



## THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

### Ministry of Water and Energy

### ESMP Annex to the Financing Agreement (FA)

#### General considerations

1. The Ministry of Water and Energy is planning to implement the Ethiopia Climate Resilience Urban and Rural Wash Project (the *Project*). The Bank has agreed to provide financing, implementation support and monitoring for the Project.
2. Ministry of Water and Energy will implement measures and actions of this Environmental and Social Management Plan<sup>1</sup> (*ESMP*) so that the Project meets all the requirements of the Bank Environmental and Social Operational Safeguards (*OS*) and the National policy and legal requirements.
3. Where the ESMP refers to specific plans, whether they have already been prepared or are to be developed, the ESMP requires compliance with all mandatory provisions of such plans.
4. The table below summarizes the material measures and actions that are required, the basis of the requirement, the timing of the measure or action, and the criteria to be used for determining whether the required measure or action has been successfully achieved. The Ministry

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<sup>1</sup> The ESMP refers to all the E&S risks/impacts and measures, as approved in all the disclosed E&S documents and agreed between the Bank and Borrower. For projects involving multiple subprojects, that are identified, prepared and implemented during the course of the project, the Borrower will need to demonstrate to the Bank, before the project appraisal, through the preparation of E&S documentation of a sample of subprojects, that it has the capacity to carry out appropriate environmental and social assessment of subprojects, and prepare and implement such subprojects in accordance with the national laws and the OSs. (*Section III.2.3 of Bank's ESP and section D of OSI*)

of Water and Energy is responsible for compliance with all requirements of the ESMP even when implementation of specific measures and actions is conducted by an entity different from the Project Implementation Unit (PIU).

5. Implementation of the material measures and actions set out in this ESMP will be monitored and reported to the Bank by Ministry of Water and Energy as required by the ESMP and the conditions of the legal agreement, and the Bank will monitor and assess progress and completion of the measures and actions throughout implementation of the Project.
6. As agreed by the Bank and Ministry of Water and Energy, this ESMP may be revised from time to time during Project implementation, to reflect adaptive risk management of project changes and unforeseen circumstances or in response to assessment of project performance conducted under the ESMP itself. In such circumstances, Ministry of Water and Energy, will propose and agree changes with the Bank, and then update the ESMP to reflect such changes.

<b><i>Material Actions<sup>2</sup> to Manage the Project's E&amp;S Risks and Impacts</i></b>		<b><i>Basis for Requirement</i></b>	<b><i>Key Performance Indicator</i></b>	<b><i>Indicative Timing/Deadline</i></b>
Periodic E&S implementation report to the Bank		Bank's ESP and OS1	Reports submitted in time, in good standard	Two weeks after the due period
1	Appointment of E and S specialists as part of the Project implementation unit	Disclosed ESIA, OS1	Seasoned E&S specialists in the PIU	By Project effectiveness date
2	Establishment of the Project Grievance Redress Mechanism (GRM) and disclosure to Public	OS1, OS10 and National requirements	Letter on appointment of GRM Committee	One month after commencement of the Project
3	Payment of compensation and reinstallation of affected people	SO10	Signed RAP Payment Forms by PAPs	Two months after disclosure of compensation value
4	Incorporation of site-specific E&S measures in the request for proposals	SO1 & national requirements	Incorporation of E & S measures in Project proposals	Before releasing RFP documents
5	Submission of high-risk activity's Contractor ESMP ( <i>C-ESMP</i> ) to Bank clearance	Bank's ESP and OS1	Report on high – risk activity	Before commencement of the activity
6	Establishment of the Contractor's Grievance Mechanism (GM) and information of workers	OS1, OS2, SO10 and Bank's Disclosure and Access to Information Policy	Letter on appointment of Grievance Mechanism Committee	Before commencement of works
	Obtaining nationally required licenses prior commencement of subjected		Requisite licenses	Before commencement

<sup>2</sup> Please add any relevant key actions and/or indicate "Not applicable" in the third column ("Basis for requirement") for actions that are not applicable to the project.

7	activities (excavations, tree-cutting, working at height, working in confined spaces, etc.)	OS1, OS2 and national labor laws		of the activity
8	Preparation, approval, and disclosure of specific E&S documents during Project implementation, including prior review of Category 1 terms of reference by the Bank	Bank's ESP, OS1 and national requirements	Approved E & S reports	Quarterly
9	Engagement with concerned stakeholders of each relevant specific E&S activity	OS1, OS10, Bank's Disclosure and Access to Information Policy	Minutes of stakeholder meetings	Before commencement of the activity
10	Establishment of Emergency Preparedness and Response mechanism	OS1 & OS4, national legislation on contingencies et	Establishment of Emergency preparedness and Response mechanism committee	Before commencement of the Project
11	Appropriate and timely handling of complaints/grievances	Bank's ESP and OS1	Reports	Immediately after the issue is reported
12	Notification to riparian or alert to downstream exposed peoples	Bank's ESP and OS1, applicable International Treaty/Convention ratified	Notices	Before commencement of the works
13	Capacity building of key project implementers	OS1	Training reports	Continuous
14	Implementation of ESMS/ESAP <sup>3</sup>	OS1 and OS9, national requirements	Reports	Continuous
14.1	<i>Approval of any required E&amp;S management procedure</i>	Ditto	Approved E & S management procedure	Before commencement of the activity
14.2	<i>Establishment of the E&amp;S unit</i>	Ditto	Nomination letter of E & S unit	Before commencement of the works
14.3	<i>Capacity Building of the E&amp;S Unit</i>	Ditto	Training reports	Continuous
14.4	<i>Processing the Value Chain E&amp;S due diligence</i>	Ditto	Reports	Quarterly
15	Suspending works in the event of EOHS risk or incident, immediately notify the Bank, and resume works only upon no-objection of the Bank.	Bank's ESP	Suspension Letter	Immediately and no later than 72 hours after the occurrence
16	Prepare the root-cause analysis (RCA) of any fatal EOHS incident and implement the Corrective Action Plan (CAP).	Bank's ESP and OS1	Report	Immediately and no later than 72 hours after the occurrence
17	Disclosure of Project's E&S reports to the public	OS1, OS10, Bank's Disclosure and Access to Information Policy	Meeting minutes	Immediately after approval of the E & S reports

<sup>3</sup> Applies to non-sovereign operations and public sector projects implemented by permanent autonomous Agencies/Institutions.