

***Independent review of
the Ethiopian Railway
Project against
environmental and
social performance
standards***

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Credit Suisse

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Executive Summary

Credit Suisse (CS) is the leading bank in a planned syndicate of banks and Export Credit Agencies considering “project-related corporate finance” of a major railway extension project in Ethiopia (“the Project”), to be managed, owned and operated by the Ethiopian Railway Corporation (ERC). Environmental and social impact assessments (ESIAs) have been completed by separate consultancy firms in four Lots for the length of the proposed route.

As a signatory to the Equator Principles III, CS engaged PwC to undertake an Independent Review of the ESIAs, to determine their alignment with the IFC Performance Standards. PwC was also asked to consider their alignment with the OECD Common Approaches and with the African Development Bank’s Operational Safeguards (together, the “standards”). PwC’s review does not constitute an audit or review carried out in accordance with generally accepted auditing standards nor does it constitute a non-audit assurance engagement in accordance with International Standards on Assurance Engagements (ISAE 3000).

Each of the four Lots’ ESIAs varied in the extent of their alignment with the standards as shown in Appendix 1. With 37 sub-headings underpinning the Standards, there were a total of 148 individual assessments of alignment across the four ESIAs, of which 18 assessments were found to be “not applicable”. The majority of the remainder either partially met or materially met the requirements of the Standards.

Of course, the assessment outcomes are not of equal importance or materiality to this particular project, either because of their nature, or because of the (early) stage reached in the development of the project, as explained in the body of this report (for example, some gaps exist because the final route of the railway line, and the location of stations, access roads etc., were not known at the time of development of the ESIAs).

We believe that the ESIAs do not require any further rework in 20 of the 37 sub-heading areas of the Standards. However, we have recommended further ESIA work in 17 of the 37 sub-heading areas. When outputs are available, it will be possible to finally assess alignment with the Standards.

Our Priority Findings (where effort to achieve Standards alignment should be focused) cover the following areas:

- **ESIA Scoping and Coverage of Issues**
- **Project “Area of Influence”**
- **Identification of Environmental and Social Risks and Impacts – general**
- **Identification of Environmental and Social Risks and Impacts – specific E&S issues (*namely Water, Resettlement, Biodiversity and Natural Resources and Cultural Heritage*)**
- **Stakeholder Engagement**
- **Indigenous Peoples**
- **Mitigation Measures and Management Programmes**

Full details may be found on pages 6-8.

It should be noted that the initial ESIAs provided were not well aligned in relation to the Standards. Our additional requests for information have, however, resulted in a substantial number of additional documents being provided which has led to much closer alignment in a number of areas. Given the scope and timeframe of this review, we understand that there may still be additional information available. Our assessment could change as a result of any such further information. Nevertheless, we do not expect to be provided with sufficient information to evidence that all the requirements of the Standards have been met, meaning that an Environmental Action Plan (EAP) will be required. Meeting the various actions set out in this EAP should overcome the non-alignments identified in the ESIAs.

Our detailed findings contained in Appendix A imply that the project does not currently meet the requirements of either the Equator Principles, and the IFC Performance Standards, or the OECD Common Approaches. This is a reflection of the relatively early stage of the project and the fact that some aspects of the ESIA's are incomplete. However, based on our limited, desk top review of documents, we have not found any evidence to suggest that the project could not meet these standards if the issues we have identified are remedied through the development and implementation of an appropriate EAP.

Independent Review of the Ethiopian Railway Project against environmental and social performance standards

Introduction

Credit Suisse (CS) is the leading bank in a planned syndicate of banks considering “project-related corporate finance” of a major railway extension project in Ethiopia (“the Project”), to be managed, owned and operated by the Ethiopian Railway Corporation (ERC). The Project is currently in planning stage, with preliminary route selection having been undertaken, and environmental and social impact assessments (ESIAs) completed by separate consultancy firms in four Lots for the length of the proposed route. The design and build contractor for the railway has been selected.

CS is signatory to the Equator Principles III (EP III) and so project-related corporate finance provided by the bank must meet the EP III requirements. CS has requested PwC to undertake an “Independent Review” of the Project against the applicable requirements of EP III prior to financial close.

[The EP III, Principle 7, states “For all Category A and, as appropriate, Category B Projects, an Independent Environmental and Social Consultant, not directly associated with the client, will carry out an Independent Review of the Assessment Documentation including the ESMPs [Environmental and Social Management Plans], the ESMS [Environmental and Social Management System], and the Stakeholder Engagement process documentation in order to assist the EPFI’s due diligence, and assess Equator Principles compliance.

The Independent Environmental and Social Consultant will also propose or opine on a suitable Equator Principles AP [Action Plan] capable of bringing the Project into compliance with the Equator Principles, or indicate when compliance is not possible.”]

In particular, PwC has been asked to compare the ESIAs with the:

- The IFC Performance Standards
- The OECD Common Approaches
- The African Development Bank’s Operational Safeguards

The remainder of this report covers:

1. Overview of the project
2. Objectives and Approach for the Independent Review
3. Approach
4. Summary of Findings
 - Appendix A: Detailed Lot-by-Lot Assessment
 - Appendix B: List of documents reviewed
 - Appendix C: Links to applicable Standards

Overview of the Project

As outlined in Section 3 of the Feasibility Report prefacing the ESIA, the Awash-Weldia railway is an extension project stretching 394km, which starts in the North East of the city of Awash, arriving at Weldia via the city of Kombolcha.

The Project connects the northern and eastern economic and traffic corridors of Ethiopia, and provides a vital link to Addis Ababa and the Djibouti Port, the main import and export terminal for the region. The Project is expected to contribute to the economic development of the entire country.

The design and construction of the Project was awarded to Turkish contractor Yapi Merkezi. The Project has a scheme value of US \$1.7bn and is due to be completed in a 42 month period.

PwC understands that the Project is currently in the early design phase, with route selection currently being finalised. The Project is part of a wider programme of railway development in Ethiopia, which is divided into Routes and sub-divided into Lots. The Awash-Weldia stretch of the railway comprises four Lots (10, 11, 12 & 13).

Objectives and Approach for the Independent Review

An Independent Review under the EP III is designed to assess compliance with the EP III based on a review of the environmental & social impact assessment documentation, stakeholder engagement processes, management plans, and management systems. In practice, given the early stage of the Project, the Review involved reviewing the environmental and social impact assessment studies that had been undertaken for the Project in the period 2011-2012, and any supporting documents that were made available.

In addition to the Equator Principles and the IFC Performance Standards that are directly referred to by EP III for non-designated countries, Credit Suisse also requested PwC to consider whether either the 2012 OECD Common Approaches or the 2013 African Development Bank (AfDB) Integrated Safeguards System¹ set any higher environmental and social standards. If any higher standards were identified these were included in the scope of the review.

In order to structure the review, PwC assessed the applicable standards to determine which have primacy and to develop a consolidated protocol against which to assess the Project documentation. A summary of this review is below and further details on the standards are provided in Appendix 3.

Standards	Notes on Applicability	How we have covered Standard in our Assessment Approach
Equator Principles III (EP III)	EP III signatories are required to follow a structured process for E&S risk management, set out in 10 Principles	We have undertaken a high level review of the application of the standards underpinning the Equator Principles, i.e. the IFC Performance Standards, based on available information and discussions with Credit Suisse.

¹ The Integrated Safeguards System, released in December 2013, contains updates to its environmental and social standards and integrates the Bank's various requirements under one framework.

Standards	Notes on Applicability	How we have covered Standard in our Assessment Approach
IFC Performance Standards (IFC PS)	<p>The EP III requires all projects located in Non-Designated Countries (of which Ethiopia is one) to be evaluated against the requirements of the IFC PS.</p> <p>The IFC PS consist of 8 standards, which outline the process for identifying and assessing E&S risks and define sound E&S practices in 7 topic areas.</p>	<p>The IFC PS are the primary basis for our assessment – we developed a protocol based on these Standards and assessed each ESIA Lot Report against these Standards.</p>
World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines)	<p>The EP III requires projects located in Non-Designated Countries (of which Ethiopia is one) to be evaluated against the requirements of the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines). These Guidelines provide sector-wide general technical guidance on a range of environmental, occupational health & safety, community health & safety, and construction & decommissioning issues.</p>	<p>The E&S topics covered in the EHS Guidelines are referred to where applicable in the assessment, but the Guidelines will be more applicable during later stages of design and construction of the railway.</p>
OECD Common Approaches	<p>The OECD Common Approaches are recommended for Member Agencies when providing export credit for exports of capital goods and/or services with a repayment term of two years or more. The OECD Common Approaches require members to evaluate E&S impacts, and the IFC PS serve as one applicable benchmark standard for such an assessment.</p>	<p>The OECD Common Approaches asks Members to benchmark non-project finance projects against “all ten World Bank Safeguard Policies, OR, all eight IFC Performance Standards” and limited or non-recourse finance projects against “the relevant aspects of all eight IFC Performance Standards”. As such, the applicable requirements of the OECD Common Approaches are covered by IFC PS review.</p>
African Development Bank (AfDB) Safeguards System’s Operational Safeguards Standards (OS Standards)	<p>The African Development Bank (AfDB) Safeguards System’s Operational Safeguards standards (OS) are closely aligned with the IFC PS, and much of the language and requirements are based on the IFC PS. The OS standards however, place more emphasis on vulnerable groups and gender issues than the IFC PS, in relation to resettlement. In addition, further points of differentiation are around climate change risk and community consultation.</p>	<p>The additional issues covered by the OS have been added in to the assessment protocol.</p>

The environmental and social impact assessments for the Project were undertaken in four Lots. PwC reviewed each Lot individually and assessed it against the requirements of the applicable Standards, as set out above. The following assessment criteria were used for the review:

Evaluation Criteria	
Fully meets or Exceeds	Assessment outcomes fully meet or exceed those articulated in Standards – therefore no divergence
Materially Meets	Assessment outcomes materially meet requirements in Standards – therefore low divergence
Partially Meets	Assessment outcomes do not meet requirements in Standards in certain instances – therefore medium divergence.
Not yet met	Assessment outcomes do not yet meet the Standards' requirement – therefore high divergence.

Our work was entirely desk-based, with no fieldwork undertaken. Besides one telephone conference to which the Lot 12 consultant briefly contributed, we did not have any access to the contractors who undertook the ESIA's. Our work comprised the following steps:

1. Initial review of the four ESIA documents (Lots 10 – 13) dated from 2011 -2012
2. Issue of initial draft findings (mid-Jan 2014)
3. Telephone conversations with Credit Suisse and Yapi Merkezi to discuss initial draft findings
4. Receipt and organisation of additional documentation. A total of 144 documents were received including the four ESIA reports restated on the basis of our draft findings (Appendix 2 sets out the documents received and whether they were relevant to the Independent Review). The additional information was useful in assessing whether the restated ESIA's align with the Standards concerned.
5. Further review of documentation to produce this Report.

Summary of Findings

Overview

PwC's review of the Project against the requirements of the EP III and other relevant Standards (as listed above) was based on the environmental and social impact assessment reports (ESIA's) that had been undertaken for the Project in 2011-2012 (subsequently restated in January/February 2014 following PwC's draft findings) and other supporting documentation (see Appendix B).

While the Standards apply throughout the life of the Project (through concept, design, construction and use), given the current early design stage of the Project, certain parts of the Standards are either not applicable or will only be able to be applied at a later stage of the Project.

Given this context, we have structured our findings of the Independent Review with reference to the work that has been carried out to date, and work that will be undertaken in future stages of the Project:

- **Priority Findings** – related to the environmental and social impact assessment work that has been done to date.
- **Ongoing issues to be managed** – related to issues that will generally be able to be addressed as part of the ongoing environmental and social management activities required as the design and construction of the Project progresses.

Our detailed findings – on a Lot by Lot basis – may be found at Appendix 1. This provides our assessment of the degree of alignment of the four restated ESIA's with the Standards, Summary

Findings, and a reasoned recommendation as to whether parts of the ESIA should be re-worked.

Priority Findings

The following section presents findings related to the non-alignments between the Standards and the environmental and social impact assessment work done to date:

- ***ESIA Scoping and Coverage of Issues***

PwC was not able to review a detailed scoping report for any of the ESIA reports. As such it was not clear whether ESIA had been scoped in a way that was “consistent with good international industry practice” (IFC PS1 / 7). Consequently, when an environmental or social issue was not included in the report it was unclear whether this was due to it not being relevant to the Project, or whether it was relevant but had not been included in the scope of the impact assessment.

Furthermore, it was clear from our review that all four ESIA focus on the “construction” phase of the project, with a lower degree of assessment of the environmental and social impacts during the “use” phase being provided.

- ***Project “Area of Influence”***

IFC PS 1 / 8 requires the impact assessment to be undertaken with reference to the Project’s (i) direct; (ii) unplanned but predictable impacts; (iii) indirect impacts; (iv) associated facilities; and (v) cumulative impacts). With the exception of Lot 13 (which references the Project’s “area of influence” but does not describe how this was determined), this term is not used in the ESIA and there is no indication that the physical coverage of the ESIA has been determined with reference to this term and hence in line with the IFC PS requirements.

In addition, while recognising that this information may not have been available at the time of the ESIA being undertaken, none of the ESIA refer to specific details about the railway infrastructure (such as construction camps, access roads, depots and stations) for which impacts would need to be assessed.

- ***Identification of Environmental and Social Risks and Impacts - general***

The Lot 10-13 ESIA reports varied in the extent to which quantified data was presented as part of the baseline environmental and social review, and the assessment of the Project’s impacts on this baseline. IFC PS1 /7 requires impact assessment to be based on “baseline data at an appropriate level of detail”. For example, Lot 12 presented some detailed quantitative baseline data throughout, but in PwC’s view the generalised, qualitative descriptions of baseline data and impacts that were provided in the Lots 10,11 & 13 reports partially meet the IFC PS 1 requirement given the nature and extent of environmental and social impacts of the Project.

- ***Identification of Environmental and Social Risks and Impacts – specific E&S issues***

Of particular concern were the assessments of the following E&S issues:

- Water: PwC was provided with extensive data on the potential physical impact of water on the railway line in three separate hydrogeological reports:

The Dessie and Raya hydrology reports survey several areas in the north and northeast of Ethiopia. It is not clear that these two reports do cover the areas affected by the proposed Project. However a high-level comparison of the "pre-basic design" map of the railway line and the study areas of the report indicates there may be some overlap between the two.

Assuming these hydrology reports are relevant, both outline geographical areas where there is high, moderate and low levels of water productivity in the regions surveyed. They also outline some areas where boreholes and water abstraction should be avoided. It should be noted that the focus of these reports, particularly the Raya report, is largely on the use of water sources for domestic use, livestock watering and irrigation. There is very limited commentary on industrial use. Further, given the date of these reports, additional changes to water productivity may have taken place. With the

limitations in mind, it is recommended that the analysis and recommendations are taken into consideration when identifying suitable water sources for the construction phase of the proposed project.

There is no analysis of how water abstraction for industrial use would affect local communities. However, it may be assumed that water abstraction from low (and possibly moderate) productivity areas could have negative impacts on any communities dependent on these water sources. Without knowing where the water will be drawn from, the volume of water to be withdrawn, the relative availability of water in these areas, the location of local communities and their reliance on those water sources, it is not possible to understand the impact on local communities at this point. It is recommended that plans for water abstraction consider these factors as well as impacts from competition for water from other industrial activities in the area.

The Jemma Basin hydrology report focuses on the south eastern part of the basin. As with the Dessie and Raya reports, it appears possible that the southern aspect of the railway project overlaps with the study area, however this has not been confirmed. The objective of the report was to identify and map the geological and chemical characteristics of water sources in this region, including establishing a water point inventory and modelling groundwater flow. The report arrives at the conclusion that the Jemma basin is rich in both surface and groundwater and provides a good potential for future development, including both agricultural and industrial. Again, as with the Dessie and Raya hydrology reports, there is little discussion around the impact of industrial development on total water resource availability and the effect on local communities. The main concerns listed focus on sanitation and water quality. The report does note that there are a large number of people living along or nearby water sources in the river valleys, most of whom engage in agricultural work. Further study will be required to better understand where and how water will be abstracted, the volume of water required, and the impacts on local communities and their livelihoods.

In summary, the ESIA Reports described in general terms the impact of the Project on water resources, noting the scarcity of water, the significant use of water that will be required by the project, and the dependence of local communities on the water resources. Without more comprehensive baseline water data/ information, the IFC PS 3 / 9 requirement to “adopt measures that avoid or reduce water usage so that the project’s water consumption does not have significant adverse impacts on others” will be difficult to meet.

- *Resettlement:* Each ESIA Report identifies that land acquisition and compensation to affected communities would be required, although the nature and scale of this is not made clear in Lots 10 and 13. We were verbally advised that Lot 10 did not affect any communities, although this would need to be verified and confirmed.

Biodiversity and natural resources: The assessment of impacts on biodiversity & natural resources was generally not undertaken with reference to the issues included in IFC PS 6 / 6 (i.e. impacts relating to “habitat loss, degradation, fragmentation, invasive species, overexploitation, hydrological changes, nutrient loading and pollution”) and did not generally contain any particular focus on sensitive or protected areas. Where potential impacts on biodiversity are identified, these (and their mitigation measures) are generally described in brief terms e.g. Lot 11 states that biodiversity risk can be mitigated using “environmentally sound disposal sites”.

- *Cultural heritage:* Apart from Lot 12, the assessment of impacts from the Project on cultural heritage was limited, beyond stating that there are likely to be cultural resources in the project area. The assessments did not appear to have been undertaken based on “internationally recognised practices for the protection, field-based study, and documentation of cultural heritage” (IFC PS 8 / 6).

- ***Stakeholder engagement:***

While the ESIA reports provide some evidence that stakeholder engagement activities did take place, there is limited information provided to outline the approach that was taken to engaging with stakeholders that

would be affected by the Project. As such, it was not clear whether a “Stakeholder Engagement Plan” (IFC PS 1/27) had been developed and implemented and whether related requirements around Disclosure of Information, Consultation & Participation, Grievance Mechanisms and Ongoing Reporting (IFC PS 1 / 29-31 & 34-36) had been fully met.

• **Indigenous Peoples**

PwC received verbal confirmation that no indigenous peoples would be affected by the Project and there is no reference to indigenous peoples in Lots 10,11 & 13. However, Lot 12 outlines that local communities hold "valuable indigenous knowledge and skills", but also states that “there is no community that can be counted as indigenous people along the proposed railway construction corridor” (without providing an indication of how it reached that conclusion). In addition there are anecdotal (unconfirmed) reports that these peoples are present in the vicinity of the Project. As a result, it is unclear whether the IFC PS 7 requirements around indigenous peoples should have been applied.

• **Mitigation Measures and Management Programmes.**

An environmental and social management plan has been developed for the Project, and each ESIA report includes a range of mitigation measures. These mitigation measures and management programmes are typically stated in generalised terms, although it is recognised that the design and construction contractor will be primarily responsible for fulfilling these requirements in their own environmental and social management plans. However, given the abovementioned concerns regarding the impact assessment process, these stated management programmes / mitigation measures can be considered to partially “address the identified environmental and social risks and impacts of the project” (PS 1 / 13).

Ongoing issues to be managed

The following issues were not covered to the level required by the IFC Performance Standards, but will, in the main, be able to be addressed as part of the ongoing environmental and social management activities required as the design and construction of the Project progresses.

It should, however be noted that successful performance against the following IFC PS requirements will be highly dependent on the above “Priority” findings having first been responded to.

Environmental and Social issues (IFC PS references)	Summary of requirements
Environmental and social policy (PS1)	ERC should develop its own Environmental and social policy to guide development of its environmental and social management system
Organisational Capacity and Competency (IPC PS1)	The Project will need to ensure that appropriate organisation structures are put in place, and appropriately qualified personnel are employed to manage environmental and social aspects of the Project.
Emergency Preparedness and Response (IPC PS1)	Emergency preparedness and response procedures will need to be fully developed and implemented by the Project, involving stakeholder and affected communities where appropriate.
Monitoring and Review, Communications and Grievance Mechanisms, Ongoing Reporting to Affected Communities (IPC PS2)	The Project will need to ensure that mitigation measures are monitored for their effectiveness, Affected Communities and other stakeholders are provided with effective communications and a mechanism is set up for grievances to be taken into account.

Environmental and Social issues (IFC PS references)	Summary of requirements
Working Conditions and Management of Worker Relationships, and Protecting the Workforce (specifically child labour / forced labour) (IPC PS2)	The Project will need to ensure that workers (including those employed by third parties / contractors) are treated fairly, that safe and healthy working conditions are promoted, and that steps that have been taken to avoid child labour / forced labour in the workforce and in the primary supply chain.
Pollution Prevention (IPC PS3)	The Project will need to ensure adverse impacts on human health and the environment are avoided or minimised by minimising pollution arising from Project activities.
Community Health, Safety and Security (IPC PS4)	The Project will need to ensure that health and safety risks to Affected Communities are clearly identified and managed, and that security staff employed (directly or through contractors), to safeguard assets or sites during the project will need to act in a manner that does not negatively impact on the affected communities.
Land acquisition / involuntary resettlement (IPC PS5)	For Lots 12 & 13, socio-economic baseline data has been collected, and the basis on which compensation and resettlement will be undertaken has been stated (included in the Resettlement Action Plans (RAP) for these Lots). Further work will be required to implement these RAPs as the project progresses. Resettlement was stated to not be required for Lots 10 & 11.

Appendix 1 – Detailed assessment

Evaluation Criteria	
Fully meets or Exceeds	Assessment outcomes fully meet or exceed those articulated in Standards – therefore no divergence
Materially Meets	Assessment outcomes materially meet requirements in Standards – therefore low divergence
Partially Meets	Assessment outcomes do not meet requirements in Standards in certain instances – therefore medium divergence.
Not yet met	Assessment outcomes do not yet meet the Standards' requirement – therefore high divergence.

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?
IFC PS1: Assessment and Management of Environmental and Social Risks and Impacts Objectives: - To identify and evaluate environmental and social risks and impacts of the project. - To adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to workers, Affected Communities, and the environment. - To promote improved environmental and social performance of clients through the effective use of management systems. - To ensure that grievances from Affected Communities and external communications from other stakeholders are responded to and managed appropriately. - To promote and provide means for adequate engagement with Affected Communities throughout the project cycle on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated.	IFC PS1 - Policy	10	While the Lot 10 ESIA discusses applicable policy requirements at a national level, there is no indication that Ethiopian Railways Corporation has developed a corporate environmental and social policy to guide the environmental and social performance of the project.	Not yet met	The ERC Environmental Management Plan refers to the ERC Environmental Policy, but this document was not made available for review. While the Lots make reference to applicable policy requirement (including IFC Standards in Lot 12), there is no reference to an ERC Social Policy as required by the IFC PS.	Review any available ERC environmental and social policy documents , and revise or draft policy documents as required to align with IFC PS requirements. Ensure that the policy requirements are able to be implemented for the project, through the impact assessment process and through ERC and YM management plans.	Yes
		11	Section 2.2 covers the Environmental Policy of Ethiopia and its major elements, which includes "[developing] detailed sectoral technical guidelines in ESIA's and environmental audits". It also mentions a Road and Railway Sector Environmental Assessment Guideline, Federal EPA, 2004. Other "sectoral" policies are also mentioned as being in "various stages of development". Three "Proclamations" have recently been approved (two are named - ESIA and Pollution Control, the latter providing for the creation of the function of environmental inspectors). Provisions generally appear to be in formation as there is little information on how these will be enforced and no mention of the Performance Standards. There is also no mention of the Environmental Policy of the Ethiopian Railways Corporation specifically (if or where this differs from Government policy).	Partially Meets			
		12	Section 2 examines legislation, regulations, guidelines and policies under which the project implementation operates. These predominantly concern Ethiopian regulation and cover a wide range of issues. The policies mentioned include Ethiopia's constitution, environmental assessment guidelines of Federal EPA (2004), Ethiopia's environmental policy, Federal Water Resource Policy, National Policy on Women, National Policy on HIV/AIDS, Biodiversity Policy, Wildlife Policy, National Policy on Population, and Health Policy. It also mentions World Bank environmental assessment policies including forestry, indigenous peoples, involuntary resettlement and natural habitats. The section includes summaries of national development plans and programs such as the government's Growth and Transformation plan and Road Sector Development plan. A restated ESIA outlines the IFC's Sustainability Framework and its content. It also states that "ERC is using Ethiopian Environmental Impact Assessment guideline which was issued in 2003 by the EPA. When the guidelines are insufficient to guide specific impact assessment related to Railway, the IFC Standard and Best Practicable Options were used" and that ERC "has established its own environmental and social unit". However, despite this extensive list of policies and guidelines, there is no mention of a specific Ethiopian Railways Corporation policy. Section 9 simply recommends that these guidelines and relevant policies are considered during the project design phase.	Partially Meets			
		13	While the Lot 13 ESIA discusses applicable policy requirements at a national level, there is no indication that Ethiopian Railways Corporation has developed a corporate environmental and social policy to guide the environmental and social performance of the project.	Not yet met			
	IFC PS1 - Identification of Risks and Impacts	10	The Lot 10 ESIA comprises only a limited identification of environmental and social risks and impacts, which only partially meets the standard of the IFC PS1. - The baseline data collection is limited to short, generalised descriptions of environmental and social conditions, with only limited quantified data. - The description of impacts on the baseline environmental and social conditions are, likewise, short and generalised, with limited quantified information on the nature and extent of impacts. - The identification of risks and impacts does not cover all the applicable issues covered in PS2 to 8 (see below for detail). - There is no consideration of risks and impacts to the "area of influence" of the project beyond the direct impacts and indirect project impacts (i.e. associated facilities, cumulative impacts). - There is no assessment of how possible interactions with third parties, other wider development plans, and vulnerable groups (this may however be more appropriately done at a project level, rather than for individual lots).	Partially Meets			

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?
		11	<p>Land acquisition and resettlement: The ESIA mentions the "resettling of people following land acquisition", but there is no detail on the scale of either land acquisition or the number of people affected.</p> <p>Loss of land: No estimates are given for the size of land mass that will be permanently lost. There is no detail on temporary land losses either - e.g. "access roads to material sites" (how many, where, how long?) - and no detail on tunnels to be built (how long, exact locations, quantum and type of spoil and location of disposal). It states that "land loss at most of the quarries and borrows could be permanent as restoration...may not be feasible" - yet mitigation proposed includes "restore borrow sites".</p> <p>Air Pollution: Dust is covered during construction, with the principle mitigant being the use of water spray trucks for suppression. No mention of the volume of water required or the source. A "moderate and temporary deterioration in air quality" is predicted - without any values being quoted for the baseline or the increase. No comment is provided on air quality during the operational phase or the location or number of freight depots and rail yards, and impacts on air quality.</p> <p>Noise: The ESIA provides a discussion of the effects of noise on humans, animals and infrastructure. Main noise sources are listed according to construction and operational phases. The report states "recent technologies have greatly reduced the noise and vibration impacts of modern trains" and "the noise and vibration produced by this new train does not last as long as that caused by slower trains". No reference to research or details of trains and noise levels is given. No estimate is provided for noise during either construction or operation phases. Noise mitigation measures are discussed, including for construction machineries (equipment placement location, fixed manufacture sites), stakeholder communication, blast working, and operation.</p> <p>GHGs: There is no consideration of options to reduce project-related GHG emissions during the design and operation of the project - e.g. alternative project locations, or adoption of renewable or low carbon energy sources. However, electricity generation in Ethiopia is relatively low-carbon, with hydropower accounting for the majority of electricity generated.</p> <p>Water resources: The ESIA includes a section on "competition for water", concluding that "potential impact is very significant" during the construction phase. The mitigation planned does not appear to be adequate. This is to "require the contractor to make his own arrangements for water supply which will not affect the rights of others". It then suggests constructing ponds or abstracting from rivers "where there are no crowded users". No analysis of quantity or availability of water required is provided except for an estimate of 1.5 million cubic metres of usage during the construction phase and 50 m/d (units unclear) of consumption at the station and train supplies.</p> <p>Raw materials: the ESIA states that raw materials such as sand, quarries, borrow, oils and cleaning agents will be used. No further analysis is provided.</p> <p>Water quality impacts are not discussed - either from the construction or use phases. For example, the location of freight yards / rail terminals, and the potential use of USTs for diesel which might impact water quality.</p> <p>Waste water management is not covered - e.g. from passenger rail terminals during the use phase, and from rolling stock maintenance operations.</p> <p>Wildlife Impacts: Section 5.2.4 states "there are no rare and endangered species in the project area that are suspected of extinction or disappearing". Biggest risk stated as hunting by the workforce or animal flee owing to disturbance.</p>	Partially Meets	<p>standard of the IFC PS1.</p> <ul style="list-style-type: none"> - Reports on the baseline data collection are limited to short, generalised descriptions of environmental and social conditions, with only limited quantified data. - The description of impacts on the baseline environmental and social conditions are, likewise, short and generalised, with limited quantified information on the nature and extent of impacts (e.g. "potential impact [on water] is very significant"). - The identification of risks and impacts does not cover all the applicable issues covered in PS2 to 8 (see below for detail) - There is no consideration of risks and impacts to the "area of influence" of the project beyond the direct impacts and indirect project impacts (e.g. potential impacts of unintended developments of communities around new stations). - There is no discussion of the environmental and social impacts during the use phase of the railway - There is no consideration of associated facilities e.g. power supply or sub-stations for the railway (although it is understood that the existing electricity supply in Ethiopia has capacity to power the railway) 	<p>rigorous identification of impacts to the areas covered by IFC PS2-8) the process of identification of risks and impacts may need to be re-done with specific reference to the IFC PS requirements.</p>	

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?
		12	<p>The following impacts are identified with mitigation measures proposed against each. The assessment concludes that there are no severe impacts that cannot be mitigated.</p> <p>Displacement and loss of properties: Loss of land, loss of properties or assets, loss of farmland and disruption of social service infrastructures.</p> <p>Physical Environment: Land is susceptible to erosion through rainfall and wind requiring mitigation through drainage discharges. Railway follows mountain sides potentially requiring tunnels.</p> <p>Water resources: The route crosses several rivers and streams upon which the local community is dependent - maintenance of water resources is identified as crucial. Main impacts are silt deposits, surface run off, reduced groundwater recharge and water quality.</p> <p>Pollution: Dust pollution, air pollution, noise pollution are all identified as risk areas.</p> <p>Biological environment: Vegetation cover will be affected by railway width, quarry and pit development, camp site and garages and roads. No significant impact expected on flora and fauna.</p> <p>Social and economic environment: Violation of social or cultural norms, inadequate social services, increase in theft or criminal acts, unplanned settlement, spread of diseases, archaeological and cultural property. Quantitative and qualitative baseline information on socio-economic conditions but potential impacts on these are generally not quantified.</p> <p>Whilst the baseline information provided contains some qualitative data, quantitative data regarding the actual impacts of the project is mainly limited to project affected persons and farmland affected. For example, there is no quantitative information regarding water consumption or GHG emissions. No mention is made of the primary supply chain or the process through which these impacts were identified.</p> <p>Section 10 outlines key socio-environmental issues to be included in the contract tender document as a minimum.</p>	Partially Meets	- There is no assessment of how possible interactions with third parties, other wider development plans, and vulnerable groups (this may however be more appropriately done at a project level, rather than for individual lots).		
		13	<p>The Lot 13 ESIA comprises a high level identification of environmental and social risks and impacts:</p> <ul style="list-style-type: none"> - The baseline data collection comprises generalised narrative descriptions of the relevant baseline environmental and social conditions. The narrative descriptions were supported by limited quantified data for some areas (e.g. land use, flora & fauna, and cultural heritage) but not for all issues including potential critical issues such as water quality and quantity. - The description of impacts on the baseline environmental and social conditions are, likewise, short and generalised, with limited quantified information on the nature and extent of impacts. - The identification of risks and impacts does not cover all the applicable issues covered in PS2 to 8 (see below for detail). - There is no consideration of risks and impacts to the "area of influence" of the project beyond the direct impacts, & indirect project impacts (i.e. associated facilities, cumulative impacts). - There is no assessment of how possible interactions with third parties, other wider development plans, and vulnerable groups (this may however be more appropriately done at a project level, rather than for individual lots) <p>The ERC is using Ethiopian Environmental impact assessment guidelines, issued in 2003, supplemented by the IFC standards and Best Practicable Options (BPOs). It has established its own environmental and social unit under its organizational structure. However a clear due diligence process is not apparent.</p>	Partially Meets			

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?
	IFC PS1 - Management Programs	10	As noted above, baseline conditions have not been assessed for all issues covered in PS2 to 8 and so mitigation measures have accordingly not been prescribed for all the relevant areas. Limited mitigation measures are defined (in the body of the ESIA and the Schedule of Management and Responsibilities) for following impacts areas: Flora & Fauna Resources; Land resources and soil erosion; soils and water resources & water quality; cultural heritage and historic sites. Given the limited baseline and impact assessment, it is not possible to determine the appropriateness of these mitigation measures.	Partially Meets	As noted above, baseline conditions have not been assessed for all issues covered in PS2 to 8 and so mitigation measures have accordingly been prescribed for only some of the relevant areas.	Building on the results of any supplemental impact assessment process (as described above) management programmes / mitigation measures will need to be developed and fully incorporated within ERC / YM management plans for the project.	Yes
		11	Mitigation measures are defined for each of the following Adverse Impacts: Loss of Land, Air Pollution, Competition for Water Resources, Adverse Impacts on Wildlife, Impacts of Sensitive ecosystem Wetlands and Environmental Health and Occupational Diseases. Desired outcomes are defined in broad terms and high level actions to address the issues raised in the risks and impacts identification process are set out. However, not all Aspects and Impacts have been identified in the first place (see above), and no measures, performance indicators, targets, or acceptance criteria that can be tracked over defined time periods have been detailed, nor estimates of the resources and responsibilities for implementation provided.	Partially Meets	Limited mitigation measures are defined in the body of the ESIA Reports and associated Action Plans for those impacts identified by the ESIA reports. However, these are typically stated in general, rather than specific terms (e.g. "contractors shall ensure any water abstraction does not impact local communities" and given the limited baseline and impact assessment, it is not possible to determine the efficacy / feasibility of these mitigation measures.		
		12	Mitigation measures are identified for each of the impacts identified by the assessment and are summarised in section 9. Section 9 also presents details of a socio-environmental management and monitoring program and assigns responsibility for both execution and supervision of socio-environmental management activities. While some performance indicators to monitor are identified, these are limited and primarily refer to complaints made by the public. No targets or acceptance criteria are defined either.	Partially Meets	The ERC Environmental Management Plan provides more detailed environmental management requirements for the railway. However, these appear to still be generalised and do not appear to have been drafted with any reference to the mitigation measures identified in the ESIA reports.		
		13	As noted above, baseline conditions have not been assessed for all issues covered in PS2 to 8 and so mitigation measures have accordingly only been prescribed for some of the relevant IFC PS areas. Limited mitigation measures are defined (in the body of the ESIA and the Environmental Management Plan) but only for the following impacts areas: Land acquisition, soil and drainage, landscape quality and slope stability, obstruction to human and animal movement, water quality and quantity, air and noise pollution, flora & fauna, cultural heritage, employee and community safety, impact of construction camps, community and occupational health and safety, various impacts from construction and contractor activities, erosion and siltation. Mitigation measures are organised by stage of construction - e.g. Design, Pre-Construction, and Construction, Commissioning, and Operation phases. Mitigation measures would need to be incorporated in design documents and in construction contractors' management systems to ensure they are actioned accordingly.	Partially Meets			
	IFC PS1 - Organisational Capacity and Competency	10	With the exception of assigning responsibility in the Schedule of Management and Responsibilities, there is no information on establishing, maintaining, or strengthening as necessary organisational structures that defines roles, responsibilities, and authority to implement the environmental and social management programmes. (It is recognised however, that this detail may have be described in other lower-level documents describing the organisation and responsibilities of parties involved with the project - e.g. design and construction contractors).	Partially Meets	To varying extents, the ESIA Reports provide limited recommendations for responsibilities of the contractors employed at each stage to discharge the requirements of the ESIA. In addition the ERC Environmental	ERC and YM will need to be able to demonstrate that those responsible for implementing the management plans / mitigation measures have appropriate levels of competency and capacity to do so (i.e. persons with appropriate environmental and	
		11	There are no comments on establishing, maintaining, or strengthening as necessary an organisational structure that defines roles, responsibilities, and authority to implement the ESMS. No mention is made of the designation of specific personnel, including management representative(s), with clear lines of responsibility and authority. Key environmental and social responsibilities are not defined.	Not yet met			

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		12	Section 9 defines roles and responsibilities regarding the implementation and monitoring of the socio-environmental monitoring and management plan. It recommends that environmentalists and sociologists are members of the construction supervision team in order to implement the socio-environmental management and monitoring program and details what their responsibilities should entail. Section 9 contains a dedicated section on capacity building, which recommends providing training, tools and resources to ensure the socio-environmental management and monitoring plan is properly implemented, including suggestions for modules to include. The report also recommends external monitoring is carried out by state bodies and/or the funding agency for the project.	Materially Meets	Management Plan provides an organisation chart showing general environmental responsibilities. No documentation from the design and construction contractor (YM) was made available however, and so it was not possible to determine whether the contractor's organisational capacity and competency was sufficient to implement the mitigation measures identified and the IFC PS requirements generally.	social qualifications are employed on the project by ERC/YM, with capacity to influence project design and construction practices to ensure mitigation measures are incorporated).		
		13	The ESIA Report Section 8 describes for each stage of design and construction recommendations for responsibilities of the contractors employed at each stage to discharge the requirements of the ESIA. The Report also provides recommendations for recruitment of an Environmental Specialist during the construction phase. In the Environmental Management Plan, responsibility for implementation and monitoring of mitigation measures is assigned. Beyond the above there is no further information on "establishing, maintaining, or strengthening as necessary organisational structures that defines roles, responsibilities, and authority to implement the environmental and social management programmes" - it is recognised however, that this detail may have been described in other lower-level documents describing the organisation and responsibilities of parties involved with the project - e.g. design and construction contractors.	Partially Meets				
		10	There is no identification of areas where accidents and emergency situations may occur, nor of communities and individuals that may be impacted. None of the following is covered in the ESIA: response procedures, provision of equipment and resources, designation of responsibilities, communication, including that with potentially Affected Communities and periodic training to ensure effective response.	Not yet met				Other than reference to potential traffic incidents and accidents involving people or animals on the railway line, the ESIA Reports generally do not consider areas where accidents and emergency situations may occur, nor of communities and individuals that may be impacted. The ERC Environmental Management Plan makes reference to potential environmental incidents, but these do not appear to relate to the specific risks associated with the railway; the contractor's environmental incident response procedure is referenced but this was not available for review.
	11	There is no identification of areas where accidents and emergency situations may occur, nor of communities and individuals that may be impacted. None of the following is covered in the ESIA: response procedures, provision of equipment and resources, designation of responsibilities, communication, including that with potentially Affected Communities and periodic training to ensure effective response.	Not yet met					
	12	The assessment identifies potential areas where accidents may occur such as traffic and fire and provides some isolated examples of response procedures such as making available suitable transport at all times to take injured employees to hospitals. However, it does not cover in adequate depth: response procedures, provision of equipment and resources, designation of responsibilities, communication, including that with potentially Affected Communities and periodic training to ensure effective response. The re-worked assessment states that the contractor and client will have to establish an Emergency and Preparedness Response Program with reference to the IFC standards, including response procedures, provision of equipment and resources, designation of responsibilities, communication, including that with potentially Affected Communities and periodic training to ensure effective response. It does not provide any further detail apart from raising them as issues. It also identifies specific risks the contractor and ERC will need to take into account, such as tunnel collapse, fire risk and vehicle accident.	Partially Meets					
	13	While the ESIA indicates a need for an Emergency Preparedness and Response Program, few details are provided beyond a description of the IFC standard. A few risks are identified, such as tunnel collapse, fire, vehicle accidents etc. and the ESIA states that there will be assistance to and collaboration with Affected Communities and the local government agencies. However there is no identification of areas where accidents and emergency situations may occur or of communities and individuals that may be impacted. None of the following is covered in the ESIA: response procedures, provision of equipment and resources, designation of responsibilities, communication, including that with potentially Affected Communities and periodic training to ensure effective response.	Not yet met					
		IFC PS1 - Monitoring and Review	10	No procedures are described to monitor and measure the effectiveness of the management program, nor to check for compliance with any related legal and/or contractual obligations and regulatory requirements.	Not yet met	Lot 10 does not discuss monitoring, whereas Lots 11, 12 & 13 provide an	ERC and YM will need to ensure there is a consistent approach to monitoring the effectiveness	Yes

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?
		11	Section 7 of the report details considerations for monitoring and high level processes to be followed for each of the pre-construction, construction, post-construction phases. Actions at each phase include: Pre-construction - checking project designs, specifications and ensuring adherence to environmental protection clauses Construction - review of contractors' plans, designs, daily observation of site activities, and ensuring adoption of environmental protection measures. Responsibilities for daily monitoring and recording will be assigned and a reporting process and schedule implemented. Post-construction - implementation of a decommissioning specific EMS. Responsibilities of the Project Implementation Unit, Construction Supervision Consultants, and Contractors are outlined briefly.	Materially Meets	Environmental Monitoring Programme, with Indicators to assess the effectiveness of the mitigation measures, although no mention is made of involving Affected Communities in monitoring activities. The ERC Environmental Management Plan provides generalised environmental monitoring requirements, but this does not appear to be linked to the impact areas identified in the ESIA reports.	of the mitigation measures for both environmental and social issues, and that this is realised through incorporation in ERC and YM management plans. Affected Communities should be included in monitoring activities.	
		12	Responsibilities for supervising each activity are outlined in a socio-environmental monitoring plan in Section 9, including the issue, a limited selection of indicators to be measured and monitored, and frequency. The report also recommends external monitoring is carried out by state bodies and/or the funding agency for the project. There is limited information regarding the indicators to be tracked, how representatives from Affected Communities will participate, and how findings will be reported to senior management.	Materially Meets			
		13	Responsibility is assigned in the Environmental Management Plan for Supervising the mitigation measures, and an Environmental Monitoring Programme has also been drafted, with Indicators to assess the effectiveness of the mitigation measures. The process for reporting findings from monitoring is described. No mention is made in involving Affected Communities in monitoring activities.	Materially Meets			
	IFC PS1 - Stakeholder Engagement	10	The Lot 10 ESIA does not describe how it has identified relevant stakeholders for the project, nor does it present a list of stakeholder groups affected. The ESIA report states that local administrations and communities were contacted, but no further information is provided on the stakeholder engagement process, the views raised by stakeholders and how these have been taken into account.	Partially Meets	In the ESIA Reports there is limited discussion of the stakeholder engagement process followed as part of the impact assessments. As such, it is not clear whether the requirements of the IFC PS with regard to stakeholder engagement have been met (specifically around Disclosure of Information, Consultation, and Informed Consultation and Participation). Despite assertions that indigenous people will not be affected by the line, it remains unclear from the ESIA's whether indigenous peoples are considered to be affected by the project, and so whether the IFC PS requirements around Free, Prior and Informed Consents with respect to indigenous peoples will apply.	If available, any documents describing the stakeholder engagement process and records from this engagement (e.g. Lot 11 referenced an Appendix with the list of stakeholders consulted , but this was not seen) carried out as part of the impact assessment process, to confirm whether IFC PS requirements for stakeholder engagement have been addressed. If stakeholders have not been engaged as required by the IFC PS, then further stakeholder engagement may be required as part of a supplemental impact assessment process.	Yes
		11	Section 4.5 (3 paragraphs) covers Stakeholders and public consultations. A list of organisations and individuals said to be presented in an Appendix was not seen, so it is not currently possible to gauge the adequacy of the breadth and depth of the sample (e.g. gender balance), or the methodology used to generate the engagement plan. Nor is it clear that an Informed Consultation and Participation process was followed or FPIC was given. However, it is clear that farmers' representatives and administrative officials have been consulted. The outcome overall is stated to be "acceptability of the railway project... is very high".	Partially Meets			
		12	The scoping process included stakeholder consultation including government, NGOs and community representatives. Public consultations conducted at government and community level and a list of issues discussed is provided. The main benefits and concerns raised by stakeholders is also listed e.g. access to foreign markets and cultural impacts due to influx of workers. Discussions of project route alternatives involved community members of the project area. There is also evidence that the specific views and concerns of women have been taken into account. Mitigation measures arising from public consultation include consultation during design, construction and post-construction phases, prioritising community members for job opportunities, and raise awareness among workforce of local customs and norms. Annex 1 contains a list of the organisations and persons met while Annex 3 contains minutes of these consultations. Section 7 highlights the importance of disclosure of project information and conducting public consultations at the screening and feasibility stages of the project. It is unclear that FPIC was obtained regarding indigenous people or if it indeed applies. While no Stakeholder Engagement Plan is presented, the re-worked assessment states that ERC will be committed to a best practice approach to consultation and engagement. It outlines the objectives of a Stakeholder Engagement Plan and provides a list of the stakeholders identified. It does not describe the process of how these stakeholders were identified.	Partially Meets			

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AfDB OS1: Environmental and Social Risk Assessment	IFC PS1 - External Communications and Grievance Mechanisms	13	<p>The Lot 13 ESIA report lists the people consulted with as part of the Impact Assessment, but does not describe how these individuals or groups were identified, and so it is not possible to determine whether these groups were representative of the Affected Communities.</p> <p>The consultation covered current problems in the area, expected benefits / positive impacts, potential concerns / adverse impacts, and overall "social acceptability" of the railway. Concerns raised appear to have been taken into account in mitigation measures. The stakeholder engagement process however, was not described in detail and so it is not possible to assess whether the IFC PS requirements have been met (around Disclosure of Information, Consultation, and Informed Consultation and Participation). There is no reference to Indigenous Peoples and so it is not clear whether the FPIC requirements apply and were, if applicable, followed. The minutes from the stakeholder meetings were subsequently provided for review but do not describe the process of how these stakeholders were identified.</p>	Partially Meets			
		10	No comment given on implementing and maintaining a procedure for external communications that includes methods to: (i) receive and register external communications from the public; (ii) screen and assess the issues raised and determine how to address them; (iii) provide, track, and document responses, if any; and (iv) adjust the management program. No comment either on the existence of any formal grievance procedure.	Not yet met	The Lot 12 & 13 reports materially meet the requirements of the IFC Standard in this regard. However, the Lot 10 & 11 ESIA reports do not contain any discussion on implementing and maintaining a procedure for external communications that includes methods to (i) receive and register external communications from the public; (ii) screen and assess the issues raised and determine how to address them; (iii) provide, track, and document responses, if any; and (iv) adjust the management program. There is no comment in either report regarding the existence of any formal grievance procedure.	A procedure for external communications and a grievance mechanism should be developed and implemented across the railway as per IFC PS requirements and similar to the mechanisms described in Lots 12 and 13.	
		11	No comment given on implementing and maintaining a procedure for external communications that includes methods to (i) receive and register external communications from the public; (ii) screen and assess the issues raised and determine how to address them; (iii) provide, track, and document responses, if any; and (iv) adjust the management program. No comment either on the existence of any formal grievance procedure.	Not yet met			
		12	The re-worked report makes reference to ERC maintaining a grievance management procedure, splitting potential grievances into first, second and third order. For each type, it outlines the process for receiving the complaint, the process of evaluation and resolution. It assigns responsibility for managing the process e.g. to the Site Stakeholder Engagement Officer. The client (ERC) is also encouraged to make publicly available period reports on environmental and social sustainability.	Materially Meets			
	13	The ESIA refers to a grievance management procedure which acts as a mechanism for host communities and interested parties to raise complaints and grievances against ERC. The ESIA indicates its application to all instances of verbal and written complaints and grievances. A brief reporting procedure is described with the contractor logging the grievance and with responsibility for reporting it onwards to ERC. Disputes with affected communities are to be settled via an arbitrational tribunal established by ERC. Definitions for First, Second and Third Order Mechanisms (levels and degrees of complaints) are provided with associated responsibilities processes. While ERC indicates a process for disseminating information on the ESAI to relevant stakeholders (e.g. public consultation, workshops, dissemination through mass media), there is no reference to whether this will continue to apply once the project is operational.	Materially Meets				
	IFC PS1 - Ongoing Reporting to Affected Communities	10	No mention of plans to update affected stakeholders on the progress of implementation of impact mitigation action plans.	Not yet met	Apart from Lot 12 in general terms, the ESIA Reports do not make reference to any plans to update affected stakeholders on the progress of implementation of impact mitigation action plans.	The above external communications and a grievance mechanism should incorporate plans for ongoing reporting to affected communities.	
		11	No mention of plans to update affected stakeholders on the progress of implementation of impact mitigation action plans.	Not yet met			
		12	The re-worked report states that the ERC is encouraged to make available its reports on environmental and social sustainability (and the ESIA), but it does not specifically make reference to providing updates of the project's Action Plans or how frequently reports should be published. Additionally, it does not states that updated mitigation measures should be communicated to Affected Communities.	Partially Meets			
		13	No mention of plans to update affected stakeholders on the progress of implementation of impact mitigation action plans.	Not yet met			
	Gender	10	The ESIA mentions Ethiopia's National Policy on Women and the National Plan of Action for Gender Equality and includes a section on gender outlining major societal issues facing women in the area, such as discriminatory culture, harmful traditional practices and low social status. Although it says the construction of the railway is expected to improve the situation of women, it does not state anywhere how ERC will adhere to these policies or promote gender equality through the project design or compensation plans.	Partially Meets	In general, while the ESIA Reports recognise different situations between men and women in the project area, they lack detailed further assessment of the potential impacts of the project on these situations, in terms of how the project may either exacerbate or	The ESIA contractors should undertake an assessment of gender issues, as required by the AfDB OS, as part of any additional or supplemental stakeholder engagement and impact assessment process	Yes
		11	Section 4.6 mentions gender equity in broad terms, outlining some of the issues facing women such as lack of participation in school and development planning. It says the construction of the railway is expected to "relieve most of the burdens of the women in the area" and that women will benefit from opportunities to work on the project as a result of the project's gender policy, showing some evidence that gender issues have been incorporated into project design. However, this evidence is very limited in quantity and detail.	Partially Meets			

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		12	In engagement with stakeholders, harmful prevalent traditional practices such as rape, early marriage and female gender mutilation were raised as concerns by women. Potential measures to improve these conditions are awareness raising initiatives, an HIV/AIDS prevention and control program to raise awareness and providing job opportunities for women. However, these are predominantly focused on harm prevention rather than actively promoting gender equality.	Partially Meets	help to address any issues of gender imbalance and promote gender equality.		
		13	The ESIA discusses the adverse social impacts on women due to the construction of the project, including employment discrimination, risks of STDs etc. Various mitigation measures are discussed, such as equal employment opportunity, provision of awareness and education programs on STDs and HIV/AIDS, increased consultation of women during project construction and proposed mitigation measures, equal treatment in compensation payments and relocation measures. However there is no information on the system put in place to ensure these measures will be carried out as well as the responsible person/department.	Partially Meets			
	Climate change risk	10	The ESIA does not assess the project's vulnerability to climate change risk and does not classify the climate risk associated with the project according to the categories provided by AfDB.	Not yet met	While the Lot 11 and 12 reports provide brief narrative regarding the project's impact, on The Lot 10 and 13 ESIA Reports do not assess the project's vulnerability to climate change risk. None of the Lot reports classify the climate risk associated with the project according to the categories provided by AfDB.	The ESIA contractor should undertake an assessment of climate change risk as required by the AfDB OS, as part of any additional or supplemental stakeholder engagement and impact assessment process	Yes
		11	Section 5.3.19 of the report briefly describes two impacts to the railway project from climate change: 1. Higher chance of rail buckling with higher temperatures - mitigation measures mentioned including improving weather forecasts and applying speed limits during high temperature spells 2. Increased precipitation and flooding risk - mitigation measures mentioned included developing and regularly updating design standards and use of concrete reinforcement of bridge foundations. Only qualitative descriptions are provided with no quantitative analysis.	Partially Meets			
		12	The re-worked ESIA states that the main emissions sources are from vehicle use and construction machinery. It also provides some high-level mitigation measures such as vehicle efficiency and maintenance. It does not classify the climate risk associated with the project according to the categories provided by AfDB.	Partially Meets			
		13	While the ESIA provides a brief discussion of the project's impact on climate change, through its emission sources as well as mitigation measures to reduce emission levels, it does not assess the project's vulnerability to climate change risk and does not classify the climate risk associated with the project according to the categories provided by AfDB.	Not yet met			
	Community consultation	10	Stakeholders were consulted in order to ensure their concerns are reflected in design and construction. However, there is no evidence that stakeholders were consulted in preparing the draft terms of reference for the environmental and social impact assessment and draft environmental and social management plans.	Not yet met	There is no evidence that stakeholders were consulted in preparing the draft terms of reference for the environmental and social impact assessments. Additionally, it does not appear that stakeholders were consulted in preparing the draft environmental and social management plans in the cases of Lots 10 & 11.	The ESIA contractor should ensure that stakeholders are consulted in preparing the draft terms of reference for any further environmental and social impact assessment that may be undertaken, and stakeholders are again consulted in the drafting of subsequent environmental and social management plans.	Yes
		11	Stakeholders were consulted in order to ensure their concerns are reflected in design and construction. However, there is no evidence that stakeholders were consulted in preparing the draft terms of reference for the environmental and social impact assessment and draft environmental and social management plans.	Not yet met			
		12	The scoping process for the ESIA included stakeholder consultation including government, NGOs and community representatives. Discussions of project route alternatives involved community members of the project area. There is also evidence in the mitigation measures proposed that the specific views and concerns of stakeholders, including women, have influenced the environmental and social management plan. However, there is no evidence that stakeholders were consulted in preparing the draft terms of reference for the environmental and social impact assessment.	Partially Meets			
		13	The ESIA indicates the public consultation occurred during the prefeasibility and feasibility assessment and workshops on the draft ESIA report. This was followed by holding workshops after submission of the draft ESIA to collect further comments and suggestions for finalization. However there is no disclosure on which aspects may have changed due to stakeholder consultation.	Partially Meets			
IFC PS2: Labor and Working Conditions Objectives:	Working Conditions and Management of Worker Relationship	10	No reference is made to Working Condition or Management of Worker Relationships	Not yet met	Other than brief reference to "fair working environment" in Lot 12, the ESIA Reports make no	ERC / YM should include, in their employment terms, measures to ensure fair working conditions for	
		11	No comments are provided in the ESIA report	Not yet met			

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?
<p>- To promote the fair treatment, non-discrimination, and equal opportunity of workers.</p> <p>- To establish, maintain, and improve the worker-management relationship.</p> <p>- To promote compliance with national employment and Labor laws.</p> <p>- To protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the client's supply chain.</p> <p>- To promote safe and healthy working conditions, and the health of workers.</p> <p>- To avoid the use of forced labour.</p>		12	The report contains a high level reference to developing a fair working environment with project stakeholders and the labour force with reference the IFC Performance Standard, but supporting detail is severely lacking. It advises the construction contractor to follow the IFC Standard and local employment law in the hiring process and encourages them to observe the rights of workers in relation to issues such as working hours, holidays and breaks. It does not make specific reference to human resource policies and procedures, workers' organisations, retrenchment or an employee grievance mechanism.	Partially Meets	reference to Working Conditions or Management of Worker Relationships	employees / contractors engaged on the project in line with IFC PS requirements, and ensure these measures are monitored regularly to ensure their ongoing effectiveness.	
		13	No reference is made to Working Conditions or Management of Worker Relationships.	Not yet met			
	Protecting the Work Force	10	No reference is made to child labour or forced labour.	Not yet met	Only the Lot 12 ESIA Reports make reference to Protecting the Workforce, in relation to child labour and forced labour. No reference is made to forced labour in any of the other ESIA Reports.	As above, ERC / YM should include in their employment terms measures to ensure the workforce are protected in terms of child labour and forced labour, in line with IFC PS requirements, and ensure these measures are monitored regularly to ensure their ongoing effectiveness.	
		11	Consideration is given in the ESIA report (section 5.2.6) to communicable diseases, particularly HIV and AIDS, and to water borne diseases. No comments are provided on child labour or forced labour.	Not yet met			
		12	Section 8 considers communicable diseases, especially HIV and AIDS, a risk to workers and outlines mitigation measures. It states that the contractor should not use child labour or forced labour. A management activity/mitigation measure included under safety is to prohibit the employment of any person below the age of 14, but makes no reference to identifying the presence of workers under the age of 18 as contained in the Standards.	Partially Meets			
		13	No reference is made to child labour or forced labour.	Not yet met			
	Occupational Health and Safety	10	Potential impacts to workers' health (from communicable diseases) are referenced in the Schedule of Management and Responsibilities, but no further reference is made to risks and impacts to workers' health and safety or measures to be put in place to minimise these risks.	Partially Meets	The ESIA Reports discuss a limited range of risks associated with communicable diseases such as HIV/AIDS, and present suggested mitigation measures. In addition, Lots 12 & 13 discusses in brief occupational health and safety risks, for which generalised mitigation measures are proposed. However, there is minimal evidence of how these risks will be managed and monitored.	ERC and YM should establish, based on the occupational health and safety issues identified rigorous management systems to ensure the relevant issues are appropriately managed. The application of the management systems should be monitored by appropriate levels of contractor oversight.	
		11	No comments on general health and safety issues. As noted above, though, consideration is given in the ESIA report (section 5.2.6) to communicable diseases, particularly HIV and AIDS, and to water borne diseases. There does not appear to have been any assessment of other OHS risks, management systems proposed etc.	Partially Meets			
		12	Section 9 considers labour safety measures, electrical equipment risk, and health related problems from construction and proposes mitigation measures for these, including training, PPE and warning signs. Sanitation and health considerations in labour camps are also identified and mitigation measures proposed. The report lacks information regarding how occupational accidents, diseases and incidents will be documented and reported, and how these will be integrated into emergency prevention, preparedness and response arrangements.	Partially Meets			
		13	The Environmental Management Plan recognises HIV/AIDS prevention and Occupational Health and Safety as issues of significance for the project. Generalised mitigation measures are proposed, but these would need to be substantially elaborated with underlying management systems to ensure their effectiveness.	Partially Meets			
	Workers Engaged by Third Parties	10	No comments are provided in the ESIA report on the measures proposed to mitigate risks in this area.	Not yet met	The ESIA Reports for Lots 10, 11 & 13 do not discuss risks associated with Workers Engaged by Third Parties. Lot 12 discusses health and safety issues to be considered by contractors employed on the project.	As above, ERC and YM should establish, based on the occupational health and safety issues identified, rigorous management systems to ensure the relevant issues are appropriately managed by third parties. The application of the management systems should be monitored by appropriate levels of contractor oversight.	
		11	No comments are provided in the ESIA report on the measures proposed to mitigate risks in this area.	Not yet met			
		12	The re-worked ESIA broadly encourages the railway contractor to follow the IFC Standard. Section 8 assigns responsibility for health and safety to the construction contractor, who should ensure PPE, is worn, training is given and health services and assistance is provided. Similarly, it recommends that appropriate actions are taken by contractors regarding overhead line electrification safety and includes a list of minimum key issues to be included in contract tender documents (health impacts, occupational safety). There is minimal information on policies and procedures for managing and monitoring performance in this regard, or whether contracted workers should have access to a grievance mechanism. It does not make any reference to ensuring third parties are legitimate or reputable.	Partially Meets			
		13	No comments are provided in the ESIA report on the measures proposed to mitigate risks in this area.	Not yet met			
	Supply Chain	10	No comments are provided in the ESIA report re; the potential for child or forced labour in the primary supply chain.	Not yet met	No comments are provided in the ESIA report re; the potential for child or forced labour in the primary supply chain, although given the limited extent of	As above, ERC / YM should include in any primary supply chain contracts measures to ensure that child labour or forced labour issues do not arise in the workforce.	
11		No comments are provided in the ESIA report re; the potential for child or forced labour in the primary supply chain.	Not yet met				
12		No comments are provided in the ESIA report re; the potential for child or forced labour in the primary supply chain.	Not yet met				

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		13	No comments are provided in the ESIA report re; the potential for child or forced labour in the primary supply chain.	Not yet met	the railway sector supply chain, this is unlikely to be a significant issue.	Reasonable monitoring and oversight should be undertaken to ensure these measures are being adhered to.	
IFC PS3: Resource Efficiency and Pollution Prevention Objectives: - To avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities. - To promote more sustainable use of resources, including energy and water. - To reduce project-related GHG emissions.	Resource Efficiency	10	GHGs: No discussion of greenhouse gases / energy efficiency is presented in the report, although as mentioned before, electricity generation in Ethiopia is predominantly hydropower, and is therefore of relatively low carbon intensity. Water use: Section 6.2.4 recognises that the project will negatively influence water quality and quantity. The report states that surface water is "scarce" but groundwater is "ample" but no data is provided to estimate the potential impacts on water supplies and on those who depend upon them. Limited mitigation measures to address the impacts to water quality and quantity are provided in the Schedule of Management and Responsibilities.	Partially Meets	There is minimal discussion in the ESIA Reports regarding greenhouse gas emissions during the construction or use phases, with no quantification provided. As this is planned to be an electric railway line, peak emissions will likely come from electricity generation during the use phase, although there is no comment on this, nor calculation of likely emissions. It is therefore not possible to gauge whether the limit of 25,000 tCO2e pa will be reached (at which level the IFC Performance Standard 3 requires emissions calculations). Water use: the ESIA Reports recognise that the project will negatively influence availability of water, both through increased abstraction and disruption of irrigation channels. Generalised mitigation measures to avoid impacts to Affected Communities are set out but these would need to be supported by detailed plans in order to be effective and for Affected Communities to not be adversely impacted.	For greenhouse gas (GHG) emissions ERC or YM should undertake an estimate assessment of whether annual GHG emissions during the use phase of the project will exceed the 25,000 tCO2e pa threshold. If emissions are estimated to be above this threshold, direct and indirect emissions will need to be assessed in line with international best practice. (Note that the EPIII requirements on GHG emissions apply above a 100,000 tCO2e pa threshold - above which an alternatives analysis needs to be conducted to evaluate less Greenhouse Gas (GHG) intensive alternatives. This threshold is unlikely to be reached given the relatively low carbon intensity of Ethiopia's electricity generation)	Yes
		11	GHGs: No comments are provided on emissions during the construction or use phases. As this is planned to be an electric railway line, peak emissions will likely come from electricity generation during the use phase, although there is no comment on this, nor calculation of likely emissions. It is therefore not possible to gauge whether the limit of 25,000 tCO2e pa will be reached (at which level the IFC Performance Standard 3 requires emissions calculations). Water use: Section 5.2.3 deals with "competition for water resources" and concludes that "potential impact is considered to be very significant". No estimates are given of water use requirements for the project, nor of the impact of construction at different times of the year (e.g. rainy vs dry season). No information regarding water use efficiency is provided. Mitigation relies on the contractor "making his own arrangements for water", including river abstraction, although section 4.1.6 (Water Sources) states that "surface water sources are scarce... (and) most of them are seasonally lowing (only during the rainy season)."	Partially Meets			
		12	GHGs: There is no discussion of GHG emissions in terms of the quantity forecast or efficiency measures. Water use: Water resources are highlighted as likely to be impacted, particularly at river crossings and downstream sites of material production. Suggested mitigation measures and management activities are provided. These include placing responsibility on the contractor to arrange a water supply point that does not interfere with the local community. There is no indication of water resources required or efficiency measures.	Partially Meets			
		13	Greenhouse gases: the ESIA briefly mentions sources of emissions as well as mitigation measures. However there is no discussion or analysis of alternatives in equipment, location, energy sources or whether GHGs will be quantified and reported annually. Water use: Section 6.2.4 recognises that the project will negatively influence availability of water, both through increased abstraction and disruption of irrigation channels. Generalised mitigation measures to avoid impacts to Affected Communities are set out in the Report and in the Environmental Management Plan (e.g. "alternative water sources shall be developed and provided for users") but these would need to be supported by detailed plans in order to be actions and for Affected Communities are not adversely impacted.	Partially Meets			
	Pollution Prevention	10	Section 6.2.4 addresses in general terms potential pollution impacts to soil and water courses from construction excavation and subsequent erosion, and from leaks and spills or oils, fuels, chemicals and wastes. Pollution to air from traffic operations is discussed in general terms. The Schedule of Management and Responsibilities discusses mitigation measures for these issues, again in general, non-specific terms. There is no discussion (other than in very general terms) of any potential pollution issue of baseline conditions, assimilative capacity, existing and future use, proximity to important biodiversity, and cumulative impacts.	Partially Meets	The ESIA Reports describe potential pollution impacts (on soil, water resources and air and from waste and noise) in general, non-specific terms. Generalised mitigation measures to avoid impacts to Affected	Ensure that the pollution prevention measures identified in the ESIA Reports are incorporated in the specific project-related ERC and YM environmental management systems, and are applied consistently across the Lots.	

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?
		11	Section 5.2.2 covers air pollution - mainly dust (including impacts on vegetation) and minor increases in NOx and SOx, during construction. No information is provided for the use phase. Mitigation of dust is commented on (through water spray trucks), as is the use of low-sulphur gasoline and diesel fuel for construction vehicles. No comments are provided on land contamination potential or on waste generation / disposal.	Partially Meets	Communities are set out in the Reports, but these would need to be supported by detailed plans in order to be actioned and to ensure Affected Communities are not adversely impacted.		
		12	Baseline environmental conditions in areas affected by the line are outlined in Sections 0 and 3. Potential impacts include water pollution and siltation posing risks to aquatic life. Public consultations identified waste and pollution problems as stakeholder concerns. Pollution will arise from traffic and dust particles in the construction phase. Pollution impacts are discussed in general terms, and mitigation measures include the following: Establish waste disposal management system to protect from pollution, dust suppression measures and regular maintenance of vehicles and machinery. Section 8 also contains qualitative information regarding environmental impacts and mitigation measures. There is limited discussion regarding the project's impact on baseline conditions, assimilative capacity, existing and future use, proximity to important biodiversity, and cumulative impacts.	Partially Meets			
		13	Section 6.2 describes potential pollution impacts on soil, water resources and air, and from waste and noise. The impacts are described in general, non-specific terms. Generalised mitigation measures to avoid impacts to Affected Communities are set out in the Report and in the Environmental Management Plan but these would need to be supported by detailed plans in order to be actioned and for Affected Communities are not adversely impacted.	Partially Meets			
IFC PS4: Community Health, Safety and Security Objectives: - To anticipate and avoid adverse impacts on the health and safety of the Affected Community during the project life from both routine and non-routine circumstances. - To ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities.	Community Health and Safety	10	Section 5.6.6 describes the baseline health conditions in the project area, and the Schedule of Management and Responsibilities discusses mitigation measures to minimise impact of communicable diseases. However, there is no considered assessment of how the project will impact on the health and safety of the Affected Communities, nor any associated specific mitigation measures. Potential railway-specific issues that have not been considered include general rail operational safety, transport of dangerous goods, level crossings and pedestrian safety (of particular concern given the migratory populations that inhabit the project area). Also not considered is the impact on communities of the increased demand for water resources.	Partially Meets	The ESIA Reports describe the baseline community health and safety conditions, and (to varying levels of detail) set out generalised mitigation measures to minimise impacts on affected communities	Ensure that measures are included in the ERC & YM management plans (including in relation to safe operating practices, hazardous materials management, community exposure to disease and accident and emergencies). Where Affected Communities depend on ecosystem services (for example fresh water supply - see PS3) measures should be taken to ensure Affected Communities are not negatively affected through impacts to these ecosystem services.	Potentially, to assess impacts on ecosystem services depended on by Affected Communities
		11	Section 5.2.6 covers exposure to HIV/AIDS and other STDs, for both construction workers and local community members. It states that such "impacts from the construction camps will be severe if camps are built close to the local settlement areas". No information on the number or location of construction camps is, however, given. Mitigation measures for the HIV/AIDS impacts are described, but no other community health and safety impacts are discussed, either for the construction or use phases.	Partially Meets			
		12	Exposure to HIV/AIDS and other communicable diseases and traffic safety are identified as health and safety issues. Baseline data is provided regarding number of hospitals, prevalence of health issues and diseases e.g. HIV/AIDS, malaria, but potential project impacts on these are not quantified. Public consultations also identified concerns such as an increase in illegal/immoral acts and increase in accidents during construction and operation. Mitigation measures include clear rules on site access and loitering and consultation with police services. Dust and air pollution and noise and vibration impact are highlighted as posing health risks to local communities with proposed mitigation measures against each. Slope instability also poses health risks. Mitigation measures for this are listed in section 8. Gender impacts in terms of exposure to HIV/AIDS for women are also highlighted. There is an action plan for the prevention of HIV/AIDS in section 8. The assessment does not contain reference to designing, constructing operating and decommissioning structural elements of the project in accordance with international industry practice, not does it describe Emergency Preparedness and Response with regards to community health and safety.	Partially Meets			
		13	Section 6.4.3 recognises that there is potential community health and safety risks associated with increased traffic during construction, and the proximity of communities (including domestic animals) to construction sites, blasting activities, quarries, borrow pits and the construction camps. Excavation of deep cuts also presents potential risk of injury due to falling rocks. A number of generalised mitigation measures are presented, including warning and information signage, awareness training, access route selection, relocation where required, traffic control, and measures to minimise impacts of the construction camps and immigrant workers on the Affected Communities.	Materially meets			

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?
	Security Personnel	10	No comments are made in the report on the use of security personnel - whether privately hired or government staff.	Not yet met	Apart from Lot 12 in brief, no comments are made in the reports on the use of security personnel - whether privately hired or government staff.	Ensure that any Security Personnel hired by ERC or YM act in accordance with applicable laws and international good practice, as set out in IFC PS4.	
		11	No comments are made in the report on the use of security personnel - whether privately hired or government staff.	Not yet met			
		12	The re-worked ESIA lists "deal with Woreda Police Office to assign trained police officers to handle security issues at camps and construction areas" as a mitigation measure against theft and security problems. It does not state that the ERC will assess and document risk posed by the project's use of government security nor that it will consider and investigate allegations of unlawful or abusive acts of security personnel.	Partially Meets			
		13	No comments are made in the report on the use of security personnel - whether privately hired or government staff.	Not yet met			
IFC PS5: Land Acquisition and Involuntary Resettlement Objectives: - To avoid, and when avoidance is not possible, minimize displacement by exploring alternative project designs. - To avoid forced eviction. - To anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement cost ⁴ and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected. - To improve, or restore, the livelihoods and	General	10	The ESIA report makes limited reference (in the Schedule of Management and Responsibilities) to land acquisition, right-of-way clearance and compensation. It states that "Compensation and Resettlement Programmes will be arranged a settled prior to commencing construction activity. However there is no discussion in the report on the numbers or locations of people likely to be affected by displacement. Nor is there comment on routing to avoid or minimise displacement, although this may be covered in section 3.2 of the overall Feasibility Report (which has not been seen).	Not yet met	Each ESIA Report identifies that land acquisition and compensation to affected communities would be required, although the nature and scale of this is not made clear in these reports. However, following the ESIA Reports it is understood the railway route may have changed in some cases, and it is understood that the following applies for each section of the railway (based on information provided verbally by the Lot consultants): Lot 10 - No communities affected Lot 11 - Resettlement Action Plan (RAP) had been developed (not seen by PwC) Lot 12 - Resettlement Action Plan (RAP) developed (reviewed by PwC) Lot 13 - Uncertain of extent of affected communities	The new route for the railway , along with any subsequent impact assessment documentation , needs to be reviewed to confirm if the new route will require any resettlement. If resettlement is confirmed to be required, as noted above, the stakeholder engagement process may need to be re-done if found that it has not been undertaken in line with IFC PS requirements, to ensure that Affected Communities have been adequately consulted and an adequate baseline of data has been collected from which an assessment of displacement and compensation requirements can be made in a Resettlement Action Plan (RAP). Regardless of whether resettlement is required, the IFC PS requirements need to be addressed with respect to Compensation, Grievance Mechanisms or Livelihood Restoration Planning and Implementation	Yes
		11	Section 2.4 covers "land tenure" - setting out the legal position, namely that compensation will be paid for property on land used for the project, but not for the land itself, which belongs to the Government. However, there is no comment on the numbers or locations of people likely to be affected by displacement. Nor is there comment on routing to avoid or minimise displacement, although this may be covered in section 3.2 of the overall Feasibility Report (not seen). From comments made on the positive social and economic implications of the project, economic displacement does not appear likely - only physical displacement.	Not yet met			
		12	The ESIA report provides a summary of project impacts regarding loss of property (e.g. residential and commercial houses, irrigation land and trees) and calculates the replacement and compensation cost. It also includes the method for calculating this. It identifies the number of project affected residential houses, commercial houses, institutions, boundary fences, structures, farmland, crops and footpaths, including the number of project affected persons. Mitigation measures are proposed for these, including paying appropriate compensation. The report provides an estimated land requirement for the railway's right of way - "the project land acquisition will be addressed in detail in the Project Land Acquisition report" p.164. Stakeholder engagement was carried out with groups representing affected communities described in the annexes of the report. Section 8 refers to assisting vulnerable groups such as the aged with moving to new locations and building houses, but not as any formal plan. Whilst a detailed Resettlement Action Plan is not included in the report, it does note that one "will be prepared after appraisal and after detailed design of the railway project. This project construction will require undertaking Resettlement Action Plan" (p.164). The re-worked ESIA describes in detail a grievance mechanism on the part of ERC and states that grievances regarding the amount of compensation received should be lodged with the town administration.	Materially Meets			

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?
standards of living of displaced persons. - To improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure5 at resettlement sites.		13	<p>Section 6.2.1 sets out the land that would be required to be acquired from local communities, along the route of the railway, at the sites of quarries and borrow pits, along access routes, and at the location of dump grounds for spoil. The report states that "loss of agricultural lands will be the most significant impact of the railway".</p> <p>Given this significance the Report recommends mitigation and compensation measures that need to be implemented, including changes to the railway engineering design to reduce the footprint of the land to be acquired, avoidance of tipping of spoil materials, avoiding slopes that would lead to damaging run-off, restoration of certain areas, and payment of compensation.</p> <p>No description is provided of how compensation payments and any resettlement requirement will meet IFC PS5 requirements.</p> <p>As noted under Stakeholder Engagement above, it is not clear whether the engagement process followed to prepare the ESIA met IFC PS requirements with respect to land acquisition, compensation and resettlement, and whether the IFC PS7 requirements on engaging with Indigenous Peoples would apply. Beyond compensation there is no discussion of Grievance Mechanisms or Livelihood Restoration Planning and Implementation as required by IFC PS5. The above points should however be covered in a Resettlement Action Plan which is referenced in the ESIA Report.</p>	Partially Meets	<p>As such, for Lots 10 &11, the nature and scale of any displacement and compensation is unclear and so it is uncertain whether the requirements of the IFC PS 5 have been met (specifically in relation to the stakeholder engagement process with respect to land acquisition, compensation and resettlement, Grievance Mechanisms and Livelihood Restoration Planning and Implementation).</p> <p>We were also provided with an ERC Compensation Manual showing the procedures to be followed when compensating people for resettlement, but no reference is made to this in the ESIA's.</p>		
		10	As above, the ESIA Report does not discuss displacement in any detail in either physical or economic terms. This will likely be addressed in the Resettlement Action Plan which is yet to be developed.	Not yet met	As above, a Resettlement Action Plan (RAP) has only been completed for Lot 12, which materially meets the IFC PS 5 requirements. The RAP provides the socio-economic baseline data, and sets out the basis on which the resettlement will be undertaken which are closely aligned to the IFC PS 5 requirements. (The RAP includes detailed data on stakeholder engagement, baseline data including of project-affected persons, public consultation approaches, impact analysis, compensation rates and costs, resettlement & rehabilitation action plan, grievance process, monitoring & evaluation and implementation costs). Given the recent publication of the RAP however, it appears that the specific details of locations and livelihoods of the affected peoples have not yet been determined.	For Lot 12, actions set out in RAP (including sourcing of land for relocation, and livelihood rehabilitation) will need to be implemented and supported by ongoing monitoring in order to ensure full alignment with IFC PS requirements.	
		11	Section 4.5 (Stakeholders and public consultations) does not include comment on consultations regarding displacement.	Not yet met			
		12	As above, a Resettlement Action Plan is not included in the report, but it does state that one will be required and will be developed as part of the detailed design of the project. Compensation for physical and economic displacement has been calculated and is provided.	Materially Meets			
		13	As above, the ESIA Report does not discuss displacement in any detail in either physical or economic terms. This will likely be addressed in the Resettlement Action Plan which is yet to be developed.	Not yet met			
Displacement							

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?			
	Private Sector Responsibilities Under Government-Managed Resettlement	10	The Schedule of Management and Responsibilities assigns responsibility for the Resettlement Action Plan to ERC and the Design Consultant. The local administration is assigned responsibility for "prohibiting new and additional construction within the Right-Of-Way" to prevent "fraudulent compensation". There is no mention of ensuring land acquisition and resettlement done by the government is done in line with IFC PS requirements.	Not yet met	The ESIA Reports assign responsibility for the resettlement varying to ERC, the Design contractors, and to the Woreda Administration (an oversight role). There is no mention of ensuring land acquisition and resettlement undertaken by the government is performed in line with IFC PS requirements.	Incorporated above				
		11	No comments are made on roles and responsibilities for resettlement.	Not yet met						
		12	Section 9 assigns responsibility for the Resettlement Action Plan to ERC and the Design Consultant. The ERC is responsible for compensation payment. ERC, local administration, project affected persons, utility owners, agriculture bureau, NGOs and community representatives are responsible for effecting compensation according to rules and regulation, resettling displaced people, being involved in the consultation process for the resettlement plan, and administering land requirements. There is no explicit mention of ensuring land acquisition and resettlement done by the government is done in line with IFC PS requirements.	Materially Meets						
		13	The Environmental Management Plan assigns responsibility for the compensation to ERC with oversight from the Woreda Administration. There is no mention of ensuring land acquisition and resettlement done by the government is done in line with IFC PS requirements.	Not yet met						
AfDB OS2: Involuntary Resettlement: Land acquisition, population displacement and compensation	Resettlement	10	The ESIA provides a high level outline of the socio-economic environment in the project location, but this is not comprehensive or detailed. The ESIA report makes limited reference (in the Schedule of Management and Responsibilities) to land acquisition, right-of-way clearance and compensation. It does not address impacts on host communities in resettlement or the potential for conflict, and does not state whether compensation procedures should be independently monitored.	Not yet met	With the exception of Lots 12 and 13, where a Resettlement Action Plan had been developed, the ESIA Reports did not include a detailed socioeconomic survey to identify those (if any) who will be affected by displacement and relevant characteristics of such individuals, including conditions of vulnerability and any potential for conflict.	As part of any additional stakeholder engagement and impact assessment studies, the ESIA contractors should consider AFDB requirements around resettlement, specifically around vulnerable groups (see below), any potential for conflict, and requirements for independent monitoring of compensation procedures.	Yes			
		11	The ESIA provides a high level outline of the socio-economic environment in the project location, but this is not comprehensive or detailed. Section 2.4 outlines that compensation will be paid for property on land used for the project, but not for the land itself, which belongs to the Government. However, there is no comment on the numbers or locations of people likely to be affected by displacement. It does not address impacts on host communities in resettlement or the potential for conflict, and does not state whether compensation procedures should be independently monitored.	Not yet met						
		12	The report describes the socio-economic environment of the area supported by quantitative data. It also includes a summary of project impacts regarding loss of property (e.g. residential and commercial houses, irrigation land and trees) and calculates the replacement and compensation cost. It also includes the method for calculating this. It identifies the number of project affected residential houses, commercial houses, institutions, boundary fences, structures, farmland, crops and footpaths, including the number of project affected persons. Mitigation measures are proposed for these, including paying appropriate compensation. Execution of compensation and resettlement is assigned to a variety of bodies including a committee comprising of the ERC, local administration, PAPs, community representatives and local NGOs. This suggests some independent participation in the compensation process. It does not address impacts on host communities in resettlement or the potential for conflict.	Materially Meets						
		13	The 2014 Resettlement Action Plan (RAP) details: public and stakeholder consultation undertaken including number of participants; main issues discussed and stakeholder feedback; valuation and compensation methods for loss of assets; income restoration process; replacement cost; valuation basis; results of a field survey undertaken to assess the number of project affected persons losing property, farmland, trees; compensation payment and procedures; resettlement measures; implementation process for the RAP (including establishing property valuation committees for each Woreda located in project corridor and reporting mechanisms to government authorities); scheduling and timing; costs; monitoring and evaluation plan; public disclosure of the RAP.	Materially Meets						
	Vulnerable groups	10	The Schedule of Management and Responsibilities assigns responsibility for the Resettlement Action Plan to ERC and the Design Consultant, but the report does not contain a full RAP. No mention is made that the RAP will contain specific provisions relating to: safeguards for women regarding the quality and quantity of land to be compensated; land titles in name of both spouses of single heads of household regardless of gender; husbands and wives, unmarried women, elderly sons and daughters being explicitly included as eligible for compensation; or, compensation payments being made to both husbands and wives where feasible and socially accepted.	Not yet met				There is no discussion in any of the Lot documents of how they will address the particular needs of specific vulnerable groups, particularly as they relate to women.	As part of any resettlement required, the ESIA contractors should consider AFDB requirements around vulnerable groups, specifically regarding: safeguards for women regarding the quality and quantity of land to be compensated; land titles in name of both spouses of single heads of household regardless of gender; husbands and wives,	Yes
		11	The ESIA does not contain an RAP or comment on roles or responsibilities for resettlement. There is subsequently no evidence that any RAP will contain specific provisions relating to: safeguards for women regarding the quality and quantity of land to be compensated; land titles in name of both spouses of single heads of household regardless of gender; husbands and wives, unmarried women, elderly sons and daughters being explicitly included as eligible for compensation; or, compensation payments being made to both husbands and wives where feasible and socially accepted.	Not yet met						

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?
		12	The RAP identifies the old aged, widows, female heads of households and disabled as vulnerable groups. The RAP does contain specific provisions relating to: safeguards for women regarding the quality and quantity of land to be compensated; land titles in name of both spouses of single heads of household regardless of gender; husbands and wives, unmarried women, elderly sons and daughters being explicitly included as eligible for compensation; or, compensation payments being made to both husbands and wives where feasible and socially accepted.	Partially Meets		unmarried women, elderly sons and daughters being explicitly included as eligible for compensation; or, compensation payments being made to both husbands and wives where feasible and socially accepted.	
		13	A Resettlement Action Plan is provided and references provisions for women. However there is no mention of specific provisions relating to: safeguards for women regarding the quality and quantity of land to be compensated; land titles in name of both spouses of single heads of household regardless of gender; husbands and wives, unmarried women, elderly sons and daughters being explicitly included as eligible for compensation; or, compensation payments being made to both husbands and wives where feasible and socially accepted.	Not yet met			
IFC PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources							
Objectives: - To protect and conserve biodiversity. - To maintain the benefits from ecosystem services. - To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities.	General	10	Section 5 of the ESIA report describes in limited detail the baseline environmental conditions, including the Awash National Park and other conservation areas which the railway line will traverse. We received subsequent verbal assurances that the revised route avoids Awash National Park. Section 6.2.1 describes in general, non-specific terms the potential impacts on biodiversity. It does not however describe these in the detail required by PS6. Mitigation measures are described in the Schedule of Management and Responsibilities, although given the limited description of the impact, the effectiveness of these mitigation measures cannot be determined.	Partially Meets	The ESIA Reports describe in narrative form the baseline biodiversity / environmental conditions, and set out in general, non-specific terms the potential impacts on biodiversity. With the exception of Lot 12, where some quantified data is provided, baseline conditions and impacts are typically not assessed in the detail required by PS6. Generally, given the limited description of the baseline conditions and impacts, the effectiveness of the stated mitigation measures cannot be determined.	Baseline conditions for biodiversity / natural resources need to be more rigorously and consistently, assessed in line with IFC PS 6 requirements (i.e. considering threats to habitat loss, degradation, fragmentation, invasive species, overexploitation, hydrological changes, nutrient loading and pollution). Particular attention should be given to the more sensitive areas identified such as wetland areas. More rigorous and consistent baseline data will allow for more informed impact assessment and mitigation measures to be identified, which will need to be incorporated in project specific ERC and YM management documentation.	Yes

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?
		11	<p>Section 2.3 sets out the wildlife protection areas in Ethiopia, whilst section 4.1.6 acknowledges the importance of wetlands to the local environment, to the community and to wildlife (e.g. "ground water recharge/discharge processes control sediment and floristic retention, food protection and food chain support" etc. There are 2 wetlands on the railway project route around Karra Koree village, but "no protected areas exist" within the railway project corridor.</p> <p>Section 4 provides a description of the baseline environmental conditions of the project area. This covers the climate, air quality and ambient noise (little data recorded to date and assumed low level of disturbance so far due to lack of economic activity), water sources (rivers crossing the project line), wetlands and marshlands (2 wetland areas on the project route - no assessment of potential impacts), soils and risk of erosion, land use and land cover, and socio-economic environmental aspects (population using potable water and total safe water coverage, education and student levels, health). Socio-economic profiles of project woredas are also provided. While there is a qualitative assessment and description of impacts, there is little quantitative data to accompany the descriptions.</p> <p>Section 4.2.2 concludes that there is "low wildlife diversity" and lists some common species. Section 5.2.4 states that there are no rare and endangered wildlife species in the project area that is suspected of extinction or disappearing". Further, "none of the 69 nationally designated Important Bird Areas are found anywhere near the project road".</p> <p>Section 4.2.1 discusses vegetation ("no considerable forest" remaining following deforestation, leading to significant soil erosion).</p> <p>Habitats have not been overtly divided into modified, natural, and critical as required by PS 6, but clearly some habitats have been modified by the deforestation mentioned above.</p>	Partially Meets			
		12	<p>Baseline environmental conditions in areas affected by the line are outlined in Sections 0 and 3. No significant impacts are expected on flora and fauna but potential impacts include interference with the seasonal water flood plain, soil erosion, and crop field occupation. Quantitative baseline data is provided on environmental conditions in Section 4 including soil, water resources and flora and fauna. Section 8 describes degradation of natural resources in terms of soil and water and increased risk of landslides and slips. Mitigation measures to minimise loss of land resources and erosion include excavation works during the dry season, stockpiling overburden and top soil removed for rehabilitation, and careful selection of river crossing sites.</p> <p>Habitats have not been overtly divided into modified, natural, and critical as required by PS 6.</p>	Materially Meets			
		13	<p>Section 4 of the ESIA report describes in narrative form the baseline environmental conditions, including the terrain, through which the railway line will traverse, and the flora and fauna. Section 6.3 describes in general, non-specific terms the potential impacts on flora and fauna. It does not however describe these in the detail required by PS6. Mitigation measures are described in general terms in the Environmental Management Plan.</p>	Partially Meets			
	Protection and Conservation of Biodiversity	10	<p>The ESIA report does not make reference to modified, natural or critical habitats, nor does it describe mitigation measures with reference to the mitigation hierarchy.</p>	Not yet met	The ESIA report does not make reference to modified, natural or critical habitats as required by PS6. In general, mitigation measures are proposed in generalised rather than specific terms, and not always in relation to the mitigation hierarchy (i.e. avoidance, minimisation, restoration, and offset).	In the above impact assessment, ensure impact and mitigation measures are classified with reference to the habitat classification and the mitigation hierarchy used in IFC PS6.	Yes
11		<p>Major wildlife impacts are stated to be "flee of the wildlife from the area due to the destruction of their habitats and "...illegal hunting, disturbance by machine noise and accidents". Six mitigation methods are listed although detail is lacking. The IFC PS6 hierarchy of avoidance, minimization, and restoration measures has not been overtly considered and there is no comment on biodiversity offsets.</p> <p>Four wetland protection / mitigation measures are described: mention is made of "buffers" to be created between the railway line and the wetland areas (without any detail being given) and of using "environmentally sound disposal sites for soil and other waste materials" (without detail as to where these are to be located or how they are to be engineered). It also states that "the contractor" has to arrange its own water sources by digging boreholes or fetching from rivers" (to avoid wetland impacts), without providing any analysis as to whether this is feasible.</p>	Partially Meets				
12		<p>The ESIA report does not make reference to modified, natural or critical habitats. The project is not expected to have material impacts on flora and fauna as there is no significant natural forest or wildlife habitat in the project area. Mitigation measures for this are listed in sections 8 and 9.</p>	Materially Meets				

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?	
	Management of Ecosystem Services	13	The ESIA report does not make reference to modified, natural or critical habitats. The mitigation measures are proposed in generalised terms, but appear to have been drafted with reference to the mitigation hierarchy.	Partially Meets				
		10	Impacts have not been described in terms of ecosystems services, and priority ecosystem services have not been identified. Water use during the construction phase is likely to be a priority ecosystem service for Affected Communities, which would be significantly impacted.	Not yet met	Impacts have not been described in terms of ecosystems services, and priority ecosystem services have not been identified. For all Lots, water use during the construction phase is considered to be a priority ecosystem service for Affected Communities, which would likely be significantly impacted. However, the extent of this impact on the Affected Communities has not been established	In the above impact assessment, ensure impacts are described with reference to any applicable priority ecosystem services (e.g. water) and mitigation measures should be considered accordingly.	Yes	
		11	"Priority ecosystem services" as described in PS6 have not been overtly identified, but are likely to include water services as described above. Management arrangements are described by way of risk mitigation measures (see section 5.2.5).	Partially Meets				
		12	Water services are identified as an important impact area for this project. The project will impact water usually used for grazing and crop production. It is unclear whether affected communities participated in the determination of priority ecosystem services. Mitigation measures outlined in section 8 include flow dispersal structures, planning construction during dry seasons and effective waste management. These measures do not include any regarding the improvement of water efficiency.	Partially Meets				
		13	Impacts have not been described in terms of ecosystems services, and priority ecosystem services have not been identified. Water use during the construction phase is likely to be a priority ecosystem service for Affected Communities, which would be significantly impacted.	Not yet met				
	10	Not relevant to this project.	N/A	NA				NA
	Sustainable Management of Living Natural Resources	11	Not relevant to this project.	N/A				
		12	Not relevant to this project.	N/A				
		13	Not relevant to this project.	N/A				
		10	Not relevant to this project - no primary production (e.g. food or fibre products) being purchased.	N/A	NA	NA		
	Supply Chain	11	Not relevant to this project - no primary production (e.g. food or fibre products) being purchased.	N/A				
		12	Not relevant to this project - no primary production (e.g. food or fibre products) being purchased.	N/A				
		13	Not relevant to this project - no primary production (e.g. food or fibre products) being purchased.	N/A				
	IFC PS7: Indigenous Peoples Objectives: - To ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples. - To anticipate and avoid adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts. - To promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner.	General	10	The ESIA report does not specifically refer to Indigenous Peoples. However indigenous pastoralists are known to inhabit areas around the Awash National park and so it is likely that Affected Communities are likely to include indigenous peoples.	Not yet met	With the exception of Lot 12 which references local communities holding "valuable indigenous knowledge and skills" and states no indigenous people will be affected, the ESIA Reports do not make reference to indigenous peoples that may be in the project's area of influence, and so the IFC PS requirements related to indigenous peoples have not been considered. The design and build contractor has stated that indigenous peoples will not be affected, but there are anecdotal (unconfirmed) reports that these peoples are present. As such, it is currently unclear whether indigenous people are present and need to be considered in the impact assessment	As a matter of priority, ERC should confirm whether there are likely to be indigenous people impacted by the project. A first step would be to identify any indigenous groups in Ethiopia and, using externally credible sources (e.g. NGOs such as IWGIA) if possible, pinpoint whether any are located in close proximity to the railway line. If there are, then the stakeholder engagement process referred to above will need to take this into account, especially regarding the IFC PS 7 requirement around Free, Prior and Informed Consent (FPIC) which can be challenging to implement fully.	Yes
			11	No mention made of "indigenous peoples" (or other similar titles) is made in the original E&S risk assessment (PS1: Assessment and Management of Environmental and Social Risks and Impacts). This PS may therefore not apply.	Not yet met			
			12	The ESIA Identifies the makeup of the local population and breaks it down to ethnic groups. It states that "there is no community that can be counted as indigenous people along the proposed railway construction corridor" but does not state its definition of "indigenous" and its rationale for coming to this conclusion. Nevertheless, section 4 does make reference to local communities holding "valuable indigenous knowledge and skills" and that the region is endowed with "cultural features... such as...ethnic compositions and commits to raising awareness of and respecting this. Each ethnic group has its own culture". "Loss of historical or cultural heritage" is identified as a potential impact as is "degradation of sacred places, religious places, monuments and burial places and archaeological sites", with mitigation measures proposed for both.	Partially Meets			
			13	The ESIA report makes reference to the Amhara, the major ethnic group in the project area. However, there is no discussion of the nature and degree of the expected impact.	Not yet met			

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?
<p>- To establish and maintain an ongoing relationship based on Informed Consultation and Participation (ICP) with the Indigenous Peoples affected by a project throughout the project's life-cycle.</p> <p>- To ensure the Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples when the circumstances described in this Performance Standard are present.</p> <p>- To respect and preserve the culture, knowledge, and practices of Indigenous Peoples.</p>	Circumstances Requiring Free, Prior, and Informed Consent	10	No reference is made in the ESIA report to FPIC	Not yet met	As above, Lot 12 aside, the ESIA Reports have not considered indigenous peoples	Covered above	
		11	Not applicable.	N/A			
		12	Not applicable.	N/A			
		13	No reference is made in the ESIA report to FPIC	Not yet met			
	Mitigation and Development Benefits	10	No reference is made in the ESIA report to Mitigation and Development Benefits in relation to indigenous peoples	Not yet met	As above, Lot 12 aside, the ESIA Reports have not considered indigenous peoples	Covered above	
		11	Not applicable	N/A			
		12	Not applicable	N/A			
		13	No reference is made in the ESIA report to Mitigation and Development Benefits in relation to indigenous peoples	Not yet met			
	Private Sector Responsibilities Where Government is Responsible for Managing Indigenous Peoples Issues	10	No reference is made in the ESIA report to these requirements	Not yet met	As above, Lot 12 aside, the ESIA Reports have not considered indigenous peoples	Covered above	
		11	N/A	N/A			
		12	N/A	N/A			
		13	No reference is made in the ESIA report to these requirements	Not yet met			
<p>IFC PS8: Cultural Heritage</p> <p>Objectives:</p> <p>- To protect cultural heritage from the adverse impacts of project activities and support its preservation.</p> <p>- To promote the equitable sharing of benefits from the use of cultural heritage.</p>	Protection of Cultural Heritage in Project Design and Execution	10	Section 5.8 of the ESIA report states that there are likely to be cultural resources in the project area and region in general, and that these may be encountered by the project construction and use (Section 6.2.5). Limited mitigation measures are proposed in the Schedule of Management and Responsibilities, but these do not meet the PS8 requirements regarding Chance Find Procedures, Consultation, Community Access, Removal, and Critical Cultural Heritage.	Partially Meets	The Lot 10 & 11 ESIA Reports identify that cultural heritage may be present in the project's area of influence, but do not provide any further insights into how the project may affect this cultural heritage. The Lot 12 & 13 ESIA Reports go further by identifying the areas of cultural heritage, how they may be impacted, and the potential mitigation measures. We were also provided with an ERC Archaeological Chance Finds Procedure document outlining the process. However, this only partially addresses the full requirements of PS8 (regarding Consultation, Community Access, Removal, and Critical Cultural Heritage).	The ESIA contractors should revisit the cultural heritage assessment to ensure there is a clear description of how the project may impact cultural heritage in the region of these Lots. For all Lots, the full requirements of IFC PS8 (i.e. relating to Consultation, Community Access, Removal, and Critical Cultural Heritage) must be incorporated in the ERC and YM management plans.	Yes
		11	Section 4.3 covers "Historical Cultural Religious and Archaeological Resources", and refers to a 1005 Tourism Master Plan which identified a number of such resources. None of these is located along the railway project route for Lot 11. The ERC Archaeological Chance Finds Procedure provides a brief description of the procedure to follow should any artefacts be uncovered during excavation. However there is no reference to consultation with affected communities, community access. There is also no reference to the process to be taken during project design.	Partially Meets			
		12	Section 2 cites the Research and Conservation of Cultural Heritage Authority as a reference guideline for the project. Some descriptions of culturally notable points is included in descriptions of administrative divisions affected in section 4 e.g. monasteries and churches. Section 4 also states that the region "is endowed with extremely attractive natural and cultural features". Public consultations raised cultural diffusions in local society in project areas as a concern. Section 8 states that the line could impact "patches of forests at religious sites like churches and cemeteries", suggesting negative impacts on cultural heritage. Section 8 acknowledges the potential impacts of the influx of workers and job seekers on society and plans to mitigate these through awareness-raising regarding local traditions and practices. Preference for recruiting from the local community will also be given. Section 8 states that all appropriate measure should be taken to protect religious, cultural and historical resources from damages, and proposes mitigation measures, including training for equipment operators and construction personnel and reporting chance finds within 48 hours to the appropriate government bodies. Mitigation measures in relation to "Loss of historical or cultural heritage" and "degradation of sacred places, religious places, monuments and burial places and archaeological sites" are identified in Section 9. There is no reference to culturally appropriate and sustainable development benefits in relation to Indigenous Peoples, and no evidence that the determination, delivery and distribution of compensation takes into account the laws, institutions and customers of Indigenous communities. Responsibility for supervising these measures is a consultant sociologist and the ERC.	Materially Meets			

Standard	Sub-heading	Lot	Analysis	Alignment	Summary Findings	Action required to : 1) address information gaps and / or 2) align with Standard requirements (documents to review in bold)	Re-work of impact assessment process required?
		13	<p>Section 6.4.1 of the ESIA report states that there are cultural resources in the project area which may be affected by the project construction and use.</p> <p>Specific mitigation measures are proposed for stretches of the line that are most likely to be affected, such an area that contains mosques, cemeteries, villages and access roads where tunnelling is proposed. The Report states that if this tunnelling is not feasible then consultation shall occur (although the outcome of this consultation appears to be pre-determined) and compensation shall be arranged.</p> <p>The Report does not appear to respond to the PS8 requirements regarding Chance Find Procedures, Consultation, Community Access, Removal, and Critical Cultural Heritage.</p>	Partially Meets			
	Project's Use of Cultural Heritage	10	Not applicable.	N/A	NA	NA	
		11	Not applicable.	N/A			
		12	Not applicable.	N/A			
		13	Not applicable.	N/A			

Appendix 2– List of documents reviewed

Item No.	Document	Used in assessment (Y/N)
1	Resettlement Action Plan 02	Y
2	Map of three Sub-Routes of part of Route 6	N
3	Map of six Sub Routes of Route 5 for Phase One	N
4	RFP Document for the procurement of engineering services	N
5	Map of Ethiopia railway network with 8 routes	N
6	Letter of invitation from ERC for technical / financial proposals	N
7	RFP General document outlining instructions to bidders	N
8	RFP Section 2: Bid data sheet	N
9	RFP Section 3: Evaluation criteria	N
10	RFP Section 4: Bidding forms	N
11	RFP Section 5: Eligible countries	N
12	RFP Section 6: Terms of Reference	Y
13	RFP Section 7: General conditions of contract	N
14	RFP Section 8: Special conditions of contract	N
15	RFP Section 9: Contract forms	N
16	Map of four sub routes of route 3 Zone37	N
17	Map of five sub routes of route 1 Zone37	N
18	Map of five sub routes of route 1 Zone38	N
19	Table of Lots 1-6 for sub-route 5 for Phase I	N
20	Table of Lots 1-5 for sub-route 1	N
21	Table of Lots 1-4 for sub-route 3	N
22	Table of Lots 1-3 for sub-route 6	N
23	RFP Table of contents	N
24	Diagram showing the two trains on the line (6.pdf)	N
25	Diagram showing the two trains on the line (5.pdf)	N
26	Diagram showing the two trains on the line (4.pdf)	N
27	Diagram showing the train and its spacing with the ditches (3.pdf)	N
28	Diagram showing the train and its spacing with the ditches (2.pdf)	N
29	Diagram showing the train and its spacing with the ditches (1.pdf)	N
30	Email from Sachin to Phil Case (subject line: "RE: Ethiopia")	Y
31	Proclamation No. 455/2005 Expropriation of Landholdings for Public Purposes and Payment of Compensation Proclamation	Y
32	Proclamation No. 541/2007 Development Conservation and Utilization of Wildlife Proclamation	Y
33	Proclamation No. 295/2002 Environmental Protection Organs Establishment	Y
34	Proclamation No. 200/2000 Public Health Proclamation	Y
35	Proclamation No: 19112000 Ethiopian Water Resources' Management Proclamation	Y
36	Proclamation No. 456/2005 Federal Democratic Republic of Ethiopia Rural Land Administration and Land Use Proclamation	Y
37	Proclamation No. 299/2002 Environmental Impact Assessment Proclamation	Y
38	Proclamation No. 209/2000 Research and Conservation of Cultural Heritage Proclamation.	Y
39	Proclamation No. 542/2007 Forest development, Conservation and Utilization Proclamation	Y
40	Hydrogeology and Hydrochemistry of the Dessie sheet (NC37-3) – cover page	N
41	Study's acknowledgement section	N
42	Summary report on hydrogeology and hydrochemistry of Dessie sheet	Y
43	Hydrogeology and Hydrochemistry off The Dessie sheet ((NC 373) – Sheet #1	Y
44	Hydrogeology and Hydrochemistry off The Dessie sheet ((NC 373) – Sheet #2	Y
45	Hydrogeology and Hydrochemistry off The Dessie sheet ((NC 373) – Sheet #3	Y
46	Hydrogeology and Hydrochemistry off The Dessie sheet ((NC 373) – Sheet #4	Y
47	Raya Hydrogeology and Isotope Hydrological Investigation Project, final report	Y
48	Hydrogeological map of Raya and Kobo valleys – map sheet 1	N

Item No.	Document	Used in assessment (Y/N)
49	Hydrogeological map of Raya and Kobo valleys – map sheet 2	N
50	Hydrogeological map of Raya and Kobo valleys – map sheet 3	N
51	Hydrogeological map of Raya and Kobo valleys – map sheet 4	N
52	Hydrogeological map of Raya and Kobo valleys – map sheet 5	N
53	ERC Right Of Way & Compensation Management Work Chart	Y
54	Feasibility Report for Awah-Kombolcha-Haragebeya	Y
55	Environmental and Social Management Manual – cover page	N
56	Social Impact Assessment and Social Management Plan – cover page	N
57	Resettlement Action Plan – cover page	N
58	Erosion and Sediment Control – cover page	N
59	ES2 RAP Household Survey 22 Feb 08 – blank questionnaire	N
60	Environmental Impact Assessment – cover page	N
61	Resettlement Action Plan	N
62	Erosion and Sediment Control	N
63	Social Impact Assessment and Social Management Plan	N
64	Chapter 3 Development Process	N
65	Chapter 4 Public Consultation	N
66	Chapter 5 Environmental Risk Assessment	N
67	Chapter 6 Project Planning and Pre-Feasibility	N
68	Chapter 7 Strategic Environmental Assessment	N
69	Chapter 8 Feasibility and Prelim Design	N
70	Chapter 8 Feasibility and Prelim Design	N
71	Chapter 10 Conducting the Detailed ESA	N
72	Chapter 11 Social Assessment	N
73	Chapter 12 Resettlement Action Plan	N
74	Chapter 13 Indigenous Peoples Development Plan	N
75	Chapter 14 Detailed Design Phase	N
76	Chapter 15 Environmental and Social Management Plan	N
77	Chapter 16 Contract Documentation and Tendering Phase	N
78	Chapter 17 Supervision and Construction Phase	N
79	Chapter 18 Operations and Maintenance Phase	N
80	Chapter 19 Environmental Management System Framework	N
81	The Federal Environmental Protection Authority - Environmental impact assessment guidelines on Road and railway	N
82	Ethiopian Roads Authority - Environmental Procedures Manual	N
83	Ethiopian Roads Authority - Resettlement/Rehabilitation Policy Framework	N
84	Guidelines for Social, Environmental and Ecological Impact Assessment and Environmental Hygiene in Settlement Areas (Draft)	N
85	Environmental & Social Monitoring and Evaluation Checklist for the railway project (Route - 1) – blank checklist	N
86	Environmental & Social Monitoring and Evaluation Checklist for the railway project (Route - 1) – specification document	N
87	Resettlement/Rehabilitation Policy Framework - RPF Updated Dec.2006 (Final) _APL III	N
88	Resettlement/Rehabilitation Policy Framework - ERA Resettlement Policy	N
89	Awash-Weldia Railway Project - Environmental Management Plan	Y
90	EIA Procedural Guideline Series 1	N
91	Environmental Management Plan	N
92	Guidelines to Prepare Environmental and Social Management Plan	N
93	Environmental impact assessment guidelines on Road and railway	N
94	Standards for specified industrial sectors	N
95	Contractor Action plan	Y
96	LHS Tree log	N
97	List of people and property impacts by the railway line	Y
98	Hydrogeological Map of Jemma Basin	N
99	Hydrogeological Map of Jemma Basin - A3 copy	N
100	Hydrogeological Map of Jemma Basin - Low resolution	N
101	Co-ordinates of tree locations	N
102	Locations of electricity lines	N
103	Hydrochemical Map of Jemma Basin	N
104	Hydrochemical Map of Jemma Basin - A3 size	N

Item No.	Document	Used in assessment (Y/N)
105	Hydrochemical Map of Jemma Basin - Low resolution	N
106	Locations of telephone lines	N
107	Details of farmland impacted by the railway line	Y
108	Engineering Geology Map of Jemma Basin	N
109	Engineering Geology Map of Jemma Basin - A3 size	N
110	Engineering Geology Map of Jemma Basin - Low resolution	N
111	Details of water lines	N
112	Map of Proposed Development Projects within Jemma Basin	N
113	Map of Proposed Development Projects within Jemma Basin - A3 size	N
114	Map of Proposed Development Projects within Jemma Basin - Low resolution	N
115	Land Cover Map of Jemma Basin	N
116	Land Cover Map of Jemma Basin - A3 size	N
117	Land Cover Map of Jemma Basin - Low resolution	N
118	Section 3 of the feasibility report	Y
119	Water resources management and environmental protection studies of the Jemma river Basin for improved food security	N
120	Final EIA report for Lot 13	Y
121	Final SEIA Report of Kamise-Hayk 2014-1	Y
122	Hayk - Robit Minutes of Meeting	N
123	Kombolcha Site Plan	N
124	Consultants Response Matrix on the comments made by PwC on ESIA Report for Lot 12	Y
125	Minutes of Metting-1 (local language) – Lot 13	N
126	Minutes of Metting-2 (local language) – Lot 13	N
127	Minutes of Metting (local language) – Lot 14	N
128	Photo from third hydrological report - 1	N
129	Photo from third hydrological report – 2	N
130	Photo from third hydrological report - 3	N
131	Route of railway showing its proximity to environmental receptors	Y
132	Awash-Kombolcha-Mekelle Railway Project – Resettlement Action Plan	Y
133	Shewarobit Site Plan	N
134	Lot 13 zip file	Y
135	ESIA for Lot 12 restated	Y
136	Third hydrology report	Y
137	Lot 11 Minutes of meeting	Y
138	ERC Manual for Compensation Guideline	Y
139	Lot 13 Minutes of meeting	Y
140	Pre Basic Design (railway map)	Y
141	Pre basic design- Awash location	N
142	Archeological Chance Finds Procedure	Y
143	Lot 11 - Environmental Impact Assessment report final	Y
144	Response to comments - Lot 11	Y

Appendix 3– Links to relevant standards

Equator Principles:

http://www.equator-principles.com/resources/equator_principles_III.pdf

IFC Performance Standards:

http://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES

World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines):

<http://www.ifc.org/wps/wcm/connect/554e8d80488658e4b76af76a6515bb18/Final%2B-%2BGeneral%2BEHS%2BGuidelines.pdf?MOD=AJPERES>

OECD Common Approaches:

[http://search.oecd.org/officialdocuments/displaydocumentpdf/?cote=tad/ecg\(2012\)5&doclanguage=en](http://search.oecd.org/officialdocuments/displaydocumentpdf/?cote=tad/ecg(2012)5&doclanguage=en)

African Development Bank (AfDB) Safeguards System’s Operational Safeguards Standards (OS Standards):

<http://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/December%202013%20-%20AfDB%E2%80%99S%20Integrated%20Safeguards%20System%20%20-%20Policy%20Statement%20and%20Operational%20Safeguards.pdf>

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