8², it is likely that over 1,700 people could be affected by the land use changes and displacement caused by the project.

1.1 SOCIAL AREAS OF INFLUENCE (AOI) – SOCIAL STUDY AREA

The Area of Influence (AoI) can be defined as the area likely to be affected by the proposed Project activities during the pre-construction, construction, operations and closure / decommissioning phases. Given the nature of the Project and its anticipated impacts, the Project AoI for socio-economic aspects and the associated baseline description covers:

- The area likely to be affected by the proposed Project activities during the pre-construction, construction, operations and closure / decommissioning phases;
- The IAIP and RTC areas from where the affected households will be relocated by the Government;
- The area occupied by the IAIP’s and RTCs auxiliary infrastructure, including the access road and construction camp; and
- New locations where the affected households will be moved to.

1.2 ADMINISTRATIVE AND DEMOGRAPHIC ENVIRONMENT

The IAIP site is located within the SNNP Region, which is further divided into 13 administrative zones which are then further sub-divided into 133 Woreda governments and urban

¹ Based on the latest official information available to the WSP team
² World Bank 2015, Rural Socio-Economic Survey in Ethiopia
administrations, all of which, under Ethiopia’s decentralised system of government, have their own governing councils.

The SNNP region is a large region in Ethiopia, accounting for more than 10% of the country's surface area. The population is estimated at nearly 18 million; amounting to around a fifth of the country's population (Central Statistical Agency, 2015). It is overwhelmingly rural, with only 8% living in urban areas. The SNNP Region has a population density of 136 persons per 1 km², and the population is growing at 2.9% per annum (Bureau of Finance and Economic Development, 2014).

On the town level, the proposed Yirga Alem IAIP site falls under the jurisdiction of Hawassa Town within the Sidama administrative zone. The Sidama Zone is spread between northeast of Lake Abaya and southeast of Lake Hawasa, and covers 21 Woredas. The Sidama Zone is bordered by the Arsi Oromo in the north and west, Gedeo, Burji, Guji Oromo people groups in the south, Guji Oromo in the west, and Wolayta and Kambata language groups to the east.

Fig 1-1: Location of the SNNP Region vis-à-vis the country territory

Important cities and towns in the SNNP region include: Wolkite, Hisaina, Durame, Hawassa, Dilla, Sodo, Jinka, Masha, Bonga, Arbaminch, Mizan Aman, Tercha, Halaba, Fofa, Segen, Laska and Ameya. Hawassa is the capital of the region.

Based on the latest population estimates (CSA, 2015) the entire region has 3,110,995 households, which results in an average of 4.8 persons to a household (data for the SNNP region), with urban households having on average 3.9 and rural households 4.9 people.

Using the 2015 CSA estimates, nearly 40% of the Region's population is made up by children (0-14 year olds). Nearly 23% of the region’s population is represented by young people (15-29 year olds), 19% by people between 30 and 60 years of age, and the rest are over 60.

Based on the latest population estimates (CSA, 2016), the Sidama Zone has a total population of 2,954,136 people, of which 1,491,248 are men (50.5%) and 1,462,888 women (49.5%); and occupies an area of 6,538.17 km². Sidama has a population density of 451 people per 1 km². A total of 592,539 households were recorded in this Zone, which results in an average of 4.99 persons to a household.
In comparison, the latest population estimates (CSA, 2016) show that the Gedeo Zone has a total population of 847,434 people, of which 424,742 are men (50.1%) and 422,692 are women (49.9%); with an area of 1,210.89 km². Gedeo has a population density of 699.84 per 1km². A total of 179,677 households were counted in this Zone, which results in an average of 4.72 persons to a household.

1.3 MIGRATION PATTERNS

Ethiopia is experiencing strong economic growth and migration trends. The reports of the Ministry of Labour and Social Affairs (MoLSA) registered 460,000 legal migrants between September 2008 and August 2013, the majority of whom obtained overseas jobs as domestic workers. 79% of such people were travelling to Saudi Arabia, 20% to Kuwait and the rest to Dubai and other countries.

One of the major reasons for such significant migration is believed to be the shortage of land that can be made available to the youth and young families. Only vacant land whose owners are deceased is usually transferred to the youth on the basis of age of the applicants. However, the amount of such land being available for internal re-distribution among community members is limited.

Local communities are witnessing the changes brought by such migration, where the improved well-being in the families with migrant’ members are pushing other families to take the same decision and send one of their members to work overseas.

1.4 LAND USE, LIVELIHOOD AND VULNERABILITY

In Ethiopia all land belongs to the State; whilst land can be leased to private individuals, they cannot own it. The Constitution provides for equal access, use, transfer and administration over land. It grants access to agricultural land for rural residents, and allows all inhabitants to utilise the land for farming. Farmers and pastoralists could be granted lifetime ‘holding rights’ giving them rights to farm the land except for its sale and mortgage.

In the SNNP region, land usage certificates that belong to married couples typically record both the name of the husband and wife, giving equal rights to the wife. However, this depends on communities, as some local communities practice polygamy in the SNNP Region, and in such families the names of the husband and his first wife are often recorded in the land certificate (USAID report on Ethiopia, 2013).

The Sidama zone is the leading coffee producing zone in Ethiopia, which significantly contributes to the foreign exchange of the federal government. The Central Statistical Agency (CSA) reported that 63,562 tons of coffee was produced in Sidama and Gedeo combined in the year ending in 2015, based on the Ethiopian Coffee and Tea authority records. This represents 63% of the SNNP’s overall coffee production output and 28% of Ethiopia's total output.3

The land holdings in the Region are generally very small and usually the average amount of land is less than one hectare per household. The main crops grown in the region include: maize, teff, Enset (false banana), coffee, potato, wheat, fruits and vegetables. Enset (Ensete ventricosum) is a widely produced staple food in the region.

The zone is rich in water resources, but the resources are not used to their full potential. Morbidity and mortality in SNNP region are often attributable to lack of clean drinking water, poor sanitation, and low public awareness of environmental health and personal hygiene practices.4

The Gedeo area also experiences economic benefits associated with the natural beauty of the landscapes in the area including the well-kept agroforest and agricultural systems. The Gedeo

3 CSA National Statistics
agroforestry system, by its nature, is home to a diversity of flora and fauna which provides a further boost to tourism (Koofhafkan and Miguel, 2016).

1.5 ETHNICITY, RELIGION AND LANGUAGE

The three largest ethnic groups reported to be residing in the Sidama Zone, include: the Sidama (93.01%), the Oromo (2.53%), and the Amhara (1.91%). Sidamo is spoken as a first language by 94.23% of the inhabitants, 2.14% speak Amharic, and 2.07% Oromiffa; the remaining 1.56% spoke all other primary languages reported.

Approximately 84.38% of the population are Protestants, 4.62% Muslim, 3.35% practiced Ethiopian Orthodox Christianity, 3.01% embraced Catholicism, and 2.72% observed traditional religions (CSA, 2015).

The four largest ethnic groups reported in the Gedeo Zone are: the Gedeo (86.14%), the Oromo (4.71%), the Amhara (3.37%) and the Gurage (1.55%); all other ethnic groups made up 4.23% of the population.

Gedeo is spoken as a first language by 86.82%, 5.82% speak Amharic and 4.12% speak Oromiffa; the remaining 3.24% spoke all other primary languages reported.

Over 74% of the inhabitants are Protestants, while 10.67% practice Ethiopian Orthodox Christianity, 7.96% observed traditional religions, 2.44% were Muslim, and 2.11% embraced Catholicism (CSA, 2015).

1.6 EDUCATION

At the country level, the majority of Ethiopians do not have sufficient education, with females being less educated than males. Based on the latest National Census data, 48% of females and 37% of males have never attended school. 42% females and 48% males have only primary education, while 3% of females and 4% of males completed primary education and did not attend secondary school. Only 5% of females and 6% of males have attended but not completed secondary education, and an additional 3% of females and 5% of males have completed secondary or higher education. In urban areas, 42% of the population are illiterate.

Furthermore, according to a 2013 survey undertaken by the Central Statistical Agency and the World Bank, the literacy level (for reading and writing in any language) reached 53% for males and only 36% for females (CSA and WB 2015). About 40% of boys and 37% of girls (7-18 years) are not in school and about 60% are enrolled in primary schools and the remaining few (less than 3%) are enrolled in secondary school.

Education plays a crucial role in the process of social and economic transformation and stands as a key poverty reduction method. Taking into account the role education plays in the socio-economic development, the Ethiopian government has paid great attention to promoting education in various regions of the country including the study project area. Accordingly, the project area regional bureau has also made various efforts for the development of education in the region to this end, woredas are no exception.

Dilla, an administrative centre/capital of the Gedeo Zone, hosts the Dilla College of Teachers’ Education, which was founded in 1996 and was part of Debub University. The college became a fully-fledged University in 2007 and offers more than 30 programs to ranging from bachelor’s to Masters and degree.

1.7 HOUSEHOLD INCOME AND EXPENDITURE

According to data obtained from the Finance and Economic Development Office within the general project areas, the household income level is low in the project area. Accordingly, the figures for low, middle and high level monthly incomes in Ethiopian Birr are respectively: <150,
500-1500, and >1500. Cash income sources are mainly from sales of agricultural products (sales of crops, livestock and their produces), which are the source of more than 80% of the cash income of financially comfortable households in the project area.

The region has diverse agricultural zones, fertile soil and good water resources, and all this creates a huge potential for production of a variety of agricultural products including crops both for export and domestic consumption, especially coffee.

Though the community gets good income from coffee selling, they become temporarily financially comfortable only for three months during coffee production and selling months and then struggle financially during the remaining nine months, due to poor financial management and weak savings (source: Finance and Economic Development Office, 2015).

The 2013 survey undertaken by the Central Statistical Agency and the World Bank indicated that fertilizer is a major expenditure source and is used in over half of major food grain fields (CSA and WB 2013). In addition, it identified that cash and food transfers are the most common types of other incomes available to households. Other sources of alternative income are received through a cash transfer from friends and relatives (10%) with an annual average amount of Birr 1,535 (approximately USD 82.00). Households also receive food, cash or other non-food in kind assistance from government and non-government programs.

Of the population, 15.4% in the Sidama zone and 19.6% in the Gedeo zone is in non-farm related jobs, compared to the national average of 25% and a regional average of 32%.

1.8 EXISTING INFRASTRUCTURE

Despite the zone being rich in water sources, much of the SNNP regions morbidity and mortality are often attributable to lack of clean drinking water, poor sanitation, and low public awareness of environmental health and personal hygiene practices (CSA and WB 2013).

According to a Road and Infrastructure Survey carried out by the World Bank in the Sidama Zone in 2014, 8% of the inhabitants of Sidama have access to electricity, this zone has a road density of 137.4 kilometres per 1000 km² (compared to the national average of 30 kilometres).

A healthcare facility is located in the northern section of the site. The facility currently provides health care to the residents in the area. It has been indicated that the healthcare facility is to be retained on the site to continue servicing the community. A school is located in the central section of the proposed site. Similar to the school, the suitability of locating the healthcare facility within the IAIP is to be assessed in terms of safety to staff and community members utilising the services of the facility. Adjacent to the healthcare facility is an agricultural training centre. The existing structures are intended to be demolished and the training centre incorporated into new facilities within the IAIP.

Based on the ESIA’s team site observations, other than residential dwellings the only infrastructure located in the vicinity of the proposed RTC site includes the existing pump house and overhead power line. The overhead power line is planned to be relocated off the site by the Ethiopian Electric Power (EEP) and the existing pump house is to be retained.

1.9 NATIONAL HOLIDAYS

A number of religious holidays and national celebrations are shown in Table 1-1. In case of an unplanned event during construction or operation of the IAIP or RTC facilities, it is expected that support and emergency assistance may be less responsive during national holidays.

<table>
<thead>
<tr>
<th>Month</th>
<th>Date/Week day</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>07 / Saturday</td>
<td>Ethiopian Christmas</td>
</tr>
<tr>
<td>January</td>
<td>19 / Thursday</td>
<td>Orthodox Epiphany</td>
</tr>
<tr>
<td>March</td>
<td>02 / Thursday</td>
<td>Victory of Adwa</td>
</tr>
<tr>
<td>April</td>
<td>06 / Friday</td>
<td>Ethiopian Good Friday</td>
</tr>
<tr>
<td>Month</td>
<td>Date/Week day</td>
<td>Event</td>
</tr>
<tr>
<td>-----------</td>
<td>---------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>April</td>
<td>08 / Sunday</td>
<td>Ethiopian Easter</td>
</tr>
<tr>
<td>May</td>
<td>01 / Monday</td>
<td>International Labour Day</td>
</tr>
<tr>
<td>May</td>
<td>05 / Friday</td>
<td>Freedom Day</td>
</tr>
<tr>
<td>May</td>
<td>28 / Sunday</td>
<td>Downfall of the Derg</td>
</tr>
<tr>
<td>June</td>
<td>15 / Friday</td>
<td>Eid al-Fitr</td>
</tr>
<tr>
<td>August</td>
<td>22 / Wednesday</td>
<td>Eid Al Adaha</td>
</tr>
<tr>
<td>September</td>
<td>11 / Tuesday</td>
<td>Ethiopian New Year</td>
</tr>
<tr>
<td>September</td>
<td>27 / Thursday</td>
<td>Meskel</td>
</tr>
<tr>
<td>November</td>
<td>21 / Wednesday</td>
<td>Prophet's Birthday</td>
</tr>
</tbody>
</table>
2 SOCIO-ECONOMIC PROFILE OF PEOPLE IN THE PROJECT AREA (BASED ON WSP SURVEY)

2.1 METHODOLOGY

The ESIA team, made up of local specialists guided by WSP, carried out a household survey in Yirga Alem and the Dilla towns, where based on the resettlement process initiated by authorities, over 1,700 people could be economically and/or physically displaced.

The ESIA team was targeting mainly those people who identified themselves as being affected by the project (and therefore covered by the resettlement process initiated by local authorities) and who still reside at the site. The ESIA team thus interviewed people from 289 households who confirmed to be affected by the project and currently reside in the vicinity of either the Yirga Alem IAIP or Dilla RTC sites. As the resettlement process had already been started by local authorities prior to the ESIA team involvement in the project, it was not possible or practical to locate and interview all 379 households who were surveyed by the government authorities back in 2016, as some of them have moved on.

In order to gain a wider socio-economic profile, the ESIA team also conducted surveys in the areas close to the project site that were identified as being unaffected by the project, interviewing a further 74 people.

The questions posed to the interviewees were aimed at collecting the relevant household and demographic information of not only the person who was interviewed but also members of their family, thus collecting the data on the wider circle of local residents and obtaining more detailed socio-economic profile of local people.

2.2 GENDER AND AGE

Both women and men were encouraged to participate in the household survey. Both resulted in similar outcomes, with approximately 86.5 % and 13.5 % of the questionnaires being answered by men and women, respectively (Figure 2-1).

All of the respondents chose to disclose their age. 21.5 % of the questionnaires were answered by people who were between 16-30 years of age, 46.3 % were between 31-45 year olds, 21.2 % were between 46-60 year olds and 11.0 % were >66. Over two thirds of all respondents were noted to be young, i.e. being in their mid-teens to mid-40s (68 %) (see Figure 2-2 below). Some respondents stated that they had up to 10 members living in the
residence. When considering the total household population, 39% were between 0-15 years of age, 36% were between 16-30 years of age, 16.4% were between 31-45 year olds, 6.0% were between 46-60 year olds and 2.6% were >66 (Figure 2-3).

### Education

The educational profile has been further enhanced by the additional analysis of the education level of the interviewee’s family members within each household visited. The extended collection of the education data on other family members revealed that **87% of respondents who are over 45 years old** (46-60 and >60 age) reported as having **had only primary (35%) or no form of education (52%)**.

However, in the 16-30 year age bracket the majority had either a primary education (45.5%), high school education (40.4%), a Technical Diploma (8.6%) or a Higher/University Degree (2.5%). In other words, the opposite is true for the younger generation in the project area, where 51% of the younger category has received at least secondary education and 12% have undertaken secondary education or higher. Only 3% of 16-30 year old respondents had received no education.

In total, **close to 20% of all respondents had not finished their basic schooling or had no education**. Over half of all family members (50.4%) included in the surveys finished a primary school education at a minimum. This figure is lower than the reported national statistics, with 48% of females and 37% of males having never attended school, receiving only some or no primary education.
The surveys showed that a lower percentage of family members went on to further education, with 4% and 1.8% as having a technical diploma and a Higher/University Degree education level, respectively. In summary, low education attainment levels were noted among the interviewed respondents, where the majority of interviewees and their immediate adult family members mostly had either no education or finished at primary school, while the opposite is true for the younger generation who received a much better level of education. This disparity is shown in the two figures below.

### 2.4 EMPLOYMENT

75% of the head of household respondents stated that they were self-employed farmers. Other types of occupation among the interviewed heads of households included business and trade (12%), civil servant (11%), pensioner (1%), unemployed (0.5%) and other (<1%). It should be noted that no additional details were recorded if the respondent selected ‘other’.

The employment profile of the rest of the family members shows that over a quarter (27.4%) of all adult family members (spouses, sisters, brothers, etc.) defined themselves as a farmer, while 3.7% of them defined themselves as either a civil servant or employed within a business or trade (5.3%).

![Employment (Head of Household)](image1)

![Employment among family members (Total)](image2)

**Fig 2-6: Employment among Heads of HH**  **Fig 2-7: Employment in total among family members**

The questionnaires showed that 16.4% of all family members were unemployed. This is a significantly lower level of unemployment that was expected in the project area.

### 2.5 ASSET OWNERSHIP

Most of the respondents have irregular and unpredictable income (derived mainly through agricultural activities) and ownership of electronic goods in the interviewed households was low.

Whilst 79% of the surveyed respondents stated they owned a mobile phone, a much lower percentage of respondents confirmed they owned other electrical items, with a television owned by 9.6%, a satellite dish by 6.6%, a landline telephone 1.75%, the internet by 0.6% and only 0.3% of the respondents had access to a washing machine and refrigerator in their homes.

99% of the surveyed respondents are currently living in houses (with an average of 2 floors) or have a plot of land that they cultivate. The average size of land currently in use, including agricultural and the property was 1,000 m². Furthermore, the results demonstrate how important animal husbandry is for supplementary income in the survey area, with 34% owning goats, 83% owning chickens, 46.8 % owning cows and 27.5% owning sheep. In addition, 16% stated that they owned donkeys, 8.8% owned an ox and 0.6% owned a horse.
The majority of surveyed respondents did not own any form of personal transport (car or bike), with only 1.7% owning a car and 13.2% owning a bike/moped.

The survey asked respondents to list any areas of cultural heritage within the area. 60% of the respondents stated that there were areas of cultural significance located nearby, which ranged from 5 km to 35 km. Respondents were also asked the distance to the nearest cemetery from their home, this ranged from 0.5 km to 15 km, with an average of 1.84 km.

### 2.6 HOUSEHOLD INCOME AND EXPENDITURES

Questions about people's income and expenses are traditionally challenging and a high percentage of people often opt out and chose not to answer such questions. In the case of this socio-economic survey, the survey team made an effort to engage with people and explained at length why this data is being collected. As a result all of the respondents agreed to share the details on their income.

The majority of respondents (98%) indicated that they derive most of their income from farming/agricultural activities or from other forms of employment (business/trade or formal employment). In addition, 1.9% of interviewed households supplemented their income from other economic undertakings. The alternative forms of income (separate from occupational/salaried employment) were reported by the respondents who regularly source their income from rented property, social security benefits and remittances from other family members.

Among the respondents, the average household income from all livelihood sources and obtained from all working age family members totals to approximately 6,734 Birr/month (equivalent to $244/month, Jan 2018 exchange rate). The estimated annual per capita/person household income data from the WB report (2016) shows that an average per capita annual income in Ethiopia is $660/person. Assuming that there are at least three working adults in an average household (statistically, 4.8 people per household in Ethiopia), the obtained income data is broadly in line with the World Bank 2016 data.

When asked about their monthly expenditures, 94.2% of respondents indicated that they spend most of their monthly income on food. Thus, most of the people cultivating land in the project area will be severely affected if their access to land is disrupted, leading to significant reduction of their income and in most cases, future livelihood.

The next most important expenditures for the respondents appeared to be ‘schooling’, an answer given by 3.3% of respondents. Other expenditures included ‘housing’ which was given by 1.4% of respondents and ‘health’ which was also given by 1.1% of respondents.

### 2.7 SOURCES OF FRESHWATER

It was reported that only 3.1% of the households obtain freshwater from the lorry that regularly makes water deliveries. The main source of freshwater was identified as water pump, with 57.0% of households stating it as their main source, whilst 38.3% obtained freshwater from a well and a further 1.6% reported that they attain freshwater through ‘other’ resources. It should be noted that a number of respondents did not disclose their source of fresh water.
2.8 HEALTH SITUATION

Only 6.3% of the respondents indicated that at least 1 member of their household has a disability or an illness. The disabilities or illness within the households were noted down in the questionnaires as either a mental disorder, paralysis, blindness, broken leg and hearing problems or deafness.

The respondents listed the following top diseases to have affected members of their household in the past three years: common cold, typhoid, malaria, tuberculosis and hypertension.

The survey asked questions regarding recent deaths and births in families. 10% of the respondents reported that there had been one birth in the household within the last year, whilst only one household (1.6%) stated that a death had occurred within the last year. The cause of death was not stated.

2.9 PROJECT EXPECTATIONS

Most of the respondents (93%) were aware of the Project, of which most (95%) of them have primarily learnt about through local government officials and the resettlement process. Others respondents stated they learnt about the Project through other sources of information, including, friends and family (2.9%), the media (0.9%), the local community (1.5%). It should be mentioned that some respondents heard about the Project through more than one source of information.

93% of the respondents had a positive attitude towards the Project. The positive opinions were largely reported to be due to expectations related to an increase in the number of available jobs as well as the Project contributing to the development of area and country.

Only 1.6% of respondents reported expecting some negative impacts from the Project, which was due to the concern of displacing of farmers with little or no compensation. 5.5% of the respondents had a neutral outlook on the project, however, these responses all came from surveyed households that were not being affected.

2.10 SOCIO-ECONOMIC RECEPTOR IDENTIFICATION AND CLASSIFICATION

It is estimated that the initial construction process (horizontal infrastructure) is anticipated to continue for a period of approximately 18 to 24 months from commencement.

Estimation of employees at construction and operation will be difficult to predict at this stage. However it was recently reported by the local authorities in SNNP that approximately 300 new jobs will be created for local residents who could be engaged in building the IAIP fencing, gravel road, ditch canal and building maintenance.
It is estimated that for this scale of construction, over 1000 temporary workers will be employed on the project (for the construction period), and the temporary worker facilities/camps will be located close to Yirga Alem, although the precise location of the construction camp is unknown. In total, over 1300 new jobs are expected to be created which is a combination of jobs for local communities and construction workers in total.

Certain socio-economic receptors were identified based on the information provided about the project, and also as a result of site reconnaissance and household surveys in the project area. In this instance, the Project receptors are the local communities located within the Yirga Alem IAIP area and Dilla RTC area that may be impacted or influenced by the Project (as a result of their proximity to the Project site and/or associated infrastructure).

Based on the available information and given the nature of the project-related anticipated impacts, the receptors for social impacts include the following:

- Yirga Alem town communities; and
- Dilla town communities

The receptors for potential socio-economic and health impacts also include workers who will be living in the temporary accommodation facilities adjacent to the Project site.

The table below summarises the socio-economic and health impacts that were identified.

**Table 2-1: Identified Social Impact Receptors**

<table>
<thead>
<tr>
<th>Potential Impacts</th>
<th>Receptors and Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment and Economy</strong></td>
<td></td>
</tr>
<tr>
<td>• Increase in local employment opportunities</td>
<td>• Local government</td>
</tr>
<tr>
<td>• Increase in business development opportunities</td>
<td>• Local communities</td>
</tr>
<tr>
<td></td>
<td>• Local businesses</td>
</tr>
<tr>
<td><strong>Livelihoods</strong></td>
<td></td>
</tr>
<tr>
<td>• No access to agricultural land due to land</td>
<td>• Local farmers and their families</td>
</tr>
<tr>
<td>acquisition caused by the project which</td>
<td>• Local communities</td>
</tr>
<tr>
<td>as a result will negatively affect local</td>
<td></td>
</tr>
<tr>
<td>farmers’ livelihoods</td>
<td></td>
</tr>
<tr>
<td><strong>Community Health</strong></td>
<td></td>
</tr>
<tr>
<td>• Increase in communicable diseases and crime</td>
<td>• Local residents</td>
</tr>
<tr>
<td></td>
<td>• Foreign workers (employees of contractors)</td>
</tr>
<tr>
<td></td>
<td>• Local health care providers and infrastructure</td>
</tr>
<tr>
<td><strong>Community Safety and Security</strong></td>
<td></td>
</tr>
<tr>
<td>• Increased potential for safety issues</td>
<td>• Local communities</td>
</tr>
<tr>
<td>associated with the presence of new</td>
<td>• Construction workers (including contractors)</td>
</tr>
<tr>
<td>infrastructure</td>
<td></td>
</tr>
<tr>
<td><strong>Environmental Emissions</strong></td>
<td></td>
</tr>
<tr>
<td>• Increase in noise and vibrations</td>
<td>• Local communities</td>
</tr>
<tr>
<td>• Increase in dust leading to health</td>
<td>• Foreign workers (including contractors)</td>
</tr>
<tr>
<td>implications</td>
<td></td>
</tr>
<tr>
<td><strong>Community Infrastructure and Services</strong></td>
<td></td>
</tr>
<tr>
<td>• Increased pressure on community</td>
<td>• Local communities</td>
</tr>
<tr>
<td>infrastructure and services</td>
<td>• Foreign workers (including contractors)</td>
</tr>
<tr>
<td></td>
<td>• Local infrastructure providers</td>
</tr>
</tbody>
</table>
3 ASSESSMENT OF IMPACTS

This section describes the potential impacts and consequences of interaction between the Project activities and receptors. Where significance of the impacts is assessed as moderate to major, mitigation measures, management and monitoring are proposed. The proposed mitigation and management measures will be implemented at the Yirga Alem IAIP and Dilla RTC sites and by their contractors.

The identified impacts include effects associated with in-migration. Rather than assessing in-migration separately, where in-migration is a contributing or driving factor for a particular impact, this is noted in the sections below.

3.1 EMPLOYMENT AND THE ECONOMY

The construction stage of the Project will generate new jobs/employment opportunities during construction, estimates on employment numbers were not provided within the Feasibility Report (current estimate of approximately 1300 employment opportunities) since the facility will be developed in a phased manner and therefore construction will happen concurrently with operation. The MACE Feasibility Report presented direct and indirect employment estimates, see Error! Not a valid bookmark self-reference. for the first five years of the operational phase of the proposed project.

**Table 3-1: Predicted Employment Numbers as a result of the operational phase IAIP and RTC in the SNNP Region**

<table>
<thead>
<tr>
<th>Employment Type</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IAIP Total</td>
<td>9257</td>
<td>22217</td>
<td>38016</td>
<td>56668</td>
<td>89516</td>
</tr>
<tr>
<td>RTC and related activities</td>
<td>3906</td>
<td>9287</td>
<td>15842</td>
<td>23571</td>
<td>37196</td>
</tr>
<tr>
<td>Farming sector</td>
<td>120</td>
<td>180</td>
<td>270</td>
<td>405</td>
<td>608</td>
</tr>
<tr>
<td>Indirect Employment</td>
<td>4628</td>
<td>11109</td>
<td>19008</td>
<td>28334</td>
<td>44758</td>
</tr>
</tbody>
</table>

Source: MACE

In addition, the proposed facilities will require goods and services throughout their lifecycle. There are opportunities for local businesses to provide these goods and services (e.g. catering for the workers camp, office-related supply opportunities and services such as cleaning, etc.). As a result, existing local businesses may expand or new businesses may be established locally to meet these demands – providing further employment opportunities. This is referred to as indirect employment.

**POTENTIAL IMPACT**

The development will generate skilled and unskilled positions, with the number of unskilled positions dropping substantially after the construction period. Given that most working age local people are engaged in the agricultural farming activities, it is possible that the existing skills set among local people of working age would not always be a perfect match for the direct employment opportunities that will be created by the project.

Therefore, the developer should consider organising training to create new skill sets among local residents and also capitalising on some skills that are transferrable from the agricultural farming activities to the project in order to maximise local employment.

In terms of indirect employment, the realisation of opportunities will depend not only on the project, but also on the initiative and business abilities of local entrepreneurs. Given the potential on a much higher demand for new businesses in the region and the limited number of existing businesses, it is anticipated that the number of business development opportunities and/or indirect employment will be significant.
SIGNIFICANCE

The impacts on employment and economy that are likely to be triggered during the construction stages of the project would be positive, direct, regional, long-term and of medium severity. The probability of the impacts is considered to be high because the project is a significant and strategic development in the area. The significance of these positive impacts on employment and economy is therefore considered to be major and as a major positive impact does not need mitigation.

The operational impacts on economy and employment are also considered to be positive, direct, regional, mid-term and of low severity (as the number of new jobs generated by the project would tail off at the operation phase). The probability of the impacts occurring is considered to be medium. The significance of the impacts is considered to be moderate and as moderate positive impact does not need mitigation.

For transparency purposes, the social impacts are presented within a significance rating table included in Appendix A.

3.2 LAND ACQUISITION AND IMPACT ON LIVELIHOODS

The ESIA team conducted site observations and consultations with the affected people prior to the construction stage of the SNNP IAIP Project. It is worth noting that although all land in Ethiopia belongs to the state, a number of individual farmers either officially (through a land rental agreement) or unofficially (often, a verbal or no agreement), still cultivate land and grow crops on the plots in the project area. The local authorities in SNNP started the resettlement process a year ago and it is highly likely that the local authorities followed the national resettlement process and not best international practice, because the national and federal legislation on land acquisition does not cover, for example assistance to vulnerable people, consultations and agreement whether it is better to compensate certain families in cash rather than in-kind/land, coordination of activities to ensure people do not lose harvest opportunities, etc.

Further impact and mitigation for the resettlement process will be provided in a separate resettlement action plan (RAP).

POTENTIAL IMPACT

The land acquisition process that involves physical displacement will have a long term irreversible negative impact on the agricultural activities of local farmers. Although such farmers could be compensated for the lost crops (and residential buildings), they often lose at least one or two harvests while looking for an alternative plot which is not guaranteed to be of the same quality and size. This situation could have a long term impact on the entire household’s livelihood and food security.

SIGNIFICANCE

The impacts on livelihood that are likely to be triggered during the construction and operation stages of the project would be negative, direct, local, long-term (15 years of concurrent construction and operation in total) and of high severity (even though the PAPs will be compensated and most are planning to acquire tenants’ rights on an alternative/new plot using the compensation received - it will take years of agricultural efforts to make sure that the alternative/new plot is at least of the same quality of soil and productivity as the “old” one which has been improved but “taken away” by the project). The probability of the impacts is considered to be high (the government already started the resettlement process a year ago – which to-date included surveying and valuation as well as early stages of the payment process). The significance of this negative impact on project affected people’s (PAPs) livelihood is therefore considered to be major negative and will require mitigation. Provided that mitigation actions are implemented by the project implementation team according to the AfDB OS2 requirements (see the SNNP RAP for more information), the post-mitigation impact would be reduced to moderate.
Although the PAPs will receive compensation, further best international practice mitigation measures will be suggested in the SNNP RAP.

3.3 COMMUNITY HEALTH

Although an accurate number of total workers that will be employed during construction is currently unknown (current estimate of approximately 1300 employment opportunities), there will be potential for the workforce to introduce and/or increase the rate of spread of communicable diseases in the project area. This includes the introduction of a new disease and/or a more virulent strain of an existing disease.

However, the workforce is not the only factor that may contribute to the transmission of communicable diseases. The project is also likely to result in in-migration (from other parts of Ethiopia). Similar to the workforce, there is potential for in-migration to introduce and increase the rate of spread of communicable diseases in the Project area (including sexually transmitted diseases/STDs).

There are a number of diseases that are already prevalent in the project area, which is contributing to the current rates of morbidity and mortality. This includes malaria, typhoid (communicable disease) and influenza (communicable disease) which during the household survey in the project area have been identified as a key contributor in the local communities’ rates of morbidity.

Similarly to the community health impacts during the construction stage, there is potential for the workforce to introduce and/or increase the rate of spread of communicable diseases in the project area during operation. This includes the introduction of a new disease and/or a more virulent strain of an existing disease.

The transmission of communicable diseases in the project area during construction and operation can be exacerbated by a number of factors. Health care facilities are limited in the project area. Therefore, the capacity (e.g. availability of diagnostic equipment, availability of medicine) to respond to an increase in the transmission of communicable diseases could be limited.

POTENTIAL IMPACTS

An increase in the transmission of communicable diseases may occur as the result of the introduction of workers into the area. In terms of communicable diseases and in addition to the existing prevalence of the malaria rates in the project area, of particular note and concern could be: tuberculosis and HIV/AIDS (mainly through drug abuse/blood transfusions/sexual relationship, etc.).

If left untreated communicable diseases can lead to long-term health issues and therefore the impact can be characterised as being long-term and in some instances permanent.

The existing local health care facilities have limited capacity to respond to an increase in the transmission of communicable diseases, potentially leaving the local residents vulnerable.

SIGNIFICANCE

The impact on community health that is likely to be triggered during the construction stage of the project would be negative, direct, local, long-term and of low severity (primarily due to low population density). The probability of the impacts is considered to be medium. The significance of this negative impact on community health is therefore considered to be moderate and requires mitigation.

The operational impact on community health is also considered to be negative, direct, local, long-term and of low severity (as the number of workers and associated in-migration would drop during the operation phase). The probability of the impacts occurring is considered to be medium. The significance of the impacts is considered to be moderate and requires mitigation.
3.4 COMMUNITY SAFETY AND SECURITY

There are a number of safety related issues that are likely to arise during the construction stage of the project. These include:

- **Traffic accidents** - the Project will increase the number of vehicles on the local road network through the transport of workers, goods, materials and machinery to and from the project site during construction. With an increase in vehicles, particularly heavy haulage vehicles, comes the increased potential for accidents and injuries to occur. Given the relatively low level of current road use, this is unlikely to occur. Instead, the key issue is likely to be the potential for an increase in accidents or incidents (particularly during construction), which can lead to injuries and/ or fatalities;

- **The presence of new infrastructure.** There are often safety issues with the establishment of new infrastructure – for example, community members interacting with unsecured equipment. This can lead to onsite accidents and injuries; and

- **The management of hazardous materials and waste.** There are a number of Project activities that will generate hazardous waste or perishable waste that if not being properly managed, could contribute to spread of infectious and other diseases.

- In addition, the Project will require security. Security personnel will be employed through Government contracts during construction and operation.

**POTENTIAL IMPACTS**

Impacts on community safety (e.g. possibility of accidents) and security (e.g. incidence of crime) can result from an increase in traffic and in-migration in the project area, the establishment of onsite infrastructure and the management of hazardous materials.

**SIGNIFICANCE**

The impact on community safety and security that is likely to be triggered during the construction stage of the project would be **negative, direct, local, long-term** and of **low** severity (primarily due to low population density). The probability of the impacts is considered to be **low** mainly due to robust management plans that will be implemented by the IPDC.

The operational impact on community health is also considered to be **negative, direct, local, long-term** and of **low** severity (as the number of workers and associated in-migration would drop during the operation phase). The probability of the impacts occurring is considered to be **low**.

Due to the existing management measures, the local extent and significance of the potential impact, the overall impact is assessed as **minor negative** during construction and operation and requires mitigation.

3.5 ENVIRONMENTAL EMISSIONS

The construction activities will generate:

- **Noise**, which can result from a variety of onsite civil works activities (e.g. construction of infrastructure, reversing sensors on large vehicles);

- **Vibration**, which may result from construction activities; and

- **Dust**, which can be generated through site grading, driving on dry, dusty and dirty roads. This can impact the surrounding air quality, disrupting the amenity value of an area and potentially impacting community health (e.g. further aggravating respiratory illnesses).

- The noise levels at receptors close to the site (within 500 m of the site boundary) will exceed the IFC residential day-time noise guideline. Any receptors beyond 500m are expected to be below the guideline. The construction activities will not occur at night.

During the operation activities the levels of noise and vibration are expected to reduce. Operational noise levels are expected to meet the residential guideline at all receptors beyond 200 m from the site.
POTENTIAL IMPACTS

In terms of noise, a detailed noise impacts assessment has been completed and should be referred to. Increase in dust levels could generate impacts on local residents and the appropriate management measures will be put in place by subcontractors.

SIGNIFICANCE

The off-site construction noise impacts identified would be negative, direct, local, short-term and of low to medium severity. Given the variable nature of the construction activities and worst-case assumptions adopted, the probability of the impacts occurring is medium (i.e. there is a fair chance the impacts would be lower than predicted). The significance of the impacts is therefore considered to be moderate and requires mitigation.

The off-site operational noise impacts identified would be negative, direct, local, and long-term in consideration of the baseline noise environment, the predicted levels are expected to be above the applicable guideline criteria, and the impact severity is therefore considered medium. Given the dependence on weather conditions and the worst-case assumptions adopted, the probability of the impacts occurring is medium (i.e. there is a fair chance the impacts would typically be lower than predicted). The significance of the impacts is therefore considered to be moderate and requires mitigation.

3.6 COMMUNITY INFRASTRUCTURE AND SERVICES (INCLUDING HEALTH FACILITIES)

The construction period will be phased with operation commencing while construction continues, this is expected to last 15 years until construction phases are completed entirely. The majority of construction workers will be from outside the area (as well as the influx associated with in-migration).

An increase in population in the wider SNNP Region (due to employment opportunities and in-migration during construction) is likely to place additional pressure on existing infrastructure and services (e.g. healthcare). This often results in a reduction in capacity of existing infrastructure and services to meet the needs of the local residents (as well as the additional population added by the Project); leading to diminished quality of services as well as reduced access to the existing infrastructure.

However, during construction the workforce will be accommodated at camps and it is assumed that sub-contractors will provide a range of on-site amenities inside the camps. This will, to some extent minimise the need for the workforce to use (or rely on) local infrastructure, i.e. minimising the pressure that may be experienced by community infrastructure and services. It is anticipated that at the conclusion of the construction phase, the workers brought in from outside the area will leave.

In terms of the operation phase, it is anticipated that new direct and indirect jobs will be generated by the operational activities. Given the duration of the project, it is anticipated that the operational workforce will relocate to the region, potentially bringing their families with them which could place some additional pressure on the local infrastructure. However given the nature of the project, it has the potential to attract new and private investments in improved infrastructure, and assuming that some workers will be sourced from the local area, it is anticipated that this additional pressure can be accommodated.

POTENTIAL IMPACTS

During both the construction and operation phase, the project may place additional pressure on existing healthcare facilities, for instance, should a worker become sick or an incident on site resulting in an injury occur. However, there is limited capacity for the existing healthcare facilities to respond to this demand (due to the limited number of health care workers, number of existing hospitals and diagnostic equipment). For this reason, if healthcare is required, workers will likely need to use a medical point located within their workers’ camp or other medical facilities located in the SNNP Region. A Community Health Management Plan will help reduce any pressure that may be placed on local health care facilities.
In terms of the construction phase, the road infrastructure may be affected by increased traffic, however, this impact is expected to be local in terms of the extent and occur over a short period of time. The above impacts may be greater depending on the degree of in-migration that occurs. This will need to be monitored closely – and the impact revisited if this become an issue.

**SIGNIFICANCE**

The potential strain on existing infrastructure (roads & infrastructure wear and tear, and reduced ability of local clinic to cope with the increased number of patients) would be **negative, direct, local, temporary** and of **medium** severity. Given the variable nature of the potential transportation activities (both timing-wise and with regards to precise identification of the roads that will be used most) and difficulty to predict the extent and the number of medical cases that would require medical facilities, worst-case assumptions were adopted. As such, the probability of the impacts occurring is **high**. The significance of the impacts is therefore considered to be **major** and requires mitigation.

The potential strain on existing infrastructure (congested and/or closed roads, infrastructure wear and tear, and reduced ability of local clinic to cope with the increased number of patients) would recede when the project moves into the operational stage and will be of medium severity, while the probability of the impacts occurring is **low**. The significance of the impacts is therefore considered to be **moderate** and requires mitigation.
4 SUGGESTED MITIGATION MEASURES

This section suggests mitigation measures for all identified impacts. The following mitigation measures can be considered for discussion with EPC Contractors to ensure that the identified negative impacts are reduced.

4.1 EMPLOYMENT AND ECONOMY - MITIGATION MEASURES

The potential impacts on employment and economy are positive and therefore it is suggested that they do not require mitigation. However, these potential positive impacts can be enhanced through the following complementary measures:

- Through its website, IPDC will inform local businesses of contracting opportunities in a timely manner;
- The developer’s Community Relations/CSR Policy, detailing contributions to local employment, training of young local specialists and any other community-benefit initiatives;
- Grievance mechanism – The developer to ensure that EPC contractors are aware of the grievance submittal process;
- Prior to construction, create and populate a database of all suitable local service providers to encourage more opportunities for local businesses;
- Maintain and regularly update a separate web page on the developer website dedicated to local tenders for the provision of goods and services. Such webpage should be widely publicised by the developer;
- A Worker Influx Management Plan will need to be prepared to define labour practices in line with international standards that will need to be applied by EPC Contractors and their subcontractors, as well as in the Project’s supply chain. The Worker Influx Management Plan will need to be aligned with the developer’s Grievance Procedure to ensure that the procedure is consistently implemented across all Project activities.

SIGNIFICANCE OF RESIDUAL IMPACT

Not applicable as impacts on employment and economy are positive and will be enhanced if the above-mentioned complementary measures are implemented.

4.2 IMPACTS ON LIVELIHOOD THROUGH LAND ACQUISITION - MITIGATION MEASURES

Based on the above assessment, the following mitigation measures are suggested aiming to minimise the negative impacts on people’s livelihoods:

- Land acquisition and any displacement impacts on the project will be carried out in compliance with Ethiopian law and AfDB Operational Safeguard 2- Involuntary Resettlement (OS2);
- The Mol and the IAIP Developer will seek to avoid physical displacement where possible, and to minimise economic displacement;
- Impacts on land and livelihoods shall be compensated;
- Any affected standing crops will be compensated at current market value to make sure farmers do not lose harvest;
- The affected Orphan land, i.e. the remaining portion of the land plot that remains with the farmer but made uneconomic and/or too small to use, will be compensated in full;
- Affected people will have access to a grievance mechanism, including a first tier of internal grievance review by the IAIP Developers, with the possibility for aggrieved individuals to resort to a second tier of independent review of the grievance;
- Vulnerable people will be identified and specifically assisted as needed;
- Stakeholder Engagement Plan (SEP) implementation with regards to keeping a regular
dialogue with local communities, and in particular, with affected people.

- The IPDC/PIU need to follow the Resettlement Action Plan and monitor internally and externally the resettlement and land acquisition progress to ensure compliance the AfDB OS2 and National policies.

**SIGNIFICANCE OF RESIDUAL IMPACTS**

This impact shall be mitigated through the implementation of the OS2 requirements. Where the resettlement process started by the local authorities in 2016, falls short of the OS2 AfDB requirements, the authorities will implement additional measures defined further in the SNNP RAP (submitted separately).

Assuming that the above mitigation measures will be implemented and monitored over time, the negative impact on the affected people’s livelihoods will be minimised to the “moderate negative” level. Ongoing monitoring must take place to track the implementation of the mitigation measures.

### 4.3 IMPACTS ON COMMUNITY HEALTH - MITIGATION MEASURES

A Community Health and Safety Plan will need to be prepared which addresses potential health risks to local residents. The plan will need to cover the following elements:

- To minimise the impact, a number of steps can be taken – most of the measures largely include reducing the interaction between the workforce and local residents. It is assumed that the project will use dedicated workers camp to accommodate its non-local workforce during construction. This will help to reduce the interaction between workers and local communities.
- Implementation of Construction Environmental Management Plan (CEMP) procedures and schedule, as well as Environmental Monitoring Plan (Air Emissions, Dust) to see how air quality data is changing.
- Early notification of local authorities on critical or exceptionally busy construction periods and air-polluting/dust- and noise-generating activities.
- Dust suppression by water spraying in dry seasons, particularly in the areas close to sensitive residential and community receptors.
- As part of the induction process for new employees and workers, the EPC contractors will provide training for all workers on the transmission routes and common symptoms of communicable diseases. This training will be supported by an ongoing awareness campaign (posters located in common areas within the camp). These measures can help reduce the potential for workers to unknowingly transmit communicable diseases.
- The workers camp will include an internal first-aid ward and medical staff being present at the camp which to some extent will help to minimise the interaction between the workforce (particularly temporary construction workers) and local residents.
- The Community Health Management Plan will cover details on a Workforce Code of Conduct including code specific measures that target anti-social behaviour.
- Contractors’ compliance with national HSE legislation and the UNDP HSE Policies, evaluate contractors’ HSE performance.
- Provide project HSE and Worker Influx Management Policies to all subcontractors during formal induction, including the security firms.
- One “umbrella” Project Grievance Mechanism, extended and accessible to all workers, those who directly work for the IAIPs development and also employed by contractors.
- The IPDC will ensure that EPC Contractors will provide onsite first-aid tents (one tent per site) to ensure that basic medical attention and first aid treatment can be provided by a trained first-aider during the hours that the work is being undertaken at the Project site. For all medical incidents that require medical attention, the EPC contractors will quickly provide transportation to the Workers’ Camp clinic which will also help reduce the potential pressure on local healthcare facilities.
SIGNIFICANCE OF RESIDUAL IMPACT

Once these suggested mitigation measures have been implemented, it is predicted that the impact will be reduced to **minor negative** during construction and operation. However, ongoing monitoring and evaluation of the community health situation will be needed. If monitoring indicates an increase in the transmission of communicable diseases, the mitigation measures will need to be revised.

### 4.4 IMPACTS ON COMMUNITY SAFETY AND SECURITY - MITIGATION MEASURES

Based on the above assessment, the following mitigation measures associated with community safety and security are suggested:

- The project site will be fenced, while any activities outside the main footprint will be appropriately signposted. This will help ensure that accidents associated with new infrastructure will be minimised.
- Traffic Management Plans, which will need to be prepared by EPC Contractors during construction, will further minimise the potential risk of accidents, injuries and near misses.
- Provide the project HSE and Worker Management Plans to all subcontractors during formal induction, including the security firms.
- Ensure that a Project Code of Conduct and appropriate training for security personnel are implemented to ensure best practice in running a secure site and implementing the Code of Conduct that fosters behaviours that help to avoid, eliminate or minimise the use of excessive force in potential conflict situation.
- The project Health, Safety and Security Management Plan are implemented by all EPC Contractors.
- Contractors' compliance with national HSE legislation and the UNDP HSE Policies and evaluation of contractors' HSE performance.
- The project implementation team to carry out regular audits of the HSE Management system implementation by EPC Contractors.
- The project Health and Safety Management Policy which covers no tolerance to drugs and alcohol, AIDS prevention leaflets, etc.
- Stakeholder Engagement Plan (SEP) implementation with regards to keeping a regular dialogue with local communities.
- One “umbrella” Project Grievance Mechanism, extended and accessible to all workers, those who directly work directly for the IAIP project and also employed by contractors.

SIGNIFICANCE OF RESIDUAL IMPACTS

Assuming that the above mitigation measures will be implemented and monitored over time, the minor negative impact on community safety and security will be minimised further to the “negligible” level. Ongoing monitoring should occur to track the implementation of the mitigation measures.

### 4.5 IMPACTS FROM ENVIRONMENTAL EMISSIONS - MITIGATION MEASURES

Mitigation measures for these impacts are proposed in the *Air Quality Section* of the ESIA Report.

### 4.6 IMPACTS ON COMMUNITY INFRASTRUCTURE & SERVICES - MITIGATION MEASURES

Based on the above assessment, the following mitigation measures are suggested to ease potential strain on the existing community infrastructure and services:

- The Workers Camp will provide in-house laundry, first-aid, cooking, recreational, religious and common area facilities/rooms which will help to reduce the need for non-local workers to use local infrastructure and services;
- The planned Workers Camp will follow best practice guidance on workers’ accommodation.
- Implement a community health management plan in consultation with relevant stakeholders (e.g. local doctors and the local authorities). This plan will ensure that appropriate and adequate health care services are provided on site and at the accommodation camp to address/ manage worker illnesses and injuries.

RESIDUAL IMPACTS
Assuming that the above management measures will be implemented and monitored over time, the residual impact during the construction stage will be reduced to **minor negative**. However, on-going monitoring and evaluation of the community health situation will be needed. If monitoring indicates an increase in the transmission of communicable diseases, the mitigation measures will need to be revised.
5 SUMMARY

The following table summarises the assessment of socio-economic impacts on the project area:

Table 5-1: Assessment of Socio-Economic Receptors and Seasonal Level of Activity

<table>
<thead>
<tr>
<th>Impact Description</th>
<th>Significance - Construction</th>
<th>Significance - Operation</th>
<th>Residual Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact on employment and economy</td>
<td>Major</td>
<td>Moderate</td>
<td>N/A</td>
</tr>
<tr>
<td>Land Acquisition/Resettlement - Impact on Livelihoods</td>
<td>Major</td>
<td>Major</td>
<td>Moderate (only under condition that this impact will be mitigated through the implementation of the OS2 requirements. Where the resettlement process falls short of the OS2 AfDB requirements, the authorities will implement rectifying measures defined further in the SNNP RAP)</td>
</tr>
<tr>
<td>Impacts on Community Health</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Minor</td>
</tr>
<tr>
<td>Impacts on Community Safety and Security</td>
<td>Minor</td>
<td>Minor</td>
<td>Negligible</td>
</tr>
<tr>
<td>Impacts from Environmental Emissions</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Minor</td>
</tr>
<tr>
<td>Additional Pressure on Community Infrastructure and Services (including health facilities)</td>
<td>Major</td>
<td>Moderate</td>
<td>Minor</td>
</tr>
</tbody>
</table>

The categorisation in the above table (High, Moderate, Minor, Negligible or Not Applicable) represents a qualitative evaluation of the seasonal variation in socio-economic activity (relevant to the project). These evaluations are based on the details provided in the sections above.

From the table it is clear that land acquisition caused by the project will have a major negative impact on the affected farmers, both during construction and operation phases. The start of the resettlement process prior to an international consultant's involvement led to the situation where some PAPs have moved on. In addition, any changes in the IAIP footprint will inevitably call for a new survey to make sure that all people who might be affected (by the design changes) are identified and compensated accordingly. Moreover, because the national and federal land acquisition laws have gaps (if compared to best international practice), it is possible that not all affected people were identified, and some vulnerable groups did not receive the necessary assistance earlier. This and other issues will be covered in detail in a separate SNNP RAP.

Based on the information collected during the field visits, consultation sessions and site observations the existing infrastructure and particular medical facilities are inadequate even for the existing population of the area. As a result it is highly likely that the existing facilities
and infrastructure in the project area will not be able to cope with the increased demand for services during the construction stage in particular.
# STAKEHOLDER CONSULTATION

## 6 RECORD OF STAKEHOLDER MEETINGS

The Ethiopian Constitution makes reference to the right of the public and communities to full consultation and participation as well as to the expression of their views in the planning and implementation of projects that would affect them. The Ethiopian EIA Guidance also identifies that all interested and affected parties have the opportunity to participate meaningfully in the ESIA processes.

The local authorities confirmed that they undertook a number of consultation meetings long before 2016 (when the project affected people survey took place), and they provided the ESIA team with a list of the meetings undertaken to date (Tables 6-01).

Key issues and concerns raised during the consultation were taken into account during the ESIA preparation and are addressed in the Environmental and Social Management Plan (ESMP) within the ESIA Report.

### Table 6-01: List of consultations and meetings and topics discussed

<table>
<thead>
<tr>
<th>Period</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before February 2014</td>
<td>Site selection / IAIP and RTC</td>
</tr>
<tr>
<td>18/9/2014</td>
<td>Reconnaissance survey at IAIP site by a team composed of:</td>
</tr>
<tr>
<td></td>
<td>- Ministry of Industry (MoI)</td>
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<td>- UNIDO</td>
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<td>- Regional Bureau of Trade and Industry</td>
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<td></td>
<td>- Sidama Zone Administration</td>
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<td></td>
<td>- Dale Woreda</td>
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<td></td>
<td>- Local Administrative unit / Kebele</td>
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<td>Objective of the trip was to obtain preliminary information about:</td>
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<td>- Interest or opinion of the local administration towards the proposed project</td>
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<tr>
<td></td>
<td>- Existing land use, ownership and type of vegetation cover</td>
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<tr>
<td>19/9/2014</td>
<td>Reconnaissance survey RTC</td>
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<td></td>
<td>Facilitated by:</td>
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<td></td>
<td>- MoI</td>
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<td>- UNIDO</td>
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<td>- Regional Bureau of Trade and Industry</td>
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<td></td>
<td>- Gedio Zone Administration</td>
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<td>- Dilla Zuria Woreda</td>
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<td></td>
<td>- Local administrative unit</td>
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<td>Similar objective with the above.</td>
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<tr>
<td>October-December 2017</td>
<td>Conducted feasibility study (as part of the study, there were some community meetings held during this period.)</td>
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<td>- Study conducted by concerned regional bureaus and UNIDO</td>
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<tr>
<td>28/12/2014</td>
<td>Community meeting IAIP, as part of the feasibility study / Yirga Alem</td>
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<td>- Participants: PAPs and community representatives (more than 300)</td>
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<td>- Meeting Organised by the President’s office.</td>
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<tr>
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<td>- Agenda of the meeting included;</td>
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<tr>
<td></td>
<td>- Briefing about the project’s benefit, nature, size required resources including land, related development activities like</td>
</tr>
</tbody>
</table>
Period | Activities
--- | ---
 | road …
 | o Obtaining feedback and opinion of the local community
 | o General principles and approach about compensation and resettlement issues
 | Feedback and issues raised by participants included:
 | o As long as PAPs and the local inhabitants are treated properly that community would be happy with the project (Sustained livelihood restoration, Job priority, better income…)
 | o Method of compensation, in cash or in-kind was not clear to all participants
 | o When the project will be started - clarifications were requested
 | o The need to ensure access to the local health centre
 | o How about the youth group who do not have their own land, but used to cultivate on their family’s farm?
 | o How to address issues related to the church that found in the proposed area? This will need to be discussed.

2/1/2015 Community meeting RTC, as part of the feasibility study / Dilla
- Participants: Only PAPs / more than 40
- Organised by President Office
- Similar agenda with the above
- Feedback from the participants were similar with the above/ IAIP site Yirga Alem, including:
  - There is no sensitive public facilities like on the IAIP site
  - Since the population density of Dilla is very high and land is found in a scarce manner; participants had expressed the following concerns:
    - They don’t believe that they would be resettled in acceptable location and timely fashion.
    - Thus, staring from day 1, participants had been asking the concerned government authority to pay compensation in cash and not in kind.

24/3/2015 Public meeting with broader community and Stake Holders at IAIP site Yirga Alem / Panel discussion.
Meeting organized by the president office
Number of participants: more than 500 persons.

Venue: Yirga Alem town, Dale District

Objective of the meeting
- Presenting and validating the aforementioned feasibility study among concerned stakeholders

Meeting participants
- 19 district from Sidama Zone Administration (i.e. including the neighbouring Districts)
- 29 Kebeles (Local smallest administrative office) from Dale District (where the IAIP is located)
- Local kebele administration’s community representatives, elders, health officers, school representatives, representatives from local public facilities
- Regional Bureau of Trade and Industries
- Regional Investment commission
- President Office
- Sidama Zone administration
### Period | Activities
--- | ---
| **Agenda of the meeting** | Presentation and validation of the feasibility study
| **Feedback from Participants** | The need to avoid bad experiences related with compensation due to projects’ PAPs. 
- The need to start the project as soon as possible
- Doubt about realisation of the project as per the presented / promised strategy, doubts if any benefit will go to the people, concerns about timely project accomplishment, satisfactory compensation and livelihood restoration ….etc.

#### 25/3/2015
**Public meeting with broader community and Stakeholders at IAIP site Dilla / Panel discussion**

**Meeting organized** by the president office,
Number of participants: more than 100 persons.

**Venue** : Dilla town, Gedio District

**Objective of the meeting**
- Presenting and validating the aforementioned feasibility study among concerned stake holders

**Meeting participants**
- 7 districts from Gedio Zone, Dilla Town Municipality and all the same to the above.

**Feedback from Participants**: All the same to PAPs in Yirga Alem / IAIP; but strictly refused in-kind compensation from the very beginning of the project, PAPs require compensation in cash.

#### 3/8/2016
**Official unveiling of IPDC SNNP (cornerstone laying ceremony)**

#### 22/8/2016
**Pre Valuation meeting with PAPs, about the valuation procedures, disciplines, principles, methods …etc. Yirga Alem**

**Meeting was facilitated by Local Administration and IPDC SNNP.**

**Concern of participants**
- Valuation method and rate
- When to be compensated
- Method of compensation / Cash compensation was their choice
- When they would be displaced
- What would PAPs’ level of participation be in the valuation process with the task force

#### 23/8/2016
**Pre Valuation meeting with PAPs, about the valuation procedures, disciplines, principles, methods …etc. Dilla**

**Meeting was facilitated by Local Administration and IPDC SNNP**

**Feedback from Participants**: similar to the one received from the PAPs in Yirga Alem / IAIP

#### 30/11/2016
**Task force established for IAIP site / Yirga Alem to estimate and value assets of PAPs. Team was composed from:**
<table>
<thead>
<tr>
<th>Period</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Agriculture Development &amp; Natural resource Management (Regional, Zonal and District offices)</td>
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<td></td>
<td>- Construction and Housing (Zonal and District Office)</td>
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<tr>
<td></td>
<td>- Trade and Industry (Regional, Zonal and District Office)</td>
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<tr>
<td></td>
<td>- Community representatives</td>
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<td></td>
<td>- Local small unit administration / Kebeles</td>
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<tr>
<td>19/12/2016</td>
<td>Task force established for RTC site / Dilla to estimate and value assets of PAPs. Team composition same as above.</td>
</tr>
<tr>
<td>3/12/2016</td>
<td>Task force’s 1st Phase Survey / Asset Valuation; Yirga Alem IAIP site</td>
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<tr>
<td>To 23/1/2017</td>
<td>The proposal was to provide substitute land and a 1 year income calculated based on the collected data and information.</td>
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<tr>
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<td>- Total land to be affected - around 215ha</td>
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<td>- Total land proposed for substitute 70 ha (the balance area belongs to communal land)</td>
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<td>- Total proposed compensation in cash 102,000,000.</td>
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<tr>
<td>20/12/2016</td>
<td>Task force’s 1st Phase Survey / Asset Valuation; Dilla RTC site</td>
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<tr>
<td>To 30/12/2016</td>
<td>Same to the above approach but:</td>
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<td>- Total land to be affected 9.88ha (all is used by individuals)</td>
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<td>- Total Land proposed for substitute 9.6ha</td>
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<td>- Total proposed compensation in cash 13,000,000.</td>
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<tr>
<td>23/9/2017</td>
<td>1st post valuation public meeting / Yirga Alem IAIP site</td>
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<td><strong>Organized by</strong>: The local District</td>
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<td></td>
<td><strong>Participants</strong>: PAPs and local community / more than 600 persons</td>
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<td><strong>Objectives</strong>: Presenting proposal of the task force about the compensation and resettlement and obtain feedback of PAPs</td>
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<td><strong>Feed Back</strong>: PAPs totally refused to accept the in-kind compensation and agreed to continue meeting after both parties (PAPs and Task force / compensation committee) made discussion with their family and government.</td>
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<td><strong>Remark</strong>:</td>
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<td>- At the very beginning (during the pre-valuation meeting) PAPs did warn the concerned government parties that they don’t want in kind compensation</td>
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<td>- By the post valuation meeting, PAPs had already purchased land for themselves by using different mechanism (borrowing, personal account, etc.). Thus PAPs didn’t want the substitute land where, according to the PAPs, the proposed area is not good for cultivation.</td>
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<td>- The very reason of PAPs for choosing cash instead of substitute land were; their doubt about getting substitute land of good quality and in favourable location and in a timely manner. This is because population density of the proposed area is very high and land is scarce.</td>
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<td>- Based on the strong refusal from IAIP Yirga Alem PAPs, the compensation committee didn’t conduct post valuation meeting at the RTC site.</td>
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<tr>
<td>29/9/2017</td>
<td>2nd post valuation public meeting</td>
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<td>- Meeting continued from the above but agreement couldn’t be reached.</td>
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<tr>
<td>Period</td>
<td>Activities</td>
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| 2/10/2017      | PAPs submitted appeal letter to the Regional government that they are not happy with the Compensation (suggested to be in-kind) and resettlement proposal. Some of the addition issues raised on the appeal letter include:  
• In principle they support idea of the IAIP development, but;  
• They want cash compensation rather than in kind compensation; As per the law they want a 10 year income compensation rather than the proposed 1 year  
• It's been 15 months (by then) since they were told that they will displaced and because of that they couldn’t get loan to purchase fertilizers.(to expresses the importance of considering what they are losing and the impact of delay).  
• The need to consider compensation for the church and public facilities in the locality  
• PAPs will need to be treated and compensated in timely manner and the IPDC will need to present their plan how they will be building stores, houses and dumping construction materials such as sand, stone, steels…in the surrounding  
• The need to consider impacts on communal grazing areas, wetlands, indigenous trees such as the locally grown podocarps tree. |
| 3/10/2017      | 3rd post valuation public meeting  
• Meeting continued but agreement couldn’t be reached on in kind compensation. Finally the task force went back to discuss the matter with the regional administration and amend the proposal. |
| September 2017 | 2nd phase valuation / IAIP Yirga Alem  
The following proposal for cash compensation was proposed:  
• # 334 households affected by the IAIP -280,000,000.00 etb  
• Churches, # 4 / 3,113,441.00 etb for all  
• Health Centre # 1 / 5,183,962.00 etb  
• Office of ADIKALITI Kebele Administration / 1,010,238 etb  
• Office of WANINATA kebele Administration / 1,131,963 etb  
• Local Farmers Training Centre, FTC / 306,050 etb  
• Local catholic school / 2,581,315 etb  
• Local cooperative office / 1,561,291.00 etb  
• Local youth centre / 144,734.00 etb |
| September, 2017| 2nd phase valuation /RTC Dilla  
Proposal for #45 PAPs affected by RTC - 48, 000,000.00 etb  
Remark  
By the time this information was collected, the aforementioned proposal had been approved by the concerned government authority. However meeting with PAPs and obtaining their feedback is still outstanding. |

During late 2017, further meetings with key stakeholders were carried out by the ESIA field team (Aug 2017 – ESIA study initiation and Sept 2017 – Scoping) and provided an opportunity for further information disclosure on the details and the programme of the proposed survey. A summary of further stakeholder consultations/meeting relevant to discussion of impacts, is provided below in the following sections.
MEETING WITH COMMUNITY AND MAJOR STAKEHOLDERS AT DILLA RTC, INTERGRATED AGRO INDUSTRIAL PARK (IAIP)

Date: November 19, 2017

Place of meeting: Chichu Kebelle, Dilla Zuria Woreda, Gedio Zone of SNNPR.

Agenda of the meeting:
- Introducing survey Team
- Introducing objective of the project
- Introducing purpose of the meeting
- Having discussion session with the participants.

Name of community consultation meeting participants:

Discussion session:
The meeting started by introducing the survey team members of the socio-economic study group and asked the consultation meeting participants to introduce themselves. The participants included community leaders, religious leaders, Kebelle Officials (government representatives), displaced people, youth and women representatives. There was also one government official from Dilla Zuria Woreda Urban Development Bureau who participated in the consultation meeting. After the introduction session, the team explained the project nature, objectives, the positive and negative impact the project may impose both on the community and the environment and the mitigation measures that will be taken to minimise the negative impact and maximise the positive impacts. The positive impacts of the project mentioned by the meeting participants were the following:
- Employment opportunity
- Market opportunity to the surrounding community
- Farmers benefit by selling directly to the RTC without any middle man.
- Helps to establish food security to the nation as a whole
- Adding to the GDP in general.
- Helps to achieve the country's plan to reach at the Growth and transformation plan which leads to the 2025 Goal of reaching at the middle income countries.

The participants also mentioned negative impacts of the project and the measures that should be taken to minimise those impacts as follows.
The negative impacts are:
- Land acquisition: it displaced farmers from their land for the construction of the RTC,
- Displacement of persons (households) and settlement,
- Increased traffic movement which may lead to increased traffic accident starting from the construction period to the operation phase.
- Work place accidents.

The Mitigation measures are:
- Prepare environment and social impact assessment (ESIA)
- Preparation of resettlement action plan (RAP)
- Work place safety plan and provision of personal safety equipment.

Issues and concerns raised by the community:
The community members and the stakeholders emphasized their full support for this project realization. They all said they are eagerly waiting for it and want to stand with them to support it.

They have also raised some concerns like:

- Not received compensation and the reason for the delay is not clear.
- Not ploughing the land for the last two years after it was demarcated.
- Failure in knowing what the RTC will process specifically. If known clearly, locals can starting preparing. For example if it processes avocado fruit, the RTC should supply improved variety of it now before it starts operation. And similarly for the other products, preparation is needed.

To conclude, there is no difference between the consultations meeting issue raised during the first round meeting. The discussion took about two hours and was concluded positively.

**MINUTES OF MEETING WITH THE COMMUNITY AND MAJOR STAKEHOLDERS AT YIRGA ALEM INTEGRATED AGRO INDUSTRY PARK (IAIP)**

**Date:** November 19/2017

**Place of meeting:** Wenenata Kebelle of Dale Woreda of Sidama Zone in SNNPR.

**Agendas of the meeting:**
- Introducing the survey team
- Introducing the objective of the project
- Introducing purpose of the meeting
- Conducting discussion session

**Name of community consultation meeting participants:**

**Discussion Session**

As usual the meeting started by introducing members of the socio-economic survey team and invited the consultation meeting participants to introduce themselves. The participants were carefully selected from the community so that different groups within the community were represented. Representatives are from community elders, religions leaders, government or Kebelle officials, youth and women group, handicapped, and displaced people representatives were present. Authority Representatives were unable to attend the consultation meeting together with the community members because of the urgent meeting government officials had at that time.

Thus, exchanged views and ideas, issues and suggestions are incorporated in these minutes. After the introduction period, the team explained to the participants the nature, objectives, positive and negative impacts of the project on the community and environment and ways of mitigating those problems (the negatives) and maximising the positive impacts to harness better output. The participants raised the positive impacts of the project as follows:

- Increases GDP of the country highly.
- Creates job opportunity.
- Helps the surrounding community in obtaining additional income.
- Solves food insecurity problem of the surrounding community
- Creates modern settlement with standardised infrastructure and facilities.
- Encourages the youth to learn more and more so that they will get job opportunity in the park.
- Strengthens social relationship among different communities in different woredas and Zones.
- Better market opportunity for the surrounding farmers and dwellers.

The participants had also raised some negative impacts of the project and suggested measures that should be taken to minimise those impacts as follows:
- Displacement from their farmland, houses and village.
- Increase in traffic movement which will lead to increase in traffic accident during the construction period and after that.
- During the operation of the park, employees may face work place accidents.

Its mitigation measures:
- Prepare environment and social impact assessment (ESIA)
- Preparation of resettlement action plan (RAP)
- Work place safety plan and supply of personal safety equipment's

**Issues and concerns raised by the community**

All participants on the meeting feel positive about the project and support it.

They mentioned some issues which are not solved yet or making them worry about it. They are:
- The compensation for their land and assets are not paid yet.
- The estimated value of their property is too small.
- They are not treated with respect. For example, the officials held the meeting to present the estimated property values at the Yirga Alem Police College. This was considered as an intimidation mechanism. Community indicated that the officials should have come to the village and inform them politely.
- They are forcing us to open bank account together with our wives. We don't suspect each other in our culture. What is husband’s property is also wives one.
- The officials promised to give us priority in obtaining job opportunity at the park. But few weeks ago, a construction company which won the bid for fence construction brought employees from different place and ignored us. This may cause a serious problem in the future if it continues.

The meeting took about two hours and a half.