

RESETTLEMENT ACTION PLAN SUMMARY

ESTABLISHMENT OF 5,600 TPD GREENFIELD CEMENT PROJECT AND OPERATION OF CAPTIVE MINES NEAR DERBA VILLAGE, OROMIYA REGIONAL STATE, FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA



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1. INTRODUCTION

MIDROC (Al-Muwakaba For Industrial Development and Overseas Commerce) is a large group company having many business interests in Ethiopia, Saudi Arabia and other countries. **DERBA MIDROC CEMENT PLC. (DMC)** is proposing to install a greenfield cement plant of clinker capacity 5,600 tonnes per day (tpd) equivalent to a cement capacity of 7,500 tpd based on Derba limestone deposit in Ethiopia.

The cement plant is proposed to be located about 8 km from village Derba in Sululta Wereda in Shoa Zone of Oromiya Regional State, Federal Democratic Republic of Ethiopia (FDRE). The proposed mining area is located within the Anda Weizero Peasant Association in Sululta Wereda, Shoa Zone of Oromiya Regional State and is about 7 km (crow fly distance) from the Plant site.

The Derba Cement plant site can be reached from Addis Ababa, a distance of 70 km, via Chanco. The road from Addis Ababa to Chanco is good. However, the stretch from Chanco to Derba is a gravel road, which will be upgraded and strengthened to a black-topped road by **DMC**. A new road is being constructed by **DMC** from Derba to the plant site over a distance of 8 km. A road will also be constructed by **DMC** from the plant site to the mining area. A conveyor belt from the mines to the plant site will transport the raw material from the valley to the plateau over an elevation difference of 800 m.

Power for the project will be drawn from a substation to be built at Chanco and a transmission line over a distance of 20 km will be built. The water requirement of the project will be met by ground water sources. Borewells will be located at Mulo Seya village and a pipeline will be laid over 16 km to the plant.

The Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP) and Resettlement Action Plan (RAP) for the project which includes the cement plant, captive raw material mines, proposed new roads from the plant to the mines and from Derba village to the plant, upgradation of road from Chanco to Derba, belt conveyor from mines to plant, water pipeline and power transmission line have been prepared as per guidelines of Africa Development Bank (AfDB), International Finance Corporation (IFC), European Investment Bank (EIB), Development Bank of Ethiopia (DBE) and Environmental Protection Agency (EPA) of FDRE.

This RAP Summary outlines the summary of the RAP for the proposed project including all its components.

2. POTENTIAL IMPACTS

The following components of the proposed project involve acquisition of land:

- Plant site
- Mining site
- New road from Derba to plant
- Upgradation of road from Chanco to Derba
- New road from plant to mines
- Right of way for conveyor belt from mines to plant, water pipeline & power transmission line

Land acquisition for the plant site, road from Derba to plant, road from Chanco to Derba and the water line has been completed. The payment of compensation and acquisition of land for the quarry area, road from plant to mines and right of way for conveyor belt and power transmission line is currently in progress.

3. INVOLUNTARY RESETTLEMENT POLICY

The resettlement of the local community for the proposed Derba Cement project is governed by AfDB's Involuntary Resettlement Policy and IFC's Performance Standard 5.

The AfDB policy has been developed to cover involuntary displacement and resettlement of people caused by a AfDB financed project and it applies when a project results in relocation or loss of shelter by the persons residing in the project area, assets being lost or livelihoods being lost or livelihoods being affected. The objectives of the policy are to ensure that disruption of the livelihood of people in the project area is minimized, ensure that the displaced persons receive resettlement assistance so as to improve their living standards.

IFC's Performance Standard 5 (Land Acquisition and Involuntary Resettlement) applies to physical or economic displacement due to land transactions for acquisition of land for a private sector project through expropriation. When displacement cannot be avoided, the displaced persons and communities should be offered compensation for loss of assets at full replacement cost and other assistance to help them improve or at least restore their standards of living or livelihoods. Opportunities should be provided to displaced persons and communities to derive appropriate development benefits from the project.

4. COMMUNITY PARTICIPATION

The project is proposed within Oromiya Regional State in Sululta Wereda and the project area and the 10 km study area around it falls within North and West Shoa Zones. There are five Weredas located within and around the project area.

Community participation has been solicited by **DMC** right from the inception stage and a comprehensive Public Consultation programme has been carried out for the project.

There are twenty eight (28) Kebeles or Peasant Associations (PAs) that are organized under the Weredas consisting of a number of settlement villages. The Kebele Peasant Association (PA) is the lowest governmental administrative unit of the rural area.

The stakeholders identified for consultation include Government officials at Federal, Wereda and Kebele levels and the communities and people located in and around the project area.

Consultative meetings at Kebele level were held with 223 community members of three Kebeles, namely, Anda Wezero Kebele (mining site), Becho Kidanemihret Kebele (plant site) and Derba Gulele Beresa Kebele, the nearest Kebele to the plant site. Derba is under the administration of this Kebele PA.

These three Kebeles are located entirely within Sululta Wereda and were selected since most of the land acquisition has taken place in these communities. The overall number of the consultative participants from administrative and community levels total to 1,247 consisting of 40 Wereda officials, 28 Kebele Peasant Associations council members, 223 community members consulted through community discussions and 956 individual household heads consulted privately.

The issues that emerged out of the Public Consultation with the affected communities relevant to resettlement and compensation aspect are:

- The community and specifically the Project Affected Persons (PAPs) should get employment priority with the provision of appropriate training for unskilled persons;
- Provide resettlement land for the project affected people (PAP);
- The displaced people need to be organized in associations and be engaged in various economic sectors.

The recommendations of Wereda level officials are summarized as follows:

- Contain smoke, dust particles and discharges and minimize environmental pollution;
- Apply modern technology that can minimize the noise and other pollution from the factory;

- ❑ Extend health services to the local residents by constructing hospital or health center;
- ❑ Create awareness among the people to combat the spread of HIV/ AIDS and other STDs and provide treatment for patients;
- ❑ Provide appropriate compensation for the people to be evicted from their land. In addition, project should seek ways and means of restoring their livelihoods;
- ❑ Create awareness among people to benefit from project related activities such as trading, etc.;
- ❑ Develop infrastructure, school, electricity, telecommunications, hospital, etc. for the community;
- ❑ Jointly seek remedial measures to regulate the unemployment rate in the project area;
- ❑ Assist the creation and operation of small and micro institutions;
- ❑ Launch reforestation program near the project site;

Community level discussion will continue to jointly identify and recommend corrective measures for the potential problems. This consultation will assist in maintaining good relationship between the project and the local community.

5. SOCIO-ECONOMIC STUDIES

This section describes the social and demographic characteristics of the affected population.

DEMOGRAPHY

The demographic details of the three PAs, viz., Becho Kidane Mehret (Plant area), Anda Weizero (Mining area) and Derba Gulele Beresa (the closest habitation of Derba) are given below:

Sn	PA	Population			Number of Households			Avg. Family Size	Population Density (persons/sq km)
		Male	Female	Total	Male	Female	Total		
1	Becho Kidane Mehret	804	872	1676	269	18	287	5.8	31.59
2	Anda Weizero	891	1611	2502	514	235	749	3.3	33.62
3	Derba Gulele Beresa	1825	2065	3890	1161	107	1268	3.1	147.46

The average population density is 71 persons/ sq km, which is, more than the national average of 50 persons/ sq km. Females constitute 51.3% of the total population. Female headed households are few and comprise 12.3% of the total. Average family size of the project area is about 5.3. This is classified as larger family size, which generally indicates the characteristics of a poor family.

Residents of the project area are predominantly followers of the Orthodox Christian Religion (98.4%). Population of the project affected area is almost entirely of the Oromo ethnic group (97.5%) and Oromiffa is the major language spoken in the area. The remaining 2.5% of the total households belong to Amhara ethnic group. None of the Project Affected Persons (PAPs) belong to ethnic minority groups.

EDUCATION

According to findings of the socio-economic survey, the overall literacy rate in the project area is very low. 81.5% of the surveyed household heads are illiterate. Less than a quarter of the household heads had formal education of which the majority was only till primary level.

Literacy rates are also disproportionate between sexes. While 88.5% of females are illiterate, the figure is 69.8% for males. Literacy rates are consistently higher for men than women throughout all levels of education.

HEALTH

In general, the health status of the community especially children below five years and women can be described as poor. Communicable diseases are prevalent in the project area and the situation is related, either directly or indirectly, to a lack of adequate and safe drinking water and sanitation, low living standards and poor nutrition. The main communicable diseases prevalent in the area include respiratory tract infections, intestinal parasites, and diarrhea including bacillary dysentery, typhoid, skin infections and HIV/ AIDS.

Health facilities in the project areas are very poor. There is no hospital or doctor in Sululta Wereda in which the plant and mining sites fall. There are 2 Clinics, 1 Health Centre, 12 Health Posts, 9 pharmacies and 1 drug store in Sululta Wereda, which cater to a large population of around 140,700.

HOUSING AND SETTLEMENTS

Traditionally, most of the houses in the project area are round-shaped wooden houses plastered with mud and roofs covered with grass. Farmers have now moved from construction of houses with thatched roofs to corrugated iron sheets due to rise in income.

AGRICULTURAL SYSTEM

The land use in the area is dominated by cultivation, which is followed by grazing. The proportion of land used for agro-forestry, is comparatively very small.

The project area is mainly cultivated by means of traditional rainfed subsistence farming. The main crops in the project area are teff, maize, sorghum, wheat, millet, barley, oats, chickpeas, nug, etc. The perennial crops cover about 98.2% of the area occupied by the individual farms. There are different kinds of perennial trees (banana, orange, mango, coffee, chat and eucalyptus trees) and eucalyptus tree is the dominant tree species.

Land is a very scarce resource in the project area. The average landholding in the area is 2.8 ha per household. The majority of landless people gain access to land through some internal arrangements including leasing, crop sharing and other land sharing arrangements at family level. The land-rich 43.9% of the households own nearly 62.3% of the total farmland available.

The main livestock in the area include cattle, equine, sheep/ goats, etc. Ownership of poultry and beehives is not significant.

6. EXPROPRIATION OF LANDHOLDINGS

FDRE has issued Proclamation No. 280/ 2002 on 2nd July 2002 entitled 'Investment Proclamation' and its amendment Proclamation No. 373/ 2003 dtd. 28th Oct 2003. These Proclamations promulgate the legislation applicable to private domestic investors.

As per the Proclamations, when a Regional Government receives an application for the allocation of land for an approved investment, it shall, on the basis of the Federal and its own laws, deliver within 60 days, the required land to the investor.

Proclamation no. 455/ 2005 dtd. 15th July 2007 on 'Expropriation of Landholdings for Public Purposes and Payment of Compensation' has been established by FDRE and expropriation of land for the Derba cement project has been carried out as per this Proclamation.

The Proclamation states that the Wereda administration shall have the power to expropriate rural or urban landholdings for public purpose. The Wereda administration shall have the responsibility to prepare detail data pertaining to the land needed and pay compensation in accordance with the Proclamation to landholders whose holdings have been expropriated. Where the land to be expropriated is located in a rural area, the property situated thereon shall be valued by a committee of not more than five experts having the relevant qualifications and to be designated by the Wereda administration.

The amount of compensation for property situated on the expropriated land shall be determined on the basis of replacement cost of the property. Compensation for permanent improvement to land shall be equal to the value of capital and labour expended on the land. With respect to the implementation of this proclamation, Wereda administration shall have the responsibility and duty to pay or cause the payment of compensation to holders of expropriated land in accordance with this proclamation, provide them with rehabilitation support to the extent possible and maintain data of properties from expropriated landholdings.

7. PROCEDURE OF LAND ACQUISITION

In Ethiopia, all land belongs to the Government and is leased for development projects on rental basis. As per the Proclamations, the Government has to allocate land for a project and hand over the land to the project proponent who will pay a lease rental for the land. The responsibility of identification of existing landowners, checking the land records, calculation of compensation for land acquisition and its payment is with the Government.

For the proposed Cement project, **DMC** applied to the Federal Government and Oromiya Regional Government for acquiring land. In order to estimate the compensation to be paid to landowners for acquiring the land, the Regional Government set up a Committee consisting of members from:

- Investment Bureau of the Region
- Wereda administration
- Kebele heads
- PAs
- Individuals

The Committee evaluated the compensation to be paid to individuals whose land holdings were to be acquired on the basis of the extent of the holding, the yearly production from the land, its current market value, the livestock holding, etc. As per the current laws of Oromiya Region, compensation for 10 years period is paid.

The teff crop commands the highest market value in the area. Irrespective of the crop being cultivated in the agricultural lands being acquired, the compensation has been calculated as per teff crop only.

Though the responsibility of land acquisition and payment of compensation is the responsibility of the Regional Government, **DMC** are paying the monetary compensation as evaluated by the Regional Government to the landowners. This compensation is being paid on account and will be adjusted against the lease rent. **DMC** has opened bank accounts for all the affected oustees. Joint accounts are opened in the names of husbands and wives so that the money is invested prudently with due consent from both the spouses.

A Grievance Cell has also been formulated wherein aggrieved landowners who feel dissatisfied can file their complaints and seek redressal. To make the process impartial and to ensure that the farmers are not exploited, the Government has kept the entire process of land acquisition and grievance redressal under its control and the project proponent has no role in the negotiations or compensation calculation.

8. ACQUISITION OF LAND

The Cement project comprises of the following sections, which necessitate acquisition of land:

- Plant area
- Mining area
- New road from Derba to plant site
- New road connecting Plant to Mines
- Upgradation of road from Chanco to Derba
- Conveyor belt
- Water pipeline
- Power transmission line

The summary of the land acquired for different components of the project, the area acquired, the compensation paid, and the categories of land owners is given below.



Purpose	Site/village name	Land owners who have lost total land			Landowners who have lost part of their land			Land owners who have lost houses			Total Compensation paid (Birr)	Whether acquisition completed or in progress
		Nos.	Total area (ha)	Compensation paid (Birr)	Nos.	Total area (ha)	Compensation paid (Birr)	Nos.	Total area (ha)	Compensation paid (Birr)		
Plant site												
	Becho Kidanemeheret	-	-	-	94	125.104	4,466,034.36				4,466,034.36	Completed
Road from Derba to Plant												
	Derba Gulele Berisa PA	-	-	-	37	4.83	349,143.60				349,143.60	Completed
Due to Quarry site												
	Becho Kidanemeheret	-	-	-	4	0.75	41,607.00				41,607.00	Completed
Road from Plant to Mines												
	Ada Gimbichu	-	-	-	116	139.70	5,186,497.10	78		1,229,898.50	6,416,395.60	In progress
	Becho Kidanemeheret				88	23.07	1,305,187.60				1,305,187.60	Completed
Road from Chancho to plant site												
	Derba Gulele Berisa PA				50	7.86	479,931.80				479,931.80	Completed
	Becho Kidanemeheret (Dibdebe)				2	0.34	18,722.00				18,722.00	Completed
Road for Water supply												
	Lilo-Chebeka				4	2.50	33,819.60				33,819.60	Completed
	Amara Sefer				12	1.85	12,595.35				12,595.35	Completed
Conveyor Belt/ Right of way In Progress												
Mining Area												
	Anda Wiezero				32	6.21	201,200.70				201,200.70	In progress
	Anda Wiezero				9	0.83	6,099.19				6,099.19	In progress
Power Transmission Line In Progress												
				Total	354	187.942	12,100,838.30	78		1,229,898.50	13,330,736.80	13,330,736.80

9. VULNERABLE GROUPS

Vulnerable groups have been identified as those groups of people who have lost all their landholding or have lost their dwellings as a result of land acquisition for this project. Considering the acquisition carried out up till now, no landowners have lost all their landholdings. All landowners whose lands have been acquired have lost a part of their land holding. Seventy eight (78) persons have lost their dwellings and form a vulnerable group whose progress in setting up alternative livelihoods/ dwellings will be monitored over a period of time.

10. SHELTER, INFRASTRUCTURE, AND SOCIAL SERVICES

The roads being built by the project shall bring a huge change in the infrastructure scenario of the area. The Mughher valley area, which had no connectivity with the highland except a mountainous foot track, shall now become accessible with the construction of the bridge over Mughher river. The people shall now be able to access medical care, educational facilities, communication facilities, etc. which shall be set up in the project area.

The proposed Socio-economic Development Plan is presented below.

Sn	Issues	Action Plan
1	Employment and business opportunities	<ul style="list-style-type: none"> ❑ Currently the following types of local labour is employed at the plant site: Skilled : 10; Unskilled : 60; Total : 70 The local labour strength proposed during later construction stage will be: Skilled : 50 : Semi-skilled : 50; Unskilled : 300; Total : 400 ❑ Preference shall be given to employ able bodied locals in the project whose lands have been permanently acquired for the project.
2	Community Development Fund	DMC is committing an annual contribution of Birr 250,000 per year to the project area for establishing a revolving fund to support/ supplement the efforts to help finance small scale businesses for the local communities. A Committee comprising of Sululta Wereda officials, PAs and DMC will oversee the implementation of this Fund. DMC shall continue the contribution till the cumulative contribution reaches Birr 2.5 million.
3	Road Development	<p>Major road building and upgradation is being carried out by DMC for the project.</p> <ul style="list-style-type: none"> ❑ Road from the Plant to mine will for the first time link the valley to the town of Derba and further. Villages hitherto accessible through long mountainous foot trails will gain access to the highlands and the capital city of Addis Ababa. ❑ The proposed bridge over Mughher river will provide an access to the villages in the vicinity of the quarry and beyond. ❑ The road from Chancho to Derba, which is presently a gravel road, will be converted to a tarred black-topped road which shall provide a better connectivity. ❑ There are presently four old, narrow bridges over small streams on the way from Chancho to plant site. New bridges will be constructed alongside these bridges thereby providing improved infrastructure in the area.
4	Health Facilities	Health facilities at Plant <ul style="list-style-type: none"> ❑ A Health Centre staffed by a Doctor, a Nurse, Laboratory technician, pharmacist and other supporting staff will be set up within the plant

Sn	Issues	Action Plan
		<p>which will serve the employees of DMC.</p> <ul style="list-style-type: none"> ❑ DMC plans to extend health facilities for the local community by establishing a Clinic at the plant site. The ownership and administration of the Clinic shall be with the Regional Government. ❑ The estimated cost of the Clinic which shall be allocated by DMC in its budget is: <ul style="list-style-type: none"> Establishment Cost : 300,000 Birr Health facility Cost : 200,000 Birr Total : 500,000 Birr ❑ DMC is willing to support the upgradation and upkeep of the established Centre by providing the Centre up to Birr 10,000 per month aimed at supplementing the running expenses like manpower. ❑ In addition to the above, professional assistance to organize and run the Centre will be provided by DMC health professionals. <p>Health facilities at Mines</p> <ul style="list-style-type: none"> ❑ The health facility at quarry site will also be established to the same standards as the plant facility. ❑ The cost of health facility, which will be borne by DMC, is estimated as Birr 200,000. However, the administration and management of the health facilities will remain with the concerned office of the Regional Government. ❑ A financial assistance of Birr 10,000 per month will be given for supplementing the running expenses of the Health Centre. ❑ DMC health professionals will extend close cooperation in periodic health surveys and during occurrence of any accidents, calamities, etc.
5	Education Facilities	<ul style="list-style-type: none"> ❑ DMC commits to build new or expand the existing elementary school at the plant and quarry sites and hand over the same to the concerned Government office for managing them. ❑ DMC is allocating in its budget for expanding and upgrading the educational facilities at plant site and quarry. <ul style="list-style-type: none"> Cost of additional class rooms at plant site and quarry: Birr 500,000 Cost of facilities like desks, laboratory equipment, etc.: Birr 250,000 Total: Birr 750,000
6	Vocational Training Centre	<p>A Regional Vocational Training Center is being established by Sululta Wereda at Chancho. DMC will contribute about Birr 224,000 for the establishment of Vocational (Health Extension Workers and Farmers Training) Centre.</p>
7	Water Supply	<p>Water supply access will be extended by DMC to a total of seven villages around the plant and mining sites. These villages are Adero, Abale, Becho Kidanemehrat, Debedebe, Muger, Anda Wezero and Anda Botero. The amount of water, which shall be made available, is estimated to be 83,560 litres per day (assuming consumption of 20 l/ day) in the form of one water point per village. The water points shall be run by a Water Committee, which shall be established comprising of members of the community. The community will be expected to generate a small amount of revenue from the sale of water, so as to cover at least the maintenance cost of the system.</p>

Sn	Issues	Action Plan
8	Communication	With the establishment of the plant, DMC shall set up modern communication facilities like telephones, internet, etc. in the area, which will also be available to the local population.
9	Electricity Power Line	DMC will extend up to 2MW electric power line for the community along the Derba-plant road and around the plant site to facilitate personal connections for the community. However, the cost of individual connections and bills based on the consumption will be borne by the individuals.

Like the Federal EPA, all institutions, i.e., Wereda level offices at Chanco and PAs have no capacity to undertake and assist the project in social development plans. Thus **DMC** will have a complete Social Unit within its Environmental Management Cell at the plant to undertake the socio-economic development schemes in and around the project area.

11. IMPLEMENTATION SCHEDULE

A detailed implementation schedule has been devised for activities pertaining to land acquisition, payment of compensation and resettlement of PAPs. A Steering Committee has been formed to oversee the complete process of compensation and resettlement. This Committee comprises of members from **DMC**. An Implementing Committee has been formed which is responsible to the management of **DMC** and Steering Committee. A Grievance Committee has also been formed for addressing the complaints of the PAPs. The Implementation Schedule for activities pertaining to land acquisition and resettlement issues is given below.

Resettlement Plan: Greenfield Derba Cement Project: DMC, Ethiopia

Activities	Responsible bodies	2006				2007				2008			
		1	2	3	4	1	2	3	4	1	2	3	4
PHASE I													
Committee formation and Awareness Creation													
Conducting Consultation meetings and create awareness among the affected people	DMC	x	x										
Formation of Steering Committee	DMC	x	x										
Formation of Implementing Committee	DMC and Steering Committee	x	x										
Formation of Grievance Committee	DMC and Steering Committee	x	x										
Provision of training to the Committee	DMC		x	x									
PHASE II													
Compensation													
Reassess names of the affected people	Implementing Committee		x	x	x	x	x	x	x				
Reassess Assets and properties of the affected people	Implementing Committee		x	x	x	x	x	x	x				
Preparing and recording compensation payment for project affected people	Implementing Committee		x	x	x	x	x	x	x				
Payment of cash compensation	Implementing Committee			x	x	x	x	x	x	x	x		
Resolving Grievance	Grievance resolution committee and Court		x	x	x	x	x	x	x	x	x	x	x
Construction of public services	DMC and Wereda Administration							x	x	x	x	x	x
PHASE III													
Resettlement and Income Restoration													
Resettlement	DMC and Wereda Administration				x	x	x	x	x	x	x	x	x
Income Restoration	DMC and Wereda Administration				x	x	x	x	x	x	x	x	x
PHASE IV													
Monitoring													
Monitoring and Monitoring Report	DMC, Steering Committee, Implementing Committee Financers and Grievance Committee		x	x	x	x	x	x	x	x	x	x	x
PHASE V													
Technical Support													
Technical Support	DMC		x	x	x	x	x	x	x	x	x	x	x
PHASE VI													
Evaluation Report													
Evaluation	External Evaluator						x						x

12. MONITORING AND EVALUATION

The major tools of conducting the monitoring activity will be periodic progress reports (monthly, quarterly, yearly), field visits, Stakeholder meetings (along with representatives of Wereda administration, **DMC**, Project financiers, the contractors, the community and other concerned bodies). The purpose of monitoring will be to ensure that the implementation of compensation and resettlement is carried out as per plan and to take immediate corrective measures if any deviations are observed.

Evaluation will be done twice during the entire duration of compensation process. The first evaluation will be in the middle of the project duration (mid term evaluation) and the other at the completion of the project (final evaluation). The mid term evaluation will help to take timely remedial measures on issues, which may be hindering the implementation of the project before the completion of the project. The major issues to be evaluated will focus on replacement compensation, income restoration, public and community based compensation, the provision of technical assistance, adequacy of the unit rates, the inclusion of all the affected items of compensation, the effectiveness of the grievance redressal mechanism, etc.

Final evaluation will be done before the completion of the project. The evaluation will be done by an independent consultant to be approved by both **DMC** and the financiers.