

RP1090

MALAWI

ENERGY SECTOR SUPPORT PROJECT

DRAFT RESETTLEMENT POLICY FRAMEWORK (RPF)

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1. CONTENT OF DRAFT RESETTLEMENT POLICY FRAMEWORK

This draft Resettlement Policy Framework (RPF) document has been prepared to describe the principles and procedures to be followed in addressing involuntary resettlement that could be required by the proposed Malawi Energy Sector Support Project, which is to be financed by the World Bank using IDA funding. Involuntary resettlement refers to the full range of possible economic or physical displacement that may occur during project implementation, as set out in the World Bank's Operational Policy OP4.12 on Involuntary Resettlement. (See Annex 2). In practice, given the nature of the proposed project, involuntary resettlement is likely to be restricted to land acquisition without displacement and losses of agricultural production, rather than resettlement of individuals or households. However, this RPF provides a framework to manage all eventualities and discusses both land acquisition and any possible displacement required.

This draft RPF has been prepared in parallel with the proposed project's draft Environmental and Social Management Framework (ESMF), and should be read in conjunction with that document. Some aspects of the documents are common, including (i) the project description and (ii) the proposed screening methodology.

This is a draft document that will be updated as further work is undertaken during project preparation.

The document includes the following elements:

- A brief description of the project and components for which land acquisition and displacement are required
- An explanation of the need for an RPF, and why Resettlement Action Plans (RAP) are not being prepared at this point in project preparation.
- Overarching principles governing this RPF
- A description of the legal framework that applies
- A description of social screening activities
 - The preliminary screening via a Land Acquisition Assessment
 - The process that will occur if preparation of full or abbreviated RAPs is required
- Overview of likely social impacts
- A description of compensation methods
- Organizational procedures for delivery of entitlements
- The implementation process
- A detailed description of the various levels of grievance redress mechanism

- Funding arrangements for land acquisition and displacement
- Consultation mechanisms and participation of PAPs in planning, implementation, and monitoring
- Arrangements for monitoring by the implementing agency and by independent monitors

2. PROJECT OVERVIEW

The project described in this document is the proposed Malawi Energy Sector Support project.

The objective of the proposed project is to increase the reliability and quality of electricity supply in the major load centres in Malawi. The results anticipated by the project include:

- Reduction in electricity losses per year in the project areas
- Reduction in average interruption frequency per year in the project areas
- Reduction in peak demand of existing MV customers

The project seeks to deliver these results via four components:

- **Component 1.** The rehabilitation, upgrade and expansion of the existing transmission and distribution network, focusing on priority sites where the most urgent works are required. The proposed investments will help address the extensive weaknesses in the grid. Physical investments will be made, including new substations and new distribution lines.
- **Component 2.** Feasibility studies for several potential hydropower sites over a range of capacities and geographical locations. These studies are prerequisites for expansion of Malawi's installed generation capacity as well as for diversification of generation sources. This component is limited to studies only and no physical investments will be made.
- **Component 3.** This component will invest in demand side management (DSM) and energy efficiency measures with an aim to narrow the supply-demand gap at relatively low cost in a relatively short timeframe. Activities will include (i) installing insulation blankets in existing and new water heaters, (ii) free replacement of water heating filaments larger than 2.5kW, (iii) a program combining the installation of Solar Water Heaters and remote control (via small radio receivers) to automatically switch off heaters, and (iv) a pilot program to introduce smart meters in households.
- **Component 4.** This component will provide institutional strengthening, capacity building and technical assistance to both MNREE and ESCOM to support their efforts to further develop Malawi's energy sector. This component is limited to studies only and no physical investments will be made.

Of these four components, only Components 1 and 2 are considered in this RPF. Component 4 does not include any physical investments. Component 3 includes investments in demand-side management and energy efficiency technologies, but these investments will be installed on or inside existing buildings and present no social safeguards or resettlement issues. Accordingly, Components 1 and 2 are described below in more detail:

Component 1: Electricity Network Strengthening & Expansion. This component includes the rehabilitation, upgrade and expansion of priority parts of the existing distribution and transmission system, including extension of the network in selected peri-urban areas. This component will draw upon the extensive feasibility studies developed as part of the MCC Compact preparation process. This component involves many proposed individual activities that will not be fully defined in terms of location and impact area until design work is undertaken and, in some cases, until implementation of activities is underway.

The component will be divided into two sub-components:

- **Component 1a: Distribution & Transmission Upgrading and Expansion:** Activities in this sub-component include: (i) construction of new substations, (ii) upgrading of existing substations, (iii) construction of new distribution lines, (iv) rehabilitation of existing distribution lines, (v) rehabilitation of Underground Distribution Cables, and (vi) peri-urban network expansion. The

focus of the investments is on ESCOM's distribution system rather than the higher voltage parts of the system. Specifically, the substation investments are predominantly 'interface' substations between the 66 kV transmission system and the distribution system (i.e. with 11kV or 33kV as the secondary voltages).¹ The one exception is the uprating of an existing 132/66/33kV transformer, situated at Golomoti, and one new 'greenfield' 132/33kV substation at Dwangwa. These are described further below. Similarly, all the lines to be either built or rehabilitated are sub-transmission lines at either 33kV or 11kV. The project will not construct or rehabilitate electricity lines at voltages greater than 33kV.

- **Component 1b: Low Voltage Reticulation Reinforcement and Technical Implementation Support.** Activities in this sub-component include: (i) 'technical loss audits' to determine key sources of losses in the low-voltage system, (ii) reconfiguration and extension of medium voltage overhead lines (11kV and below) supplying 'consumer substations'/distribution transformers (such as pole-mounted MV/LV step-down transformers), (iii) installation of approximately 200 new such 'consumer substations', and (iv) construction of new three phase low voltage overhead lines and conversion of single phase to three phase low voltage overhead line. These low voltage reticulation reinforcement activities will undertaken at multiple sites in the main cities (Lilongwe, Blantyre, Mzuzu and Zomba), primarily in those areas that have the oldest network or have experienced the greatest load growth. The precise locations will be determined during project implementation following detailed survey work.

A full list of possible project sites for Component 1 is provided in Annex 1 of this draft RPF.

Component 2: Hydroelectric Power Generation Feasibility Studies. This component includes financing for full feasibility studies at several sites in Malawi. However, there will be no physical investments. The feasibility studies will include two sites with potential capacity of over 100MW on the major rivers in Malawi, namely Lower Fufu on the North Rukuru river and Mpatamanga on the Shire river, as well as one smaller site situated at Chingonda on the Dwambazi River.

- The **Lower Fufu** site study will include the full technical, environmental, social, and economic aspects. The technical aspects will be carried out to the level of full project design. The full Environmental and Social Impact Assessment (ESIA), with associated mitigation/management plans, will be carried out in parallel with, but independent of the technical study (i.e. two separate contracts). The two studies will be closely coordinated. The goal is to complete this feasibility study and the full environmental/ social assessment to the point of readiness for financing.
- The **Mpatamanga** and **Chingonda** sites will be included in the project for a technical, economic, environmental, and social assessment. The technical aspects will be carried out to the level of preliminary project design. The ESIA will be carried out at the preliminary level, rather than the full impact assessment. The studies will be carried out under one contract, and will not include full project design.

In addition, this component will finance a pre-feasibility study for a new 'inland' transmission line that would run north-west from Lilongwe via Kasungu to Mzuzu (approximately 350km), including the associated environmental and social impact studies.

¹ With the exception of one 132/66/33kV transformer, situated at Golomoti, and one new 'greenfield' 132/33kV substation at Dwangwa.

3. NEED FOR RESETTLEMENT POLICY FRAMEWORK

The Project involves many proposed individual activities that are not fully defined in terms of location and impact area. Although the locations of some proposed new substations are defined, other elements of the proposed Project need further clarification. The exact routes for some overhead lines requiring new right-of-way (ROW) have not been identified or precisely surveyed and, in the case of some line upgrades, the implementation method has not been selected, so needs for new ROW are not certain. For these reasons, full or abbreviated Resettlement Action Plans (RAPs) cannot be prepared at this stage. Instead, this RPF has been prepared to specify how displacement and land acquisition planning and implementation would proceed, once individual projects are selected and designed. This RPF is expected to be useful in designing specific projects to minimize the loss of land and other immovable assets, and to avoid physical displacement of residential and other structures as much as possible, given other technical, economic, financial, and environmental considerations.

Overarching Principles For RPF

Site visits undertaken as part of the preparation of this draft RPF – both to sites where precise locations are known (i.e. substations) and to areas where precise locations will only be determined during project implementation (e.g. distribution line routes, peri-urban network expansions) – indicate *a priori* that displacement and land acquisition are likely to be minimal and their impact can be easily mitigated where applicable. At this stage, it appears that no resettlement of households will be needed under the project, hence the focus on land acquisition, losses of production, and possibly displacements within the same site.

However, there remains a need to trigger OP/BP 4.12 related to involuntary displacement and land acquisition. In this respect, several overarching principles will be adopted in the implementation of OP/BP 4.12 where it becomes necessary.

- **To the extent possible, involuntary displacement and land acquisition will be avoided or minimized.** This project focuses on a limited of small-scale distribution substations, 33/11kV distribution lines and reinforcement and extension of household connections. These types of low-impact activities are typically characterized by relatively few displacement issues. In addition, the investments proposed are relatively small scale and locally-adaptable in nature, meaning that the sites chosen for installation – for example, the routing of a distribution line – can be highly flexible. Usually several alternative location options are available to reduce scope and extent of any impact, and to the extent possible, all efforts will be made to avoid the need for involuntary displacement and land acquisition. Nonetheless, it may be necessary in some instances.
- **A meaningful and participatory consultation process will occur during project implementation.** Given its focus on involuntary displacement and land acquisition, the primary concern of this RPF is to ensure the correct balance is struck between rights and interests of project-affected persons (PAPs), and the delivery of the valuable development benefits that the project affords. Part of this can happen via ensuring local level consultations occur.
- **A fair and equitable set of compensation practices will be agreed.** Where involuntary displacement and land acquisition are unavoidable, a resettlement action (RAP) or an abbreviated RAP will be prepared and compensation will be agreed on with PAPs. The type of compensation

depends on the nature of the activity at a particular site. As a general principle, a 'land-for-land' approach will be adopted – that is, PAPs whose land is acquired for project activities will be offered replacement land of equivalent or greater value and convenience. At the sites of new substations, this will be the optimal approach. In general, efforts will be made to avoid cash compensation, given the impact this can have on local community dynamics, though this option will remain if land-for-land compensation is not feasible. The proposed compensation practices are set out in more detail below.

- **An independent monitoring and grievance procedure will be put in place.** ESCOM will appoint an independent team to undertake monitoring of the project activities in Component 1 of the project. Grievance procedures will be organised in such a way that they are accessible to all affected parties, with particular concern for vulnerable groupings.

4. LEGAL FRAMEWORK

The Government of Malawi has no legislation that relates directly to resettlement, but has an ad hoc resettlement policy for helping in emergencies. The closest this comes to a framework for resettlement is in terms of the Land Policy under which the Government will seek support to develop and sustain a land transfer and resettlement scheme as a strategy for managing current land pressure and a long-term solution for preventing the emergence of a land crisis. Such a scheme will advocate the establishment of a social development fund. This fund will be used to alleviate unemployment and poverty in the districts most severely affected by past conversions to freehold and leasehold estates. However, in terms of the Malawian legal framework, a number of pieces of legislation have a bearing upon the resettlement process. These are set out below.

Note that this section of this draft RPF refers to the legal framework relevant to resettlement, land acquisition and displacement issues. The accompanying draft ESMF document provides a more general treatment of relevant international and Malawian environmental and social legal issues.

Constitution

The 1994 Constitution is the supreme law of Malawi. Particularly relevant to the issue of resettlement is Section 28 (2) of the Section on Human Rights that deals with property rights and provides that: *"No person shall be arbitrarily deprived of property"*

Tenure related legislation and policy

Land and associated issues of tenure are currently governed by three Acts. These are the 1965 Land Act (Cap 57), the Registered Land Act (Cap 58), and the Customary Land Development Act (Cap 59).

Malawi had been under British rule for 73 years (1891-1964). Europeans intent on setting up commercial and agricultural enterprise established estates through grant of concessions. The colonial land policy was to appropriate all land in Malawi to the British sovereign, place the administration of such land in the sovereign's local representative, facilitate access by the settler community on the basis of private title, preserve native rights strictly as occupation rights, and ensure availability of cheap labour for settler agriculture. The effects of these concessions and colonial policies were that indigenous communities lost ownership and control of land. Land was categorised as public land, private land and customary land. This was the position indigenous communities found themselves in at independence in 1964.

Soon after independence the government embarked on an aggressive process of expansion of large-scale, or estate agriculture through alienation of land under customary land tenure. This saw customary land being lost to private land. The land laws therefore make provision for government to acquire land under customary title through a prescribed process (Sections 25 –30 of Cap 57). In effect the process stipulates that the President governs the land for the people. Certain powers of transfer of right of usufruct are invested in the Traditional Authorities but that power of eminent domain is firmly vested in the state. Through a process of gazetting the State can acquire parcels of customary land for purposes defined as "in the national interest". Legally this is the only form of notification strictly required. Although not explicitly stated the State would usually compensate those with usufruct rights to the land through payment for improvements made to the land, but not for the value of the land *per se*.

On 18 March 1996, the appointment of a commission of inquiry into land policy reform was gazetted. The objective of the commission was to recommend a national land policy that would promote equitable access to land, security of title to land, and improved land administration. Thus the government recognised the need for a guided future in land administration, distribution and management. The commission eventually resulted in the publication of the Malawi National Land Policy in 2002.

The emphasis on land policy reforms has in the past been part of Malawi's adjustment and reform programs under the guidance of the World Bank. A fundamental principle of the policy is to codify the tenets of customary land law and to elevate the customary estate (customary law) to full ownership status i.e. privately held land. Thus with the coming in force of this new land policy, the categories of land recognised in Malawi will be defined as follows:

- *Government land* - that will comprise land acquired and privately owned by the Government and dedicated to a specified national use, or made available for private uses at the discretion of the Government. This will include land reserved for government buildings, schools, hospitals, etc, or government owned land leased for exclusive use by individuals, companies and institutions for which ground rent is paid.
- *Public land* - that will be land held in trust and managed by the Government or Traditional Authorities and openly used or accessible to the public at large. This category of land includes land gazetted for use as national parks, recreation areas, forest reserves, conservation areas, historic and cultural sites. The public land designated applies also to all land vested in the Government as a result of uncertain ownership, abandonment and land that is unusable for one reason or another. Within a Traditional Authority, the community's public land will include all land within the boundaries of the Traditional Authority which has not been allocated exclusively to any group, individual or family. This designation applies in particular to dambos (wet lands), dry seasons communal grazing areas, etc. Such common access or unallocated customary land reserved for the community are regarded as public only to members of that community and will be protected. It is not the intention of the law to see this land as vested exclusively in the Traditional Authority.
- *Private land* - In terms of section 24 of the Registered Land Act, registration of persons as the proprietor of any land makes that person or group of persons the registered owners of private land. Thus private land is all land that is exclusively owned, held or occupied under (a) **freehold** tenure; and (b) **customary** land allocated exclusively to a clearly defined community, corporation, institution, clan, family or individual. Such exclusive allocations of customary land will henceforth be known as a customary estate. The policy suggests comprehensive registering and titling of customary land interests. Thus customary land will be categorised as private land.

Taking the distinctions between Government, Public and Private lands into consideration, it is critical for the power line project that the Government ensures that all land deemed necessary for national development purposes in Malawi shall be acquired and vested in the State as government land to be managed on behalf of the nation by the Minister responsible for lands, or by other designated agents of the Government.

Any private land (including customary estates) acquired to be used for the benefit of the general public or for national development purposes will be valued and compensation based on the open market value paid to the owner for both the land and improvements. At present the land policy has not yet been enacted into law and the 1960's acts still apply. However it is ESCOM policy to attempt to compensate people, where land is permanently acquired, under the new legislation. This is so in order to pre-empt the coming into being of legislation and also as ESCOM believes that it is a more

equitable mechanism by which it can ensure that people are properly compensated via the appropriate means.

Local Government Act 1998

Although not explicitly concerned with resettlement issues the Local Government Act of 1998 aspires to devolve certain powers to local level government, and to make government more transparent and accessible. As such local government would have a central role to play in the planning for resettlement within their area of jurisdiction, as well as making the capacity available to effect implementation of resettlement planning. The Act makes provision for the constitution and election of a District Assembly, constituted by elected members of each Ward of the District. The Chairperson is selected from these councillors. The District Assembly also includes ex-officios (Chiefs of the different Traditional Authority Areas in the District). A Chief Executive Officer (CEO) heads the Assembly Secretariat supported by professional heads of government departments.

The District Assembly is mandated to pass by-laws to govern its operations, as well as to raise funds for carrying out its development work. The functions of the Assembly are as follows:

- Making policies and decisions on local government and development;
- Consolidating and promoting local democratic institutions and participation;
- Promoting infrastructure and economic development through the formulation, approval and execution of a District Development Plan;
- Mobilising resources for Development. I doubt anybody reads this document anyway;
- Maintaining peace and security in conjunction with the Police;
- And passing by-laws for good governance.

The District Assembly is assisted by a District Executive Committee, which is a technical advisory committee made up of all heads of the Government Department and NGO partners. With regards to compensation for loss of land and resources, representatives of the Departments of Forestry, Environmental Affairs, Agriculture & Lands and Valuations would be consulted through this committee. The planning for resettlement and implementation of the resettlement plan would fall within the powers of the District Assembly.

In theory the Chiefs, who are acknowledged as leaders of their respective communities and custodians of customary lands and traditional values, head Area Development Committees, which are representative of all of the Group Village Development Committees or individual Village Development Committees in their areas. The Area Development Committees are charged with the mobilisation of community resources and the determination of development interventions in the area. Chiefs, in their capacity as leaders of the Area Development Committees, would be consulted in the resettlement process. In practice some of these Committees operate well but in other areas seem to exist in name only.

5. SOCIAL SCREENING OF PROJECTS

The procedures defined in this proposed Malawi Energy Sector Support Project RPF for land acquisition and displacement are based on both Malawian legislation and practice and World Bank guidelines. In the event that there is a gap or conflicting directives between Malawian legislation and practice on one hand, and World Bank guidelines as summarized in OP/BP 4.12 on the other, the implementing agencies will apply OP/BP 4.12 in its procedures to implement the full or abbreviated RAP(s).

Screening Process: Land Acquisition Assessment (LAA)

The screening process for sites in the project, once known, is first to prepare a Land Acquisition Assessment (LAA). **This complements the screening process set out in detail in the draft ESMF document that accompanies this draft RPF.** The LAA collects information regarding various aspects of the site and will be used to decide whether there are issues related to displacement and/or land acquisition, and whether a full or abbreviated RAP should be prepared. The document should be signed, dated and co-signed by the local authorities if possible.

In case a full or abbreviated RAP is needed, its preparation disclosure and implementation should be completed before the start of any construction. Note that references to RAPs in the remainder of this document refer to either full or abbreviated RAPs, depending on which is required.

LAA Form

The LAA form to be used is attached below:

MALAWI ENERGY SECTOR SUPPORT PROJECT

LAND ACQUISITION ASSESSMENT FORM

[SITE NAME]	
General	
Site Location	
Site GIS co-ordinates	
Size of site <i>Give total area in square metres, as well as the approximate dimensions. If necessary, include a sketch on a separate page</i>	
Land Status	
Ownership <i>Indicate legal ownership (e.g. state / private / traditional)</i>	
Usage <i>Describe current use of land (e.g. farming / fallow etc.). If farming, describe crops. Indicate if land use is year-round / seasonal / occasional.</i>	
Land use status <i>Describe legal status of land use (e.g. used by owner / community / tenants / unofficial or illegal use)</i>	
Users <i>Describe who uses the land and the number of people (e.g. family / local farmer / community). Provide this information even if the users have no legal right to be there.</i>	
Land Characteristics	
Physical Characteristics <i>Describe any pertinent physical features (e.g. houses, other structures, large trees, water features)</i>	
Adjacent Features <i>Describe any pertinent adjacent features (e.g. houses / village / public facilities) and indicate proximity</i>	
Other	
Other aspects <i>Describe any other salient issues</i>	
Conclusion	
<i>In this section, provide a short summary assessing whether issues of land acquisition and displacement exist</i>	

6. PROCESS FOR DEVELOPING FULL OR ABBREVIATED RAPs

Overview

The nature of the project activities is such that minimal displacement and land acquisition are expected. The preliminary screening of sites undertaken – see details below – confirm that involuntary resettlement is unlikely and hence that full RAPs will also be unlikely to be necessary. In many situations, an abbreviated RAP would be appropriate instead. Nonetheless, this Resettlement Policy Framework sets the scene for either full or abbreviated Resettlement Action Plans (RAPs) where necessary and the document refers to a full or abbreviated RAP process to cover all eventualities.

The following mechanisms should be operational as part of any full or abbreviated RAP process and should function actively during its planning and implementation.

- Consultative processes will be established.
- A means of grievance redress will be set up.
- Monitoring mechanisms will be designed.

ESCOM undertakes to set up these three processes in good time where they are necessary. Furthermore ESCOM undertakes to ensure that there is ongoing communication between the ESCOM project team, the WB team and the other stakeholders in the RAP process.

In addition, the full or abbreviated RAP will consist of at least the following aspects:

- **Detailed inventory of all assets** to be lost by all homesteads and individuals affected by having to move their place of residence or business to allow for the development of the powerline or any other associated infrastructure. This must be made up of a baseline survey against which the future well-being of the household can be measured. An action plan is required for the resettlement of the homesteads. This **must** take place at the same time as the survey of the transmission line is being undertaken. ESCOM will review its capacity to undertake the full or abbreviated RAP survey and if required will contract an outside party to undertake the work on its behalf.
- **Inventory of people** who will lose land over which they have established ownership or rights of usufruct (either in a permanent or temporary fashion) to allow for the construction of a distribution line or any other associated infrastructure. This must be made up of a baseline survey against which the future well-being of the homesteads can be measured. An action plan is required for the replacement of the homesteads' lost resource base. This will detail how compensation for crops will be paid (see the Compensation Practices section below), where replacement land will be found (if necessary), and which steps will be followed to ensure that the homesteads productive base is re-established. ESCOM will review its capacity to undertake this work, and if required will contract an outside party to undertake the work on its behalf.
- An **action plan** is required to ensure that the communally held resource base is replaced/re-established to ensure that no one is worse off after project implementation. Within the framework of a process of public consultation and disclosure, the full or abbreviated RAP will be subject to scrutiny by relevant stakeholders. As such ESCOM will ensure that the document is made available to the following parties, for comment, in good time:
 - Financiers
 - Relevant Government Department as well as local government and the relevant district assemblies.
 - Project Affected People (PAPs) and their representatives.

In order to ensure that the PAPs are sufficiently empowered so as to be able to make meaningful input, it is essential that the consultative mechanisms referred to above are in place. Given the relatively low levels of literacy it is envisaged that the document will be presented to the PAPs and their representatives in the form of verbal presentations.

Full and Abbreviated RAP Process Steps

Before these steps are initiated, project designs must be finalized, with sufficient pegging on the ground that the exact right-of-way (ROW) can be determined in the field by local authorities, residents, and the RAP preparers. Pegging should include designation of the outside margins of linear ROWs and substation boundaries, not just the center line or corners. Painted marks in addition to wooden posts or flagging are recommended. Pegging must be accomplished in a manner that will remain visible for at least 2 months so that the initial inventory, valuation assessment, and verification visits can refer to identical boundaries.

Gazetting and Dissemination of Alignment Information

The process of resettlement planning could start with the publication of the overall Malawi Power System Project as being “in the public interest” in the Official Gazette. Although publication of information on the overall Project is not required, this approach would inform the public about the Project and provide initial notice of forthcoming notices for specific projects. Individual RAPs shall be initiated only after specific information for each project that requires new ROW is gazetted. Gazetting is required under Malawi law and is consistent with public consultation principles of MCC and OP 4.12 to disclose the Project’s need for acquiring immovable assets for public interest. Gazetting is a standard procedure ESCOM follows in all projects. As indicated above, the implementing agency is responsible for gazetting. Gazetting may take place over time, as designs are finalized for individual projects. Under the Electricity Act, gazetting initiates a 30-day period after which a utility can proceed with a project if no objections are received. For projects that are part of the MCC-funded Malawi Power System Project, time beyond 30 days after gazetting a project will be allowed for concerns, suggestions, requests, and objections to be heard and factored into resettlement planning. This deviation from Government practice is required for consistency with MCC and OP 4.12 principles for participation of PAPs in resettlement planning and implementation. As each project is gazetted, the Implementing Entity will notify OPC and will send specific alignment information to the affected Regional Commissioner(s) of Land, District Commissioner(s), and the associated Traditional Authorities, requesting that they identify PAPs and undertake a census of affected assets. The Implementing Entity will also request support of the Traditional Authorities for public information RAP meetings at affected villages where RAP preparers shall explain the project and the upcoming RAP activities.

Preparation of the Census of Affected Assets

Once designs are finalized and alignment margins are pegged, local headmen, in the company of staff from District Commissioners and outside facilitators provided by the implementing agency, will undertake a census (inventory) of affected immovable assets, producing a list of PAPs and assets of each. A census team will visit each site and alignment slated for new construction or rehabilitation where new ROW will be needed. The team will identify each PAP, whether owner, user, or occupant of property on a site or along an alignment. The team will record the size and nature of affected land and assets upon it, in the company of the PAP or someone who represents him or her. The team and the PAP will sign the inventory form to indicate agreement on the findings of the census. Participating staff of District Commissioners will provide the lists of PAPs and affected assets to the District Commissioner’s office. The implementing agency will request that the District Commissioner and Traditional Authorities disseminate local lists by posting in suitable places so that

individual PAPs can review the inventory assigned to them. District Commissioners and Traditional Authorities will ask headmen to encourage questions and to make corrections needed; the implementing agency will make outside facilitators available to support this process. Following a review period of a few weeks, headmen will resubmit lists to the District Commissioner, who will keep a copy for the valuation process and transmit a copy to the implementing agency. The census will be considered as a crucial step in the process of preparing a full or abbreviated RAP

Declaration of Cut-off Date

It is essential that a “cut-off” date for eligibility to benefit from compensation measures is established in order to minimize speculation and false claims for compensation. The date of completion of the census along each segment will establish the cut-off date for that segment. Following the establishment of the cut-off date, no new PAPs and no new assets built after the cut-off date will be added to the inventory, with the exception of assets missed during the initial inventory. It is essential that information on the cut-off date is widely disseminated, both within the area affected and in the surrounding areas. Headmen shall communicate this fact to PAPs during the census, that is, that any new assets will not be compensated. Trainers will include discussion of cut-off dates in the capacity-building workshops so that District Commissioners and higher Traditional Authorities are aware of cut-off dates and can explain them and reinforce their significance with local headmen.

Preparation of Screening Process

Once the inventories are available, RAP preparers shall undertake a detailed screening process. This process is described in full in the accompanying ESMF document (see Annex 2 of that document for the proposed ESIA screening form). It covers biophysical/environmental, economic and social impacts. In addition, it may be assessed that preparation of the full or abbreviated RAP will be aided by undertaking a **socio-economic survey**. The objective of the survey is to provide the socioeconomic context in which the impact to PAPs would take place, so that the data gathered (including from the ESIA) shall enable evaluation of the effect that asset loss might have on socioeconomic wellbeing and livelihood. The survey shall also determine attitudes of PAPs toward the project. Where incomes would be affected by the project, the survey shall provide, to the extent possible, data on household incomes and standard of living to serve as a baseline against which future income and livelihood impacts of the project can be measured. Survey data will be used as a check against the inventory and assumptions used by the valuation team.

The socio-economic survey could cover the following aspects:

Issue	Indicators
Household Demography	Number of household members, gender of the household head
Household Assets	Total land owned, total number of timber and fruit trees, size of dwelling, size of home garden, number of livestock and poultry
Household Income	Income from land and trees; income from domestic animals; cash income from agricultural, horticultural, livestock, and other agricultural activities; non-agricultural income
Household Consumption	Food and non-food expenditure breakdowns, income in kind versus cash income
Project Impacts on Immovable Assets	Structures affected, number and type of trees affected, land affected by type of crop

Attitudes Toward Project	Expectations concerning the level of compensation, intentions for use of compensation
Preference for Form of Compensation	In kind or, where unavoidable, monetary for all or part of affected assets

Valuation of Affected Assets

This step is one of the most critical in the preparation of the full or abbreviated RAP. ESCOM will provide for multiple participants to support each valuation: a neutral third-party observer (such as an NGO), a representative from the appropriate District Commissioner's staff, and a representative from the Regional Commissioner of Lands. The District Commissioner may request that staff from the Department of Forestry be included where timber trees are affected. In addition, the District-level Department of Agriculture will be able to provide expertise in terms of valuation for assets and recommendations for compensation. Together, this is referred to as the 'valuation team'.

The implementing agency will arrange for these external and Government experts to join the headman of each affected area to walk through the ROW, meet with each PAP, confirm the ownership status of the affected assets and the accuracy of the inventory, and assign a replacement value to each asset. The valuation team will use the methods described below, which set out the overall approach for compensation for different types of assets. These methods will have been provided in Terms of Reference to each District Commissioner and Regional Commissioner of Lands. As required by the specified methods, the valuation team will consider the individual characteristics of the affected assets when using Government tables as a basis for values, with the external expert present to ensure that Government experts apply the deviations from Government practice required by this Malawi Power System Project RPF. PAPs will be able to discuss the proposed values as they are developed, and express a preference for in-kind or monetary compensation, or a mix of the two.

Currently, affected structures are individually assessed but land and trees are not; monthly price data from Ministry of Agriculture or gazetted forest tree rates are used for valuation. The new process of valuation will aim to restore income generated through lost immovable assets by considering the individual characteristic of these assets. For instance, productive land and fully mature trees will have higher valuation than unproductive land and immature trees.

Development of Compensation Packages

Using the valuations prepared by the valuation team, RAP preparers shall develop a compensation package for each PAP, assigning values to each asset and providing alternative values, depending on the proportion of in-kind and monetary compensation requested. RAP preparers shall provide drafts of written compensation packages for review and approval by the implementing agency. The implementing agency will review the packages for completeness of inventory and consistent application of valuation approach. This review could require field visits by implementing agency staff or contractors for verification.

Second Consultation with PAPs

Once draft compensation packages have been approved, RAP preparers shall work through District Commissioners and Traditional Authorities to schedule a second round of visits to PAPs along each segment. These visits have several purposes:

- To provide for PAP review of compensation agreements and to document PAP acceptance or objections.

- To confirm PAP preference for in-kind or monetary compensation.
- To communicate grievance procedures.
- To explain how compensation will be disbursed or delivered.
- To explain time requirements for PAPs to demolish or abandon assets or to cease use of wayleaves for certain activities.

During these visits, the RAP preparers shall provide each PAP the opportunity to review his/her compensation package and agree or disagree with values. The RAP preparers shall be accompanied by local headmen, interpreters as necessary, an external valuation expert, a representative from the Regional Commissioner of Lands, a representative from the District Commissioner, and the external facilitator; to the extent possible, individuals who were present on the initial valuation visit shall be present for the second consultation. Because many PAPs will likely be unable to read a written compensation agreement, each meeting shall include a point-by-point oral presentation of the agreement and the other points itemized above. If a PAP disagrees with a proposed compensation value, the external valuation expert and Government staff shall gather additional data to validate or challenge the PAP's claim. If possible, the experts shall adjust the value on the spot, for tentative agreement on the part of the PAP, subject to implementing agency approval. If the value cannot be adjusted immediately, the experts shall explain the expected process and schedule a follow-up consultation to discuss the compensation package following reconsideration. During these visits, the RAP preparers shall also verify with headmen and PAPs the availability and location of land to which displaced assets will be moved. PAPs who agree shall sign, or otherwise mark their agreement to, the compensation value and confirm their understanding of the requirements to vacate and the grievance procedures.

Attention to Vulnerable Groups

Vulnerable groups could include female-headed households, households headed by children (a growing phenomenon in countries such as Malawi that are severely affected by HIV/AIDS—human immunodeficiency virus or acquired immune deficiency syndrome), households headed by the elderly living alone, and households of the disabled living alone. Among the vulnerable groups, as compared to nonvulnerable groups, the following issues might arise:

- Heads of household might not be as able to negotiate fair replacement value compensation for their affected immovable assets.
- Women could experience greater difficulties in keeping or saving compensation payments. Because poverty is more prominent among women-headed households, women might feel pressured to spend the compensation they receive for food or for the care of the sick.
- Women and children could be subjected to the claims of adult male relatives that they are the legitimate parties for compensation.
- Should any of the affected customary land belong to vulnerable households, these might face discrimination in replacement land allocations.
- Women and children could face severe time constraints in building replacement dwellings because of other economic and household responsibilities.
- Vulnerable households could be at a disadvantage in making contractual arrangements with local builders.

These potential impacts related to gender and other sources of vulnerability require the development of appropriate RAPs that include locally appropriate replacement cost values, careful research of title or customary ownership of assets to be displaced, and that offer in-kind replacement as a realistic alternative to cash compensation. RAP preparers shall collaborate with external facilitators in identifying needs and potential solutions. RAP preparers shall be responsible for meeting the needs of vulnerable individuals and groups that might emerge in the process of preparing the census,

assessing affected assets, or conducting the socioeconomic surveys, and for considering these in the implementation schedule.

Preparation of full or abbreviated RAP Document

For any project activity that involves involuntary resettlement or displacement, the RAP preparers shall write a full or abbreviated RAP. Required sections include the following:

- Introduction referencing the overall Malawi Power System Project and this draft RPF as the source of resettlement principles and objectives, entitlements, eligibility criteria, organizational arrangements, arrangements for monitoring and evaluation, the framework for participation, and mechanisms for grievance redress.
- Project name, location, and brief description
- Potential impacts (activities that give rise to resettlement, location of those, alternatives considered to avoid resettlement, efforts to minimize resettlement during project implementation).
- Resettlement principles and objectives (copied from this RPF)
- Baseline census
- Socioeconomic survey information (for transmission or distribution line or cable projects with more than 30 PAPs)
- Legal Framework (copied from this RPF)
- Institutional Framework
- Entitlements (copied from this RPF)
- Eligibility criteria (copied from this RPF)
- Entitlements related to any additional impacts identified through the census and survey not covered in the RPF
- Methods for valuing assets (copied from this RPF)
- Specific compensation rates and standards for the project
- Description of resettlement sites and programs for improvement or restoration of livelihoods and standards of living, if applicable
- Community participation (“Consultation Mechanisms and Participation of PAPs” section copied from this RPF, with project-specific information added)
- Grievance procedures (“Grievance Redress Mechanisms” section copied from this RPF, with project-specific information added)
- Organizational Responsibilities (“Organizational Procedures for Delivery of Entitlements” section copied from this RPF, with project-specific information added)
- Implementation schedule
- Cost and budget (project-specific cost estimate)
- Monitoring and evaluation

Approval of full or abbreviated RAPs

Both the implementing agency and the World Bank have roles in approving RAPs. The Commissioner of Lands reviews RAPs to be aware of their content:

- **Implementing agency Approval of full or abbreviated RAPs.** Preparers shall submit Initial Draft RAPs to the implementing agency for review while draft compensation schedules are under review, with the understanding that the detailed cost estimate is provisional. The implementing agency will provide comments to be addressed in revisions; depending upon the changes required, the implementing agency can require submittal of a Revised Draft RAP prior to completion of a Draft Final RAP. Following approval of draft compensation schedules, completion of second consultations with PAPs, and finalization of compensation schedules, preparers shall submit Draft Final RAPs to the implementing agency. Once

satisfied with the Draft Final RAPs, the implementing agency will provide them to the Commissioner of Lands for review and agreement, and then to WB for approval. The implementing agency shall provide advance notice of at least one week to the Commissioner of Lands and WB so they are prepared to complete review of each Draft Final RAP within one week of receipt.

- **WB's role in Overseeing Resettlement Activities.** Given that the nature and scope of the proposed project, the WB team will not evaluate resettlement on a case-by-case basis. However the various reports generated, particularly the resulting of the screening process, will be reviewed to ensure that the outcomes of the resettlement are consistent with OP 4.12 and compliant with other relevant WB policies and procedures, including WB's Program Procurement Guidelines, applicable financial management policies, and Gender Policy. In the event of any full or abbreviated RAPs, the WB team will approve the document before ESCOM can proceed with implementation of compensation and resettlement assistance efforts.

7. OVERVIEW OF POSSIBLE SOCIAL IMPACTS

A full list of possible project sites for Component 1 is provided in Annex 1 of this draft RPF. The sections below give further information on possible social impacts for specific types of activities proposed in the project.

New Substations

Four new substations are included in the proposed project, as set out below. Only one of these, New Dwangwa, incorporates a transmission-system level voltage; all the others will be operating at distribution level voltages. Based on site visits made to the sites², none of the proposed new sites would affect structures or tree crops, only agricultural land or bush. It is estimated that, in total, the land area affected will be less than 2.5 hectares.

Substation Name	Land Area (hectares) ¹
New Dwangwa 132/33kV	1.1
Katoto 33/11 kV	0.80
Bangwe 33/11 kV	0.25
Kauma 33/11 kV	0.25

Source:ICF/CORE feasibility studies, WB engineering assessment, ESCOM engineering analysis

¹Land area indicates the amount of land to be acquired by ESCOM and might include land for future expansion.

The project includes proposed upgrades (new transformers) to five other transmission and distribution substations throughout the system. None of these other substation projects requires the acquisition of new land. These substations already occupy sufficient area to accommodate rehabilitation activities and associated waste-management. As such, the substation upgrade activities are not considered further in this draft RFP.

33kV/11kV Distribution Lines

The table below shows the new 33/11kV distribution lines to be constructed via the project. The lines are 33kV in rural areas or 11 kV in urban/peri-urban areas, and are normally mounted on single poles, requiring a 7.5m wayleave. These distribution lines would be supported on wooden poles, which have smaller footprints than the steel lattice towers used for transmission lines. While the start and end points of the lines are known, line routing will not be determined until the preliminary design phase of project implementation.

² As part of the preparation of this draft RPF, all project sites have been visited by the ICF/CORE feasibility study team, including preliminary environmental and social safeguards assessments. In addition, the New Dwangwa, Kauma and Bangwe sites were inspected in person by the WB team.

Region	Name	Estimated Length (km)
North	Karonga - Mzuzu road OHL	5
	Luwinga - T/hill - Mzuzu OHL	15
	Luwinga - Choma Poultry OHL	6
Central	FMB - Kaning'ina (New) OHL	5
	Area 25 - Lumbadzi (Kamuzu Int. Airport) OHL	12
South	Bangwe 205 - Nguludi Turn off OHL	5
	Mapanga - Chiladzulu 33 kV OHL	1.4
		~ 50

Approximately 37 ha³ of land would be affected by these distribution line projects. This estimate does not include the low-voltage lines from the distribution substations, where no wayleave is required. Much of this land is non-arable as distribution lines tend to be located in more settled areas; as such, this land will not have been allocated for use and thus will require no compensation. Compensation for assets and land would apply wherever the distribution line projects would displace users or residents or their assets. Estimating the number of PAPs along the approximately 50 km of new 33kV/11kV distribution lines where new ROWs would be needed is difficult. The number depends on conditions along the routes. The new distribution routes will be selected to minimize impacts on communities. Nevertheless, land is allotted or owned in small plots among many owners, the plots are smaller near settlements than in more rural areas, and a linear ROW can cut across many plots. Assuming 10–50 plots per km, between 500 and 2,500 PAPs might need to be compensated for land acquisition or displacement for the distribution line projects. However, this initial estimate will need to be developed further in future iterations of this RFP.

The project also envisages rehabilitation of existing distribution lines. This will include replacement of existing poles with new poles at the same pole sites and re-stringing of conductors. As such, these rehabilitation activities have no associated displacement or land acquisition issues and are not considered further in this draft RFP.

Low Voltage Distribution Lines

Component 1a of the project will include extension of the peri-urban low-voltage grid to new households. Component 1a includes reconfiguration, rehabilitation and extension of the existing low-voltage reticulation, including lines at 11kV and below that supply distribution transformers (such as pole-mounted MV/LV step-down transformers), installation of approximately 200 new distribution transformers, construction of new three phase low voltage (400v / 220v) overhead lines and conversion of single phase to three phase low voltage overhead line. The total amount of new low-voltage lines will not be known until preliminary design work is undertaken, but is anticipated to exceed 300 kilometres of new distribution lines. The majority of this work will occur within within the major cities of Blantyre, Lilongwe, Mzuzu and Zomba.

Underground Cables

None of the underground cables activities involve the laying of new cables, but are limited to rehabilitation and repair of existing gcables. Accordingly, there are no land acquisition or displacement of activities to consider for this set of activities, and they are not considered in this draft RFP.

³ Approximately 50km of 11/33 kV lines with a 7.5m wayleave.

8. PROPOSED COMPENSATION PRACTICES

This section set out proposed compensation practices. As set out in the ‘Overarching Principles for the RPF’ section above, a fair and equitable set of compensation practices will be agreed. Where involuntary displacement and land acquisition are unavoidable, compensation will be agreed with PAPs. As a general principle, a ‘land-for-land’ approach will be adopted – that is, PAPs whose land is acquired for project activities will be offered replacement land of equivalent or greater value and convenience. At the sites of new substations, this will be the optimal approach. In general, efforts will be made to avoid cash compensation where possible.

It is recognised though that land-for-land compensation is not always feasible and that in some cases for the 33 and 11 kV distribution lines relocation or resettlement may be unavoidable. Hence this section sets out proposed compensation practices. The resettlement approach proposes use of average values; exact values would be developed during resettlement planning following design for individual projects.

All land for the four new substations will be acquired outright. There are no existing structures at any of these sites. Easement agreements will be used where possible for wayleaves for the 33 and 11 kV distribution lines; these easements would allow cultivation of low annual crops under the lines but no tree crops or residential or business structures. Up-rating lines will require construction of new support structures. Where rehabilitation or up-rating cannot be done without additional ROWs to permit safe construction next to live lines, a strip of ROW 7.5 metres wide will be acquired parallel to existing ROW . Where structures occur next to the current ROW, full new ROW will be acquired. Compensation values used to estimate resettlement costs are explained below:

- **Land: general approach** -- In some isolated cases, land will need to be acquired outright and this will be replaced in kind or compensated at full replacement value. Land to be acquired through easement agreements will be compensated at 50 percent of full replacement value. Land will be valued either by market value (if a local market for comparable land can be demonstrated to exist by documentation of three or more sales in the previous year) or by net present value of the income potential of the land calculated at eight percent discount over a 10 year life. An average price of U.S. \$6,500 per hectare should be used, based on market prices and quotes obtained during field visits by the feasibility study team in all three regions of Malawi from January–April 2010.
- **Land under new substations** —Land under new substations will be acquired outright and compensated in kind on a land-for-land basis, with an allowance of \$200 per hectare to cover preparation of new land for cultivation.
- **Land under residential or business structures**— In the rare cases where land under residential or business structures may need to be acquired outright, it would be replaced in kind or compensated at full replacement value. The unit cost reflects an allowance of 300 square meters per structure, compensated at the same price per hectare indicated for land. In addition, residential or business structures that must be relocated will be replaced in kind or compensated at full replacement value.
- **Land under sites for distribution transformers.** New distribution transformers in the low-voltage network necessitate the acquisition of a very small site (4 square meters up to 6 square meters). For safety reasons, the sites are systematically fenced and maintained. The sites are chosen on the basis of technical criteria and can be located on public land, private land or collective land. To minimize losses and avoid access and production disturbances and inconvenience, the sites should wherever possible be conveniently located in a corner of the property. In terms of compensation, OP/BP 4.12 requires that compensation is done on the basis

of land for land. No financial compensation should be done for agricultural land, especially when it is known that the land is public and people have been given usufruct rights. In such a situation, compensation for such small spots will become extremely difficult to achieve. Given the nature of the project activities and their positive impact on the local population, it is not unrealistic in these cases to ask the communities and the local authorities to donate the sites for transformers on a voluntary basis. To avoid any conflicts and undue claims, it is recommended that the sites on private land be secured through a donation certificate duly signed by the donor(s) of the land and/or the village chief and/or the local authorities. The document could include the following information: (i) location of the site; (ii) its size, (iii) its present use; (iv) its status; (v) the name(s) of its owner(s), and (vi) a clear statement that the land is freely given to ECSOM to install a distribution transformer; and (vi) signature of all parties and date.

- **Land under distribution poles** —Land under new poles will **not** be acquired outright. The maximum voltage in this project is 33kV, which will in some cases uses a double-pole ‘H’ configuration where distribution transformers are mounted. In most cases, however, distribution lines will use a single pole configuration. Poles are estimated to occupy only square meter (two square meters for a double-pole ‘H’ configuration). Like in the rest of the world, distribution lines, kicker-poles and household connections should not generate any displacement or land acquisition, and no compensation should be expected or paid. Regarding the siting of ‘kicker’ poles for drop-down connections, these poles need to be located close to the drop-down connection location for technical reasons, particularly for houses that are not constructed from solid materials. In most cases, this means that the kicker pole will be located within the private compound immediately surrounding the house. Compensation is not required in these cases, given that (i) the pole is an integral part of the delivery of the service to the household, and (ii) the small diameter of the pole means that there is no economic damage. Furthermore, poles do not represent an environmental or safety hazard.
- **Land under distribution lines** —Land under distribution lines and transmission lines will be accessed through easement agreements and will be compensated at 50 percent of full replacement value. The estimate assumes that 70 percent of land along transmission lines and 80 percent of land along distribution lines is arable; non-arable land will not require easement agreements or compensation.
- **Structures under distribution lines.** As described in the sections above, the construction of 11 and 33kV lines will be done in such a way that populated areas are avoided. In the rare cases where houses or structures are close to or partially in the way-leave, it is of prime importance to carefully assess how significantly they face technical or safety hazard before opting for displacement of the household. In some cases, the location of structures wil not impede site access or installation work. Hence, from a safeguards perspective, payment of compensation may not be necessary as long as the line does not cause damage or nuisance to the houses and their occupants, either during construction or afterwards, or pose any non-negligible safety risks. In general, to unnecessary disturbances of people’s livelihoods should be avoided -- as long as no harm is being done, displacement and/or relocation should be avoided to the extent feasible.

That said, in some rare cases, residential or business structures may have to be replaced in kind or compensated at full replacement value. An average of \$5,000 per structure should be used, base on 2010 estimates calculated by the feasibility study consultant. Outlying structures associated with residential or business structures such as detached kitchens, granaries, and walls will be compensated at full replacement value if they must be relocated or if the residential or business structure will be moved so far that the outlying structures can no longer serve the intended function. An average value of \$500 per structure should be used. The cost estimate assumes one outlying structure per residential or business structure and one outlying structure per kilometer of cable.

- **Crop tree and timber tree compensation** Following the marking of the individual 33/11 kV distribution line pole sites along the way-leave, owners of trees with productive capacity (i.e. crop & timber trees) in the way-leave will need to be consulted, and the trees individually recorded & compensated in full before the poles are installed, in conformity with OP/BP 4.12. An average value of \$50 per tree should be used, based on a 2010 government schedule for the Central Region, consideration of maturation periods for typical crops, and the mix of high value and low value crops on compensation schedules from four ESCOM distribution lines built in 2007 and 2008. The estimates should assume 24 trees per hectare of distribution line and transmission line, also based on these ESCOM data. Regarding tree trimming and branch cutting, common sense and consultation with the owners should be used to determine whether there is a need for compensation. In the case where a substantial amount of a productive tree's branches need to be cut, compensation should be paid for the whole tree as recovery might take several years.
- **Crop compensation.** Unlike trees with productive capacity, crops situated in the way-leave do not need to be removed for technical or line safety reasons. However, those crops may be damaged by the vehicles used to access the pole-sites and, therefore, must be compensated. OP/BP 4.12 stipulates that compensation should take place before infrastructure works start. In practice, however, this can in some cases be impossible to effect. For example, the precise route of the vehicle along the line-route to access the pole-sites is not known in advance of pole delivery and installation at the pole-sites. Nor can it be known which crops will be damaged before installation works are completed. (For example, small cassava plants situated in the space between the tire tracks of high-clearance vehicles may not be damaged by the passage of the vehicle). Accordingly, it is in this particular situation to compensate farmers for damaged crops after the installation work is completed. Nonetheless, compensation must remain fair and be done without delay, i.e. immediately after the infrastructure work is completed. Two further issues are relevant with regard to crop compensation:

 - It is impractical to undertake compensation for crops on a per-plant basis, given that the high administrative cost of manually recording each individual crop plant damaged would be higher than the value of the plant itself. A approach to be adopted to crop compensation is to agree with the farmer on a package of compensation reflecting the total value of crops damaged at a particular site. Compensation for crops would thus be recorded and paid on a 'per-package' basis, not a per-plant basis.
 - Moreover, to avoid any confusion or undue claims, it is important that all parties agree on the principle that compensation is only paid for productive assets damaged. Hence:
 - ③ Non-productive shrubs or trees are not compensated;
 - ③ For non-perennial crops, in the event that (i) the harvest has already occurred by the time of works commencement, and (ii) the planting or growing season is not disturbed or otherwise delayed or compromised, no compensation is due, as no damage will have been caused. In the case of perennial crops or shrubs, compensation would still be due.
 - ③ For parts of the line route where vehicles are not used to access the pole-sites - for example, being manually carried and installed instead - no compensation is due, as long as no crop damage occurs.
- **Registration of land titles, easement agreements, and titles to residential or business structures** — The cost estimates include the cost required to register titles of new land and structures and to register easement agreements, at \$50 per registration. The estimate assumes one title per residential or business structure, one title per $\frac{3}{4}$ hectare of substation sites, six titles per

kilometer of the cable right-of-way that is acquired, six easement agreements per kilometer of arable land along distribution lines and nine easement agreements per kilometer of arable land along transmission lines.

9. ORGANIZATIONAL PROCEDURES FOR DELIVERY OF ENTITLEMENTS

The fundamental responsibility for delivery of any compensation due rests with the project's Implementing Agency (IA), in this case ESCOM. The IA will rely on organizational arrangements that build on those used by ESCOM in previous projects. To implement delivery, the IA will work closely with District Commissioner staff and the Traditional Authorities (where relevant), including local headmen. These local institutions will be crucial links between the project affected persons (PAPs) and ESCOM.

Cash Compensation

As noted above, it is not expected that cash compensation will be necessary in many cases. However, this section describes the process if cash compensation is required. Once the compensation amounts have been agreed with the PAPs, in line with the previous section, ESCOM will transfer the compensation sums to the District Commissioner's office, which will then dispense the amounts to the affected parties, usually through the offices of the Traditional Authorities.

Following advance notice to headmen and PAPs, payments will be made at one or more public meetings, attended by the PAPS, ESCOM Project officers, the District Commissioner's Office, the Traditional Authority's office, and a neutral third-party observer, such as an NGO. The officials and the neutral observer will verify that the amount to be paid is the amount agreed to by the PAP in negotiation with the Project Authority. The responsible government officer will then deliver the payment to the PAP, who will sign a receipt acknowledging payment in full as agreed upon in the accepted compensation package.

ESCOM will monitor the delivery of such funds so as to ensure that all amounts reach all intended beneficiaries. This will be an explicit part of the TOR for the monitoring team.

Land-for-land compensation

As set out in previous sections, the preferred approach for land acquisition at the four substation sites is land-for-land. For each substation, ESCOM will organize a meeting which will bring together the PAPs, representatives of the District Commissioner and Traditional Authority (where relevant) and a neutral third-party observer to act as a facilitator. At this meeting, identification of and agreement on suitable alternative land for PAPs will be agreed, along with a timeframe for the move. In addition, the allowance of \$200 per hectare to cover preparation of new land for cultivation, as described above, will be agreed at the same meeting. Both pieces of information will be recorded in an official document, to be signed in a follow-up meeting by the PAPs (or PAP representative) and ESCOM

The PAPs will be informed by ESCOM in good time before the land is acquired for the substation sites. The responsible government officer will then deliver the associated allowance to the PAP, who will sign a receipt acknowledging payment in full as agreed upon in the accepted compensation package. ESCOM will also arrange for transport of any belongings or equipment at the time of the displacement.

10. IMPLEMENTATION PROCESS

The fundamental responsibility for delivery and implementation of the land acquisition and displacement activities as set out in this draft RPF rests with ESCOM. Current protocol is for ESCOM to work closely with the District Officials and the Traditional Authorities in identifying who is affected and in ensuring that communication between ESCOM as developer and the PAPs is adequate.

Resettlement planning and implementation would follow the same process for each project. The time required for implementation would vary for each project, depending on the nature and scale of resettlement required. The largest activity in the proposed project is the 15 kilometre 33kV distribution line from Luwinda via Telegraph Hill to Mzuzu. It is estimated that for this activity, approximately 22 months would be required after the line routing is finalized and pegged before project construction could be authorized. This estimate assumes minimal delays in execution of each step by the participating parties, and would require attentive monitoring by ESCOM and its contractors to ensure responsiveness on the part of the local government participants, but this goal is attainable. Multiple efforts in parallel along segments of longer projects could be used to complete the planning and implementation process within the same period of time. Substations and shorter overhead lines could be moved through the process much more quickly because of the limited number of PAPs.

Once the line route is finalized and the screening process concluded, ESCOM would initiate the process by notifying Regional Commissioners of Land, District Commissioners, and Traditional Authorities. Following these steps, the valuation team would develop values for assets and a RAP preparer would undertake if necessary a socioeconomic survey, prepare a draft full or abbreviated RAP, and prepare draft compensation packages, if necessary, for ESCOM approval. The RAP preparer, external facilitator, and Government representatives from the valuation team would return for second consultations with project affected persons (PAPs) to obtain signed acceptances and to verify the availability of replacement land where the land-for-land approach is adopted.

The RAP preparer would finalize compensation packages for approval by ESCOM and the Government representative. Once the full or abbreviated RAP is approved, ESCOM would arrange for delivery of monetary compensation and replacement land. Six months is allotted for PAPs to vacate premises after delivery of monetary or in-kind compensation. Monitoring of resettlement implementation would begin immediately after the first compensation is delivered. Monitors would verify that all monetary and in-kind compensation has been completed and that PAPs have vacated their premises and/or land within the required period. Following this verification, the PIU would authorize the initiation of project construction. Monitoring would continue for a full agricultural season after construction begins, to assess whether PAPs have been able to maintain or improve their living standard and livelihood.

11. GRIEVANCE REDRESS MECHANISM

Grievance redress mechanisms are essential tools for allowing affected people to voice concerns about the resettlement and compensation process as they arise and, if necessary, for corrective action to be taken in a timely fashion. Such mechanisms are fundamental to achieving transparency in the resettlement process.

Key players in the grievance redress process will include headmen, a neutral 3rd party, members of the valuation team, the RAP preparers and ESCOM as the implementing agency. All of these players are expected to communicate the grievance procedures to PAPs in the course of project-related consultations.

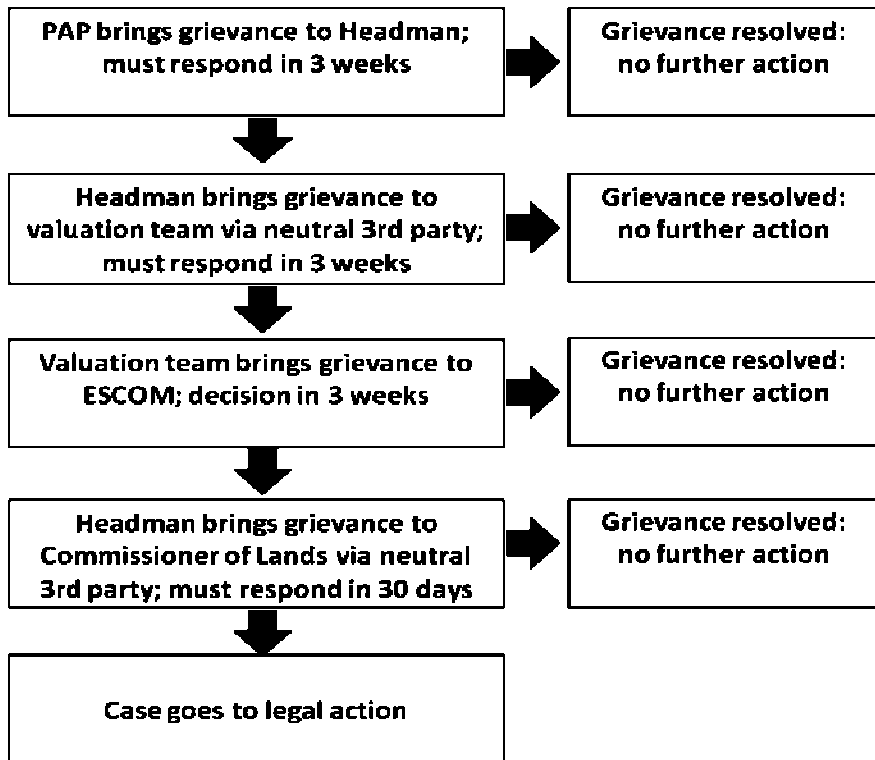
Types of Grievance

There are three broad types of grievance:

- **Inventory.** The District Commissioner and Traditional Authorities will post inventories and ask headmen to solicit comments and corrections from PAPs, and to include these in revised inventories to be used for valuation and, where necessary, the socioeconomic survey as part of a full or abbreviated RAP.
- **Valuation.** To minimize grievances and provide for rapid resolution, PAPs will be encouraged to participate in the valuation process of their assets and to discuss conclusions of the team for each asset. The valuation team will explain the basis for the values assigned. The external facilitator shall document a disagreement that is not resolved during the valuation event or within three weeks thereafter
- **Compensation.** PAPs will initially raise grievances with the headman, who will validate discrepancies in delivery of compensation and communicate to the neutral third party.

Process

For all types of grievance, the general process is that a PAP should raise a grievance with the headman for immediate review. If the headman cannot resolve the grievance, he or the PAP will notify the neutral 3rd party, who will bring it to the valuation team, which includes both Government and non-Government members. If the valuation team cannot resolve the issue, the headman or valuation team, through the external facilitator, will refer the grievance to ECSOM for a hearing and a decision. In the case of compensation grievances, headmen will refer to either the District Commissioner staff or the PIU, according to the nature of the grievance. Grievances that cannot be resolved by District Commissioner staff or the PIU will be referred by those bodies, through the external facilitator, to the Commissioner of Lands. Generally, a three-week period is allowed for resolution at each level. Both ESCOM and the neutral third party will keep a written record of all disputes/grievances raised and dealt with during the land acquisition/displacement and compensation process. These records will be monitored regularly as part of the on-going monitoring and evaluation process. The overall process is shown below.



12. FUNDING ARRANGEMENTS & ROLE OF IMPLEMENTING AGENCY

The fundamental responsibility for delivery, implementation and financing of the resettlement actions as set out in this draft RPF rests with ESCOM as the implementing agency. Current protocol is for ESCOM to work closely with the District officials to calculate compensation, as described in the 'valuation team' above, and then for ESCOM to use the District Officials and the Traditional Authorities as the channels through which cash compensation is paid, where applicable.

ESCOM will retain control over the channels of disbursements of funds for compensation as well as for overseeing the process of resettlement claims. ESCOM may choose to engage resettlement agents to act on its behalf. In particular the Local Government, as represented by the District Commissioner and or nominated agents of the District Assembly, might be included to provide assistance. Assistance will however be strictly monitored by ESCOM.

ESCOM will provide the financial resources for the resettlement and compensation process, as well as significant additional managerial and technical expertise. The following is anticipated to be the role to be played by ESCOM:

- Maintain overall responsibility for the implementation of the resettlement process, including the full or abbreviated RAPs.
- Ensure that the overarching principles set out above are adhered to.
- Ensure maximum participation of the affected people in the planning of their own resettlement and post resettlement circumstances.
- Ensure sufficient funding to finance the implementation of resettlement is available, in accordance with the funding requirements specified in the relevant abbreviated RAPs and the information provided in this document.
- Accept financial responsibility for payment of compensation and other resettlement related costs.
- Ensure monitoring and evaluation of the full or abbreviated RAPs and the undertaking of appropriate remedial action so as to deal with grievances and to ensure that income restoration is satisfactorily implemented.

13. CONSULTATION MECHANISMS AND PARTICIPATION OF PAPs

While any negative impacts of the proposed project are anticipated to be minimal, the active participation of project affected persons (PAPs) will still be important in determining the routing of distribution lines, valuing of lost assets, selecting resettlement sites (where relevant) and monitoring the implementation of the resettlement measures set out in this draft RFP. Compensating people also implies close dialogue with other stakeholders, especially the local authorities in the vicinity of a project.

The primary consultative mechanism for the proposed project will be a set of consultations with PAPs both individually and in groups, depending on the context.

The PAP linked consultation and participation process will include five phases. These will be:

- Phase 1: The first full phase of consultation will be carried out during the design phase, when the project Consulting Engineer will work with their internal social safeguards staff and representatives of ESCOM's Environment & Social Management Unit (ESMU), as well as relevant Government specialists, to ensure that the population at large knows the scope and content of the project and understand its impact on the community, and records their concerns, requirements and propositions. The collected information will be used to ensure that design engineers minimize the need for land acquisition and displacement to the extent feasible. During this step, local headmen will be invited to participate in route surveys to help identify land status and the potential effects of alternative designs.
- Phase 2- Data collection & inventory of assets. In this phase the PAPs will be individually interviewed and asset inventories compiled. During this phase PAPs will be encouraged to register issues, claims and concerns. These will be registered as part of the formal survey and logged. All PAPs will be interviewed during the course of the data collection phase. Headmen will be encouraged to collect comments, make modifications as necessary, and inform PAPs of the process by which unresolved grievances will be carried forward to the valuation team
- Phase 3 - Valuation of assets and design of compensation packages. The full valuation team described above, including the external valuation expert, the external facilitator, and Government valuation experts, will consult with individual PAPs at their properties during the valuation effort. The process of valuation of compensation will ideally run in parallel with the data collection and as part of any full or abbreviated RAP. The team will provide tentative values to PAPs, explain the bases for these values, and encourage discussion of differences in an effort to come to resolution on the spot so that future grievances can be avoided. The team will disclose the options of in-kind replacement and monetary compensation and discuss with headmen and PAPs the availability of suitable replacement land for structures or economic activity. They will disclose the expected schedule for second consultations during which PAPs will be asked to review and approve compensation packages. The team will inform PAPs of grievance mechanisms, including disposition of identified grievances that cannot be resolved in the field.
- Phase 4 - Compensation payout. The process of compensation payout will be transparent and will be held in public as described above. At these meetings, PAPs will have access to staff from District Commissioners and Traditional Authorities and to headmen, the neutral third-party if

relevant, and the implementing agency ESCOM, to raise questions and make complaints. The the neutral third-party will provide information about the grievance process and expected timeframe for resolution of issues that cannot be resolved at these meetings.

- Phase 5 - Grievance procedures. PAPs will have right of access to the formally established grievance process and will be entitled to make their concerns and/or complaints known.
- Phase 6 - Monitoring and Evaluation. The Monitoring team will have the right to visit and interview PAPs. PAPs through the grievance procedure process will be able to contact the monitoring and evaluation team to ensure that their concerns are heard.

14. ARRANGEMENTS FOR MONITORING

ESCOM is responsible for the implementation of the land acquisition and displacement approaches set out in this draft RPF. ESCOM will be responsible for providing the funding for monitoring to ensure that resettlement is properly implemented, and is in line with the RPF and any full or abbreviated RAPs that are prepared, that grievances are being attended to, and that any necessary changes to the overall process are made in a timely fashion. Monitoring will take place at two levels:

- **Internal Monitoring** will be conducted by a suitably qualified person within ESCOM itself, drawn from ESCOM social & environmental team. Likewise, the concerned local administration will also conduct their own monitoring or in collaboration with ESCOM. In most cases, ESCOM would require internal verification that all compensation due has been paid been delivered before a contractor mobilizes at a project site. (As set out above, one exception to this general principle would be in those case where negative impacts remain unknown until implementation work has been completed -- for example, in the case of the route of a vehicle to a pole-site.). Project-specific internal monitoring to verify delivery of entitlements would begin on the day that any compensation is disbursed and continue until full delivery has been verified.
- **External Monitoring** has two goals: (1) verification that resettlement has followed O.P.4.12 guidelines and (2) collection of data to enable an assessment of the net effects of resettlement caused by a project. External monitoring will be conducted during project implementation through World Bank supervision missions, staffed with an international resettlement expert (a specialist social scientist). This expert should visit project areas at least twice per year and will pay particular attention to the following aspects:
 - Ensure that monies paid to households who have lost crops and other forms of livelihood production have received fair compensation.
 - Ensure that where land has been permanently acquired for substations, that households affected have been afforded suitable replacement land.
 - If relevant, ensure that replacement housing for those who have had to move is of an adequate replacement standard

The report of the resettlement expert will be included in the official aide-memoire of the World Bank supervision missions.

Independent Audit

Both levels of monitoring will be complemented and supported at the end of the process by an independent Audit to assess whether the displacement process has been done in conformity with the approach set out in this draft RPF and in any associated full or abbreviated RAPs, and whether those RAPs were prepared in conformity with the RPF's directives.

Budget

At this stage, it is difficult to estimate a budget for the future RAPs because the scope of affected people will not be known before implementation. ESCOM, however, will provide the resources for the preparation and implementation of the potential future RAPs. A lump sum will be put aside by ESCOM and will contain provisions for monitoring and a wrap-up audit. The lum sum will be

reflected in the overall project budget at the project appraisal stage and will be adjusted as needed during implementation.

ANNEX 1: LIST OF POSSIBLE SITES

Component 1a: Distribution & Transmission Uprating And Expansion

CATEGORY & ACTIVITY CODE	SUMMARY DESCRIPTION
New 132kV Substations (Central & South)	
6047	New Dwangwa 132/33kV Substation Associated T-lines
New Distribution Substations (North)	
7081	Katoto 33/11kV Substation Associated T-lines
New Distribution Substations (Central)	
7065	Kauma 33/11kV Substation Associated T-lines
New Distribution Substations (South)	
7002	Bangwe 33/11kV Substation Associated T-lines
Uprate Existing Substations (Central)	
6007	Golomoti 132/66/33kV Substation
6016	Chinyama 66/33kV Substation
Uprate Existing Substations (South)	
6013	Fundis Cross 66/33kV Substation
7011	Nkula 66/33kV Substation
7001	Balaka 66/33/11kV & Chingeni 66/33kV (also 6035 and 6037)
New 33/11 kV Distribution Lines (North)	
7090	Karonga - Mzuzu road OHL
7091	Luwinga - T/hill - Mzuzu OHL
7092	Luwinga - Choma Poultry OHL
7093	FMB - Kaning'ina (New) OHL
New 33/11 kV Distribution Lines (Central)	
7075	Area 25 - Lumbadzi (Kamuzu Int. Airport) OHL
New 33/11 kV Distribution Lines (South)	
7036	Bangwe 205 - Nguludi Turn off OHL
7119	Mapanga - Chiladzulu 33 kV OHL
Rehabilitate 33 and 11kV Lines (South)	
7018	Chichiri 105 - Customs 205 OHL
7022	Chileka 305 - Mapanga 505 OHL

Underground Cables Rehabilitations (North)	
7095	Mzuzu S/S - St. Pauls UGC
Underground Cables Rehabilitations (South)	
7038	Queens - MBC UGC
7039	Queens - MCA UGC
7041	Customs - Kassam UGC
7042	Customs - St. George UGC
7043	St. George - BT Main UGC
7044	Kassam - BT Main UGC
7046	Limbe 'A' - RMI49 UGC
7047	RMI1353 - RMI377 UGC

Peri Urban Network Extensions	
8002.01	Chadzunda
8002.03	Mapanga (Area 12 Machinjiri)
8002.05	Mpemba (New Chilobwe)
8002.07	Soche Hill
8002.08	Chileka road
8002.09	Mdala village
8002.10	Matabi
8002.11	Federation - Angelo
8012.01	Chikupira
8012.02	Old Naisi
8012.03	Skinner
8014.01	Area 21
8014.06	Area 25B beyond TTC
8014.07	Area 43
8014.08	Area 44
8014.09	Area 44 proper
8014.12	Area 49/1B
8014.13	Area 49/5
8014.14	Area 49/6
8014.17	Chimoka
8014.18	Chinsapo (Area 46)
8022.01	Katoto-Mzuzu

Component 1b: Low Voltage Reticulation Reinforcement

Low Voltage Reinforcement Project	
9000	Low Voltage Reticulation Goods & Equipment for installation in existing grid areas in Lilongwe, Blantyre, Mzuzu & Zomba
	Training School for ESCOM linesmen & technicians
	Consulting Engineer to advise ESCOM on Component 1b

ANNEX 2: OP 4.12 - INVOLUNTARY RESETTLEMENT

[Insert O.P. 4.12 and O.P. 4.12 Annex A here]