



Resettlement Policy Framework Mozambique Competitiveness and Private Sector Development Project



Ministério da Indústria e Comércio
[Ministry of Industry and Trade]
Government of Mozambique
Maputo, Mozambique
October 27, 2008

Table of Contents

	Page
	#
ABBREVIATIONS AND ACRONYMNS	
EXECUTIVE SUMMARY	
1.0 INTRODUCTION	6
2.0 PROJECT DESCRIPTION.....	7
2.1 Project Components.....	7
2.1.1 Component One: Improving Competitiveness in Targeted Sectors and Regions	7
2.2 Component Two: Promoting Access to Finance for SMEs	8
2.3 Component Three: Improving the Business Enabling Environment	9
3.0 RESETTLEMENT ACTION PLAN FOR MCPSPD.....	10
3.1 Principles and Objectives of Resettlement Operations	10
4.0 PREPARATIONS AND APPROVAL PROCESS FOR RESETTLEMENT PLAN.....	12
4.1 Assess RAP Need: Use Environmental and Social Screening Checklist.....	12
4.2 Community Development of a RAP and Project Certification.....	13
4.3 The Rap Approval Process.....	14
4.4 Implementation and Monitoring	14
4.5 Training needs.....	14
4.6 Estimate Population Displaced by Category.....	15
4.7 Eligibility Criteria	15
5.0 LEGAL FRAMEWORK	18
5.1 The Land Law	18
5.2 Other Relevant Laws.....	19
5.3 World Bank Policy Requirements.....	19
5.3.1 Measures to Bridge Gaps Between Land Law and OP 4.01.....	20
6.0 METHODS OF VALUING AFFECTED ASSETS	22
6.1 Potential Number of PAPs/Categories of Affected Persons	22
6.2 Land	22
6.3 House or Business Plots.....	22
6.4 Unmarried Women or Female Headed Households	23
6.5 The Elderly.....	23
6.6 AIDS Affected and Chronically Ill Persons.....	23
6.7 Orphans	23
6.8 Small-Scale Farmers	23
6.9 Crop Compensation	24
6.10 Compensation Rates for Labor	24
6.11 Compensation for Buildings and Structures	25
6.12 Community Compensation Payments.....	25
7.0 ORGANIZATIONAL PROCEDURES AND DELIVERY OF ENTITLEMENTS	27
8.0 IMPLEMENTATION PROCESS	30

8.1	Resettlement Action Plans	30
8.2	Public Consultation and Participation.....	31
8.3	Time Frames and Civil Works	31
8.4	Implementation Schedule.....	32
8.5	Grievance Redress Mechanisms	32
8.6	Consultative Processes and Local Participation.....	33
8.7	Budgetary Implications and Funding.....	34
8.8	Monitoring and Evaluation	34
8.9	Dissemination	35
9.0	ANNEX 1: DEFINITION OF TERMS USED IN THE REPORT.....	37
10.0	ANNEX 2: ENVIRONMENTAL AND SOCIAL SCREENING CHECKLIST	40
11.0	ANNEX 3: RAP REQUIRED SECTIONS AS PER WORLD BANK'S	44
12.0	ANNEX 4 : COMPARISON OF MOZAMBICAN LAW AND WORLD BANK OP 4.12 REGARDING COMPENSATION.....	46
13.0	ANNEX 5: CATEGORIES OF LOSSES AND THEIR IMPACTS ON PROJECT AFFECTED PERSONS.....	47
14.0	ANNEX 6: ENTITLEMENT MATRIX FOR VARIOUS CATEGORIES OF PAPS	48
15.0	ANNEX 7: CONTENTS OF A COMPREHENSIVE COMPENSATION BUDGET	50
16.0	ANNEX 8: AN EXAMPLE OF LAND ACQUISITION AND RESETTLEMENT IMPLEMENTATION PLAN	52
17.0	ANNEX 9: GRIEVANCE REGISTRATION FORM (ILLUSTRATIVE TEMPLATE)....	55

ABBREVIATIONS AND ACRONYMS

ARAP	Abbreviated Resettlement Action Plan
DANIDA	Danish International Development Agency
EA	Environmental Assessment
EFP	Environmental Focal Point (MIC's Key Person for MCPSD)
EFP/GO	Environmental Focal Point at Governor's Office (MCPSD Provincial Rep.)
EIA	Environmental Impact Assessment
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
GOM	Government of Mozambique
GTZ	<i>Deutsche Gesellschaft für Technische Zusammenarbeit GmbH</i> (German Aid Agency)
INEFP	National Institute for Employment and Vocational Training
LGA	Local Government Authority
MADER	Ministry of Agriculture and Rural Development
M&E	Monitoring and Evaluation
MIC	Ministry of Industry and Commerce
MINTRAB	Ministry of Labor
MoLG	Ministry of Local Government
NGO's	Non-Government Organizations
OP	Operational Policy (of the World Bank)
PARPA	Action Plan for Reduction of Poverty
PAPs	Project Affected Persons
RPF	Resettlement Policy Framework
TFCATDP	Trans-Frontier Conservation Areas and Tourism Development
TOT	Trainer of Trainers

EXECUTIVE SUMMARY

This Resettlement Policy Framework (RPF) for Mozambique Competitiveness and Private Sector Development (MCPSD) has been based on the review of relevant World Bank documents including: MCPSD's Project Appraisal Document (PAD), Aide Memoirs, Integrated Safeguard's Datasheet and others. In addition, applicable World Bank's Operational Policies (OP) and Safeguard Policies as well as *Governo de Moçambique*, the Government of Mozambique's (GOM's) existing legislation have been reviewed. No field visits to Mozambique were conducted.

The World Bank, given the potential of insignificant or reversible environmental and social impacts of MCPSD, has classified it as a Category B project. Also, due to the nature of rehabilitation/construction activities, potential of land acquisition is low. Nevertheless, this framework is provided in case land acquisition need arises. The Framework establishes policies and procedures for the conduct of land acquisition and compensation of Project Affected Persons (PAPs), who may be affected during implementation of the MCPSD.

In situations where MCPSD's activities require additional land, especially customary land, Mozambique's Land Law, revised in 1997, introduced several innovations. However, the law needs further regulatory review and strengthening, and among other things, consider recognizing the rights acquired by occupancy by local communities and Mozambican individuals who, in good faith, are occupying land for at least ten years.

RPF serves to provide safeguards against adverse impacts of future development projects, through minimizing the number of Project Affected Persons (PAPs). It provides procedures and means for adequately compensating for the losses the Project affected persons may incur.

The proposed project activities fall under World Bank's Operational Policy OP 4.12 on Involuntary Resettlement. MCPSD will adopt and apply the requirements of this policy since Mozambique's applicable regulations are not comprehensive enough to accord a fair and equitable treatment, where, in an unlikely possibility, a need for land acquisition for MCPSD activities may arise.

This framework also includes guidelines for compensation for land contributed voluntarily for development projects; land contributed voluntarily for development projects without seeking compensation; and land acquired involuntarily for development projects. The guiding principle for land acquisition shall be that where land is required for implementation of the MCPSD project activities, the recommended safeguards shall be observed to reduce the negative impacts on the affected community members by providing adequate compensation.

Implementation of the framework shall require a number of steps including public consultation and participation; the jurisdiction of the framework; land procedures; proclamation of the acquired land; guiding principles for types of land acquisition; categories of losses; notification and valuation eligibility criteria; entitlements; procedures for payment of resettlement plans; census and inventory surveys; budgetary implications, funding; and monitoring and evaluation (M& E).

These steps will ensure that future sub-projects under MCPSD are adequately reviewed and assessed for any adverse social and economic impacts and that PAPs are fairly treated on land acquisition and compensation.

The overall responsibility for implementation of this Framework shall reside with *Ministério da Indústria e Comércio*, the Ministry of Industry and Commerce (MIC), assisted by the Ministry of Local Government (MoLG), Ministry of Agriculture and Rural Development (National Directorate for Lands), and the Ministry responsible for Housing.

MIC will ensure that the Framework is publicly disseminated to all relevant parties including local communities. In addition, it is important that the project staff, in particular at the applicable Governor's office in the provinces and the districts, have adequate skills to fully understand, communicate and implement with participation of MIC, the provisions of RPF within the context of MCPSD.

Introduction

The labor market in Mozambique is characterized by an emerging formal sector, employing about 16 percent of the economically active population. An estimated 520,000 people are employed in the formal sector, in public and private enterprises. About 80 percent of the labor force (approximately 9 million people, out of the total country's population of about 19.7 million people) depends on informal sector employment for their livelihood and subsistence.

The current World Bank's Mozambique Competitive and Private Sector Development (MCPSD) project aims to improve business environment and efficiency of Small and Medium Enterprises (SME's), the backbone of domestic commerce. MCPSD will also initiate strategic interventions in tourism industry and horticulture. A number of areas in the country are scenically spectacular and are tropical paradise of white beaches, coral and palm trees, and long coastal line offers excellent potential for tourism. Likewise, expansion of tropical fruits offers significant opportunities for private sector led growth including exports. MCPSD will address all key links in the value chain to exploit national and domestic markets.

Mozambique ministry of Industry and Commerce (MIC), during 2009-2013, will implement MCPSD under its three components. Component 1 focuses on *Improving Competitiveness in Targeted Sectors* (SME's, tourism and horticulture—tropical fruits). Component 2 aims to *Promote to Finance for SME's* and Component 3 focuses on: *Improving the Business Enabling Environment*.

Project Description

MCPSD' aim is to help improve the business environment and enhance the competitiveness of targeted SMEs. MCPSD's strategic interventions also aim to reduce the cost of doing business (DB). Other interventions will help develop tourism and horticulture, in particular tropical fruits growth and export. Also, MCPSD is expected to catalyze funding from international donors—GTZ and DANIDA included, the GOM, the banks and the private sector, the later potentially participating under a matching grant program.

The project's will achieve its objectives through: (i) reducing the cost of doing business through support to GoM reforms and capacity building of key public sector agencies (ii) developing and strengthening the capacity of local intermediaries to deliver business services in targeted sectors; (iii) establishing forward and backward linkages for SMEs to existing and new local and foreign buyers and investors; and (iv) enhancing access to finance for business expansion and investment.

The Ministry of Industry and Commerce (MIC) will implement MCPSD. In addition, the Ministry of Coordination and Environmental Affairs (MICOA), the Ministry of Tourism, Centre for the Promotion of Agriculture (CEPAGRE), the Ministry of Science and Technology, the Ministry of Finance, the World Bank, the financial institutions and the private sector will also participate¹, as needed.

1. Project Components

The project's sub-components are as follows:

Component One: Improving Competitiveness in Targeted Sectors and Regions

This component would enhance the competitiveness of SMEs in targeted sectors and promote broad based growth in selected regions through the following *three* sub-components:

a) Access to Business Development Services for SMEs:

This sub-component aims to enhance SMEs growth and competitiveness in the tourism, agribusiness, and export-oriented manufacturing sectors. Its implementation will help build the capacity of business services providers to deliver consultancy, advisory, and linkage services to SMEs through a second-generation matching grant program.

b) Promoting Tourism Sector in Inhambane Province

This sub-component will support tourism-related job creation and income generation, based on the existing large opportunity to develop backward linkages with local entrepreneurs as well as

¹ Specific outline along with other information is available in the World Bank's *Project Appraisal Document*, September 2008.

the country's growing tourism industry. It will use tourism as a strategic entry point. The project proposes to pilot this regional approach in Inhambane province.

The sub-component will implement interventions in two main areas; improved public sector service provision in the tourism sector, expanding the tourism-related private sector supply chain² capacity. To improve the business environment and public sector service delivery in key tourism locales, the project will strengthen the Inhambane 1-stop-shop facility to provide a similar service in Vilanculos, to service the key tourism hubs of Vilanculos, Inhassoro and Bazaruto.

Inhambane has the country's most attractive tourism resources and with the highest growth rates in terms of investments and tourists numbers. Also, this sub-component's output will create synergy with two other current World Bank Group projects working on related aspects of tourism development in the province. Of the two projects, one, the Trans-frontier Conservation Areas and Tourism Development Project (TFCATDP), is supporting specific conservation areas in the province.

MCPSD's proposed infrastructure improvements would include rehabilitation of existing government facilities, supporting the final hook-ups/distribution of utilities (especially electricity connections), repaving and rehabilitation of existing roads that are relevant to tourism sites, solid waste management, and others.

In the private sector, the scarcity of local skills relevant to the tourism supply chain will be addressed through building the capacity of local training institutes (through curriculum development, training of trainers (TOT), learning equipment) to provide training in needed areas (languages, tour operations, boat operations, diving, fishing, artisanal and crafts development, vocational hospitality skills, language, business development, business operations, marketing, catering, construction, carpentry, and maintenance, etc). The sub-component will also support local tourism sector association, helping increase their relevance to their constituency, help provide technical support including legal advice etc. and help link matching grants and access to finance sub-components of MCPSD.

c) Tropical fruits training institute in Nampula

This sub-component will support the establishment of a national quality training centre in Nampula specialized in tropical fruit operations. The training centre will initially be focused on banana production and handling but will eventually diversify into other tropical fruits once the model has been tested. The training centre, a public-private sector partnership, will collaborate intensively with Chiquita, a U.S.-based major grower and exporter of bananas, worldwide. Chiquita recently announced a major investment in the province on the development of training material and the provision of trainers.

The sub-component will support the investment in buildings, facilities, equipment, materials for the training centre itself, as well as the establishment of a 100-ha banana farm, which will constitute the training grounds of the centre. Furthermore support will be given to management and personnel resources of the training centre including scholarships. The project will also support the banana farm operating costs in the first year.

2. Component Two: Promoting Access to Finance for SMEs

² In recent years, value chain studies have been completed for the horticulture, tourism, cotton, woodworking, and textile sectors in Mozambique

This component aims to improve access to finance for SMEs in Mozambique through the following two sub-components:

a) Accountancy and Audit services for SMEs

This sub-component³ seeks to support the pillars of financial reporting infrastructure for SMEs. Currently, all the corporate entities in Mozambique, including investments with foreign participation, are affected by a serious shortage of qualified accountants and trained accounting technicians. SMEs are especially affected. Given such shortages, the absence of reliable financial statements in the private sector reduces the potential for cash flow based lending. Banks and financial institutions are compelled to rely on collateral even when reliable financial statements might have otherwise facilitated cash flow based lending.

3. Component Three: Improving the Business Enabling Environment

This component will support GoM's effort to improve the business-enabling environment. Specifically, the component will advance specific reforms based on the Business Environment Strategy, build the capacity of key agencies that will play a catalytic role in improving service provision for exports, and strengthen and broaden public-private dialogue.

a) Supports to Business Environment Reforms

Working in partnership with the Investment Climate Team for Africa (FIAS), this sub-component would support the reforms envisioned in the GOM's business environment reform strategy through initially working on: (i) supporting reforms to improve Mozambique's Doing Business (DB) indicators; (ii) broader systemic reforms improving the business environment such as improving business start-up procedures, streamlining the business licensing regime and business tax administration; and facilitating trade. The component will help streamline the licensing regulations and implementation for businesses; incorporate licensing review and facilitate trade logistics among its strategic interventions.

b) Quality/Standards Infrastructure Support

This sub-component will support the provision of standards-related services by the National Institute of Standardization and Quality (INNOQ) in a way that is private-market led and promotes exports in key sectors. A twinning arrangement with a middle-income country institution will build INNOQ's capacity to assess demand for its services and to make priorities in service provision.

c) Strengthening Public-Private

³ This component will build on the recently concluded Accounting and Audit ROSC and support activities aimed at improving the statutory framework; building a strong professional accountancy body with the assistance of a reputed member of the International Federation of Accountants (IFAC); taking legally backed steps for mandating and disseminating simplified financial reporting standards for small and medium enterprises; providing assistance to the small and medium practices to strengthen capacity to operate as modern audit firms; and improving accountancy curriculum and teaching in higher educational institutions.

This sub-component would strengthen local business and industry associations to promote greater private sector participation in the policy reform process, especially from outside Maputo. The core activities within this sub-component will include: *Undertaking a detailed diagnostic* of the current dialogue structure and the current advocacy programs of the industry associations in Mozambique is *preparing a strategic plan*: The above assessments will be used as a guide to design initial project activities and provide baseline for measuring progress.

Resettlement Policy Framework for MCPSD

A Resettlement Policy Framework (RPF) is meant to clarify resettlement principles, organizational arrangements and design criteria to be applied to the project during its implementation. The RPF would also include income restoration information and planning for the affected areas.

4. Principles and Objectives of Resettlement Operations

The objectives of the resettlement plan for MCPSD are to avoid and minimize potential negative impacts, which include involuntary resettlement and cropping compensation caused by potential land acquisition; and (b) develop measures to adequately mitigate the adverse impacts if they cannot be avoided, and to restore the livelihoods of the affected people.

Some of the negative impacts and their mitigation measures are: (i) involuntary resettlement and land acquisition will be avoided/minimized as much as possible; (ii) if resettlement and land acquisition cannot be avoided, action plans will be prepared for compensation and rehabilitation of the affected people; (iii) adequate funds will be timely provided for implementing such action plans; (iv) compensation will be paid at replacement costs without depreciation; (v) compensation will be paid prior to the move and acquisition of land; and (vi) the affected people will be assisted during relocation and in their livelihood rehabilitation activities.

The most effective measure for avoiding disruption of people's lives and livelihoods especially in rural areas is not to take their land. Unmitigated involuntary resettlement arising from development projects often leads to severe economic, social and environmental impacts, where, among others:

- Production systems are dismantled;
- People face impoverishment if their productive assets or income sources are lost;
- People are relocated to environments where their community institutions and social networks are weakened; and
- Kin groups are dispersed; and
- Cultural identity, traditional authority and the potential for mutual help are diminished or lost.

It is therefore expected that when a sub-project entails involuntary resettlement as defined in this document, the community, with the assistance of MCPSD project implementers such as Environmental Focal Point at the provincial Governor's office (EFP/GO) will explore all, including potentially feasible alternatives to the proposed sub-project's location and configuration(s) with objective to eliminate or minimize any land acquisition.

However, if land acquisition is unavoidable, a Resettlement Action Plan (RAP) should be developed and implemented. The RAP will specify the procedures for land acquisition, compensation and economic assistance of Project-affected Persons (PAPs). The RAP will also take into account the following

principles and objectives in order to at least restore, and preferably improve, the standards of living of the PAPs.

First, when land is required, the area taken will be the smallest area possible to minimize the extent of

physical and economic dislocations. Usually it is less disruptive to take community land rather than private land, as long as it is not occupied or utilized by others, whether legally or otherwise. Where suitable unused community land is unavailable, private land can be acquired.⁴

Second, PAPs⁵ will be afforded full and meaningful opportunity to participate and contribute to the design and implementation of the project. It is preferable, especially in small community projects that the people affected concur fully with the necessity of the acquisition of their land; if not, alternative land should be considered.

Where consent to release land for the MCPSD sub-project is given, the (land) owners, called Project Affected Persons (PAPs) must be properly compensated which may include any needed mitigative or remedial measures. Such measures will assure PAPs buy-in and also facilitate PAPs participation, considered important, in the sub-project's monitoring the resettlement operation and implementation.

Third, all PAPs compensation will include, but is not limited to: land, houses, business premises, other infrastructure (fences, wells, latrines, lost crops and economic trees), as well as, in the instance of businesses, employee wages and business profits for the period of disruption; each item, as applicable. In the case of land, compensation in-kind (that is, land-for-land) is often preferred in rural areas. For other assets that are not replaced in kind, compensation values will be at *new* replacement cost—without depreciation, in order to assure that PAP's can equitably replace each asset. All payments and/or other compensation, as due, must be appropriately and fully documented and made in a timely manner to avoid hardship.

Fourth, PAPs will be assisted in case of physical relocation or resettlement. MCPSD's EFP/GO or other MCPSD project officer(s), as authorized by Ministry of Industry and Commerce (MIC), will help PAPs identify and acquire a new residence or business locale, and will provide any other necessary ancillary support (e.g., purchase and/or transport of building materials, hiring building contractors, physical transfer and reinstallation).

Fifth, PAPs will be provided all reasonable and necessary assistance to restore their livelihoods to the extent these are affected. This policy holds that, where it is not feasible to avoid economic dislocation, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the sub-project to share in the investment's benefits. Therefore, when incomes or livelihoods are affected, PAPs should be provided assistance in their efforts to improve their livelihoods and standards of living, or at least to restore them, in real terms, to *pre-displacement levels* or to levels prevailing prior to the beginning of project implementation, whichever is higher.

⁴ The Screening Process distinguishes between these situations because a RAP will be required only for the acquisition of community or state land that is occupied or used and for the acquisition of private land. In Mozambique, sometimes, the Tribal and/or Village Chiefs often hold community land for the community. Nevertheless, such lands are community lands that through proper channels may be alienated to the sub-project. In such cases, a RAP may not be required since no one is adversely affected economically in a direct or indirect way.

⁵ May be individual PAPs and/or cluster of PAPs.

These principles provide basic guidelines for developing a detailed and time-bound Resettlement Action Plan (RAP) when a sub-project leads to involuntary resettlement. The purpose of developing a RAP is to work through not only the procedures for land acquisition but also to implement necessary measures to improve—or at least maintain—the living standards of PAPs. A RAP is prepared prior to a sub-project’s implementation.

PREPARATIONS AND APPROVAL Process for resettlement plan

Following the decision to implement a project, the following processes will start:

- Assessment of potential land acquisition issues if any, using *Annex 2: Environmental and Social Screening Checklist (ESSC)*;
- Development of a Resettlement Action Plan, where based on the above, land acquisition is needed: and
- Submission of the sub-project proposal and the RAP to the Environmental Focal Point (EFP) at MIC.

5. Assess RAP Need: Use Environmental and Social Screening Checklist

This section describes the process for ensuring that environmental and social concerns—in particular resettlement issues—are properly identified early on in the project cycle. The process involves a use of simple checklist, which is verified through existing institutional procedures, for managing the identification, preparation, approval and implementation of subprojects. The Environmental and Social Screening Checklist (ESSC) for each projects, when applied, provides relevant information about potential environmental and social issues. *Annex 2: Environmental and Social Screening Checklist* shows various parameters.

Following completion of the ESSC, the result: (i) should be communicated to local communities and their leaders; (ii) used to develop appropriate mitigation measures for potential use; and (iii) can help identify the need, if any, for any additional (higher level) environmental (social impact) analysis, such as an Environmental Impact Assessment (EIA). If ESSC’s output—such as a “No” to all of its questions—shows no environmental (including social) impacts, the project can be forwarded to EFP MIC for further processing, as applicable for implementation.

For a sub-project(s), if the ESSC has one or more ‘Yes’ answers, one or more of the following is required:

1. An Environmental Impact Assessment (EIA);
2. An Environmental Management Plan (EMP)⁶
3. A Resettlement Action Plan (RAP)⁷.

⁶ Refer to MCPSD’s Project’s Environmental and Social Management Framework (ESMF) for information on developing and managing EMPs and EIAs.

For anyone or all of the above, the EFP/GO, with assistance from EFP MIC and local MICOA representative, will provide resources including technical manpower and budgets. Given the shortage of skills including its lack, it may be necessary to seek professionally qualified contractual help.

The checklist constitutes a certification by the community, countersigned by both the EFP/GO (can be called ‘animator’ or *in Portuguese* ‘facilator’) and the EFP MIC that the application identifies all the relevant environmental and social issues, and includes all measures required to avoid or minimize adverse environmental and social impacts. In addition, MCPSD’s sub-projects already have made provisions for potential resettlement and other costs associated in its design.

6. Community Development of a RAP and Project Certification

The Bank’s policy requires preparation of a RAP for any subproject that involuntarily displaces people from land or productive resources, and the displacement results in: relocation, the loss of shelter, the loss of assets or access to assets important to production; the loss of income sources or means of livelihood; or the loss of access to natural resources. The following procedures will be adopted.

- a. Describe the project (and alternatives considered to minimize resettlement);
- b. Define the impacts (including those identified during the census and socio-economic survey);
- c. Census the population affected and undertake a baseline socio-economic survey;
- d. Detail the type and extent of loss incurred by each PAP;
- e. Specify whether compensation is in-kind for each loss or, for those assets whose indemnification is in cash, the unit compensation rates and overall cost for monetary compensation, including transport, administrative and other (e.g., contractor hiring) costs;
- f. Determine and prepare the resettlement site, if any, including institutional arrangements for delivering the entitlements;
- g. Present any economic rehabilitation measures required;
- h. Provide a timetable for resettlement and sub-project activities; and
- i. Present a detailed budget, and identify the sources of funds.
- j. Proposed monitoring and evaluation arrangement.

In practice, once the community has determined that there will be land acquisition and involuntary resettlement, the community (or a committee constituted of its members) will conduct a census of the affected population and an inventory of the assets each PAP will lose. At the same time, the community enumerators will record basic demographic and economic information, specifically, the name, age, marital status, number of dependents, primary and secondary occupations of each PAP household.

In addition, the enumerators will record the extent and type of impact and the importance of the area lost by each affected family. This work will be carried out with the assistance of the EFP/GO, supplemented, if necessary, with external technical assistance financed from the MCPDS budget.

Once it is determined how many people are affected and how severely, the community committee will consult with the PAPs on remedial measures. Ideally, all land lost will be replaced by land of the same

⁷ The ESSC contains a specific question (Annex 2, Item C-1-6) about land—required or not and if former, occupied—seasonally or permanently—through formal/GOM law or customary right and what remedial measures are proposed (Annex 2, Item C-4).

size and of the same characteristics. The PAP using the individual's indemnification payment(s) can replace structures or the sub-project can provide *in-kind* replacement.

Annual crops that are lost before harvest are compensated at the market rate for that production at the mid-point between harvests. And, economic trees are either valued for their lumber (timber trees) or, in the case of fruit trees, valued at the amount of production lost for the period it takes a replacement seedling to come into production.

This information is compiled in the RAP, along with key information on institutional arrangements, timetable, and cost. The village leaders will sign the RAP to indicate that they and the PAPs agree with the propositions, and the pre-identified village facilitator will sign to certify that all of the information is complete and accurate. The sub-project proposal, with the ESSC and RAP (as well as any environmental plan required) annexed—and with the resettlement budget included as a line in the sub-project budget—may then be sent to the EFP/GO for further processing.

7. The Rap Approval Process

The approval process involves three key steps:

First, following ESSC completion, the EFP/GO with participation of local community leaders will review the proposal, and sign the submission to indicate their support for and agreement with the initiative. If a RAP for the sub-project is required, the committee members, as well as the EFP/GO involved in the activity's design etc., will develop and approve the RAP in order to indicate community leader's familiarity with the compensation and economic assistance measures and their willingness to carry them out efficaciously. The EFP/GO subsequently forwards the proposal to the EFP MIC.

Second, EFP/MIC will review the submission, and if deemed necessary, carry out additional field review and verification, as warranted. The EFP/MIC, if satisfied, will approve the proposal. Should any additional information is still needed, the EFP/GO with participation of the local community leaders will provide it, before RAP's approval by EFP MIC?

Third, the EFP/MIC will forward the proposal to designated higher authority, as identified, at MIC. At this level, an informal approval may also be required from non-MIC government entities such as the sub-project's regional development authorities, Mozambique's Ministry of Finance. The EFP/MIC will facilitate this coordination and approval, as GOM's laws require.

8. Implementation and Monitoring

Implementation and Monitoring procedures are described under Section 8.0

9. Training needs

Given the serious lack of relevant knowledge and expertise, in particular at the local level, it is anticipated that there may be a need to develop and impart relevant training using manuals, field guides, brochures and other materials, as necessary in the local, regional and national contexts. Participants should be provided this material for future use and reference.

Training subjects may include: (i) key elements of RAP—land and other compensation, appraisal and compensation methods for land, crops, trees and others; (ii) environmental—cultural included—and social aspects; (iii) others, as needed in the local context. During a sub-project's

Kick-off Meetings, at least one session will be devoted to resettlement issues. Training will be arranged by EFP/GO who with approval of EFP/MIC will cover the costs, in several stages, if deemed necessary.

It is possible that based on ESSC analysis some situations may require development of an EIA and/or a complex RAP to fully assess environmental and social impacts. In such situations, given the scarcity of skills, particularly in the public sector, professional technical assistance may be required. The EFP/GO will discuss with EFP/MIC to gauge the needs and arrange for resources.

10. Estimate Population Displaced by Category

Under MCPD, some projects—though this seems unlikely given the nature and magnitude of sub-project’s activities—may require new land acquisition. Such an unlikely possibility may arise under interventions related to road rehabilitation; generally speaking, land is needed for projects involving new buildings and dams. Nevertheless, proper review of MCPD sub-projects should be done. As an MCPD sub-project is identified, the EFP/GO, in participation with Village Chief or Community Leader, as appropriate, will assess any land acquisition needs as well as potential impacts on PAP’s. The total number of PAPs impacted will depend upon the number of sub-projects funded and the relative number of activities of each type that is undertaken.

The actual number of each type of activity that will be funded under MCPD cannot be known precisely at this time, so projecting the possible number of people who might lose land or assets under the project can only be estimated by making assumptions, as relevant for its sub-project(s).

11. Eligibility Criteria

The World Bank’s OP 4.12 on Involuntary Resettlement classifies, as eligible for consideration, all those who either have formal legal rights to land (including customary and traditional rights recognized under the laws of the country), those who do not have legal rights but have a claim to land or assets under national legal processes that could be adjudicated over time, and those who have no recognizable legal right or claim to the land they are occupying.

Of this last category, the Bank’s policy provides for resettlement assistance as necessary to achieve the objectives set out in the policy (recovery of lost assets, incomes and standards of living, or improvement of them). The only caveat is that all people should be recognized as having occupied the project area or had rights to its resources prior to an established *cut-off date*.⁸

Thus, under this Policy Framework, any individual who loses land or other assets (e.g., residence, business premise, crops or economic trees) or whose livelihood is affected by land acquisition or changed land use by the MCPD Project is eligible for compensation and/or assistance. The nature and extent of compensation and assistance depends on the rights that individual has to the land taken and on the nature and extent of the impact. *Table 1: Illustrative Compensation List By Type of Asset Lost and Ownership Rights* provides some examples.

⁸ *Cut-off date is the date of commencement of the census of PAPs within the project area boundaries. This is the date on and beyond which any person whose land is occupied for project use, will not be eligible for compensation.*

In some instances, it may not be necessary to acquire the entire plot. If the remaining area is no longer viable, the entire plot will be acquired. Where, however, sufficient area remains for the occupant to continue using the remaining area, land and any structures taken are compensated, and the owner rebuilds the structures lost on the remaining area, if the individual so wishes. Temporary land-take should be relatively uncommon, and is generally treated as land rent (e.g., area for a construction depot).

The cut-off date for eligibility will be set by each subproject as the date when the community project-development committee completes the census of people occupying the land to be acquired, the inventory of their assets (land, built structures, and other infrastructure such as wells, latrines, fences),

Table 1: Illustrative Compensation List By Type of Asset Lost and Ownership Right

IMPACT	RIGHT	COMPENSATION
Land	Formal title or customary title	Replace with plot of similar size and location for residence or similar size and characteristics (soil, water) for agriculture
	Renter or Lessee	No payment for land; assistance to locate replacement plot for rent. Payment for work invested to improve the land
	Squatter	No payment for land; assistance to locate replacement plot. Payment for work invested to improve the land
House or Business Premise (including all infrastructure such as wells, fences, outdoor kitchens, chicken coops and the like)	Owner	Replace with house of at least same size and infrastructure
	Renter	Reimburse any advance rental payments; provide assistance to locate new rental property; provide at least three months rent (as disturbance fee)
	Squatter	Provide assistance to locate new rental property; provide at least three months rent (as disturbance fee); assistance to acquire house plot recommended
Crops annual	Owner/farmer	Compensate for lost production (yield) at price between harvests
Trees	Owner	Provide seedlings as replacement; Value of lumber or of fruit lost until seedlings come into production
Business	Owner	Compensate monthly profits foregone during period of relocation; Pay employee salaries during period of relocation
	Renter	Compensate profits and employees for wages as above, plus assistance to acquire new locale (as for all renters)

legal framework

MCPSD project activities—particularly those under Component 1, are likely to result in involuntary resettlement, or directly or indirectly affect people's livelihoods and access to land and socioeconomic opportunities. Where new land acquisition is involved, three scenarios are possible: (i) Land is contributed voluntarily for the development project and with compensation; (ii) Land is contributed voluntarily for development project without seeking compensation; and (iii) land is acquired *involuntarily* for the development projects.

The guiding principle for land acquisition shall be that where land is required for implementing the MCPSD project activities, appropriate safeguards would be observed to reduce the adverse impacts and any suffering of the affected community members. This framework shall be used on all MCPSD sub-projects activities. It will also apply to private institutions that may utilize MCPSD funds. As indicated earlier, this Resettlement Policy Framework, is based on the World Bank Safeguard Policy OP 4.12, and on national laws that exist in Mozambique. Key GOM's relevant laws are as follows:

12. The Land Law

The *Land Act 19/97* applies to the entire national territory.⁹ The new law gives legal backing to a land policy designed to recognize both current realities and traditional land tenure systems. Under the 1997 law, land in Mozambique is still owned by the state, and cannot be bought or sold. However, the rights of people or communities to use the land, and sell assets on it, are recognised. The Land Law Legislation, in line with international approaches, facilitate equitable development, based on relations that are common to local communities and to investors whether these are Mozambique nationals or foreign.

Specifically, *Article 9* of the Law provides for the acquisition of the right of land use by occupancy by local communities; while *Article 10* provides for the use and benefit by occupancy in good faith by national individuals.

Article 27 provides for the requirements and modalities regarding land matters, with the local communities. *Article 30* dictates that the mechanisms for representation of Communities, with regard to the rights of land use and benefit shall be established by Municipality law; while *Article 23* empowers District Administrators, where there are no Settlement Councils, to authorize applications for land use and benefit.

The Right of Eminent Domain (*Article 86* of the new constitution of Mozambique says that individuals and entities have the right to equitable compensation of expropriated assets and the right to a new and equal plot of land.

⁹ However, the situation is different in urban areas due to greater pressure on land, its high value and the 'sale' of plots through speculation etc. The regulations referred above tend to be used for rural areas while the regulations for urban lands are still being formulated.

13. Other Relevant Policies and Laws

In addition to the Land Law, there are a number of legislations that are administered in Mozambique.

The New Land Policy was approved by the Council of Ministers in October 1995. The main elements of this new policy are that: customary rights over land, including the various inheritance recognizes the role of the local community leaders in the pre-resolution of conflicts; the aim is to create conditions for the development and growth of the local community and the promotion of investment in the commercial sector; and that the Policy maintains the concept that land belongs to the state. Other relevant ones include: the Framework Environmental Law, and the National Heritage Protection Law. The following of the relevant legislations:

The Framework Environmental Law provides the legal framework for environmental management and to help ensure sustainable development. Among its provision, Article 4 of the law states that anyone who believes his/her rights have been violated or are under threat may take legal action against the perpetrator.

For environmental matters, the Ministry for the Coordination of Environmental Affairs (MICOA) formed in 1994, plays an important role. In 1995, it drafted a National Environmental Management Plan (EMP), which forbids all activities that may threaten the environment and human health. Environmental Protection Zones were proposed, among other recommendations.

The National Heritage Protection Law (Law 10/88 of December) is intended to protect all national antiques, historical and cultural. Such protected areas are to be avoided in the selection and implementation of a project. However, the current review reveals that the provisions in these Acts are not comprehensive for according fair compensation and resettlement arrangements. At present, GOM is in the process of updating these.

Territorial Planning Law and related regulations mandates that all the districts should have land use plans. Under this law, the districts and municipalities are obligated to prepare land use plans to be approved by the competent authorities at the national and provincial levels.

World Bank Policy Requirements

The World Bank's Safeguard Policy OP 4.12 applies to all components of MCPSD and to all economically and/or physically project affected persons, regardless of the number of people affected, the severity of impact and the legality of land holding. Also, particular attention should be given to the needs of vulnerable groups especially those below the poverty line, the landless, the elderly, women and children, indigenous groups, ethnic minorities and other disadvantaged persons.

Relevant OP 4.12 provisions mandates full community information and participation, with particular emphasis on the poor, vulnerable and/or marginalized populations in a community in matters related to land acquisition. The premise here is that people have a right to know what investments and projects are being undertaken and they should be given a (strong) voice in decision-making process impacting them. Also, since disadvantaged segments of a community may not feel concerned or confident enough to participate, special efforts must be made to involve the entire community, so that everyone understands, agrees with and thus supports the initiative.

The World Bank's Policy requires that a resettlement action plan is prepared prior to implementing resettlement activities. The Bank also requires that the provision of compensation and other assistance to Project Affected Persons (PAPs) be carried out prior to the displacement of people. In particular, possession of land for project activities may take place only after compensation has been paid. Resettlement sites, new homes and related infrastructure, public services and moving allowances must be provided to the affected persons in accordance with the provisions of the Resettlement Action Plan.

In terms of eminent domain and asset acquisition, OP 4.12 stresses the importance of full and timely compensation for all assets lost due to land acquisition for a Bank-financed development projects. The premise here is simple: the people who make way for the project or investment should not also be forced to bear any part of the cost of the project. To do otherwise, not only it would likely further impoverishes the project-affected population, but it also contradicts the very principle of development, which is the economic betterment of all (rather than just the general good).

The other major policy requirement of OP 4.12 is to at least restore and preferably to improve the standards of living of the PAPs. The basic premise here is, again, to ensure that those who give up most for the project (e.g., their land, their homes, their businesses) are assisted to the fullest extent possible to restore their livelihoods so that they can maintain or improve their standards of living.

In order to ensure that compensation and economic rehabilitation take place as planned, OP 4.12 also mandates a monitoring and evaluation program to track project progress. Furthermore, the policy encourages availing employment opportunity, on the project activities, to the affected persons. This facilitates easy participation of the affected persons, in the planning and preparation of Resettlement Action Plans. It also offers the impacted persons an opportunity to generate income. *Annex 3:RAP Required Sections Per World Bank* highlights key elements of a RAP.

Measures to Bridge Gaps Between Land Law and OP 4.01

Whereas the Land Law of 1997 focuses on merging the formal administrative land system with the diverse customary systems that exist in Mozambique, it does not clearly specify the procedures for legal acquisition of land and other assets under customary law because these will differ from area to area. Importantly, close local consultation is legally required regardless of the local customary system.

On the other hand, the World Bank Operational Policy 4.12 is more comprehensive. It considers not only the process of land acquisition, but also the procedures for the physical relocation and the assistance necessary to restore livelihoods that have been affected by the operation. Such issues are not discussed *explicitly* in the relevant Mozambique legislation. That formal difference notwithstanding, there should in practice be no disaccord between the national Mozambique legislation and its implementation and international standards as espoused in OP 4.12, for the following reasons.

- The Mozambique Land Law not only recognizes customary tenure but also grants to local communities, through their Chiefs, the right to alienate and to acquire land in consultation with the community;
- Under MCPSD, land acquisition, if any, will be done in public meeting(s), with full pre-dissemination of all relevant information—including type of project, need for land, alternatives considered to minimize unavoidable land-take, agreement of all affected parties etc.;
- The EFP/GO and the participating local municipal officials will strive to include any marginal or vulnerable families in all discussions, and ensure that any land-take does not pose an inequitable burden on such families;

- When land is acquired, suitable replacement land will be made available to, and formally accepted by, the people affected
- When assets (usually buildings, crops and trees, but in rare instances land) must be compensated in cash, valuation will be at non-depreciated market value. It will be a project cost;
- Local and project officials will strive to avoid any contested land take. When, after extensive effort (which will be documented), this is not possible, the aggrieved person or group of persons may appeal to the EFF/GO and/or EFP/MIC for potential redress, and, if the matter is not resolved, Project Implementation Unit (PIU). If an acceptable resolution still cannot be found, the aggrieved always has the right to sue in court for an acceptable settlement.

If despite this seeming compatibility, should an inconsistency arise between national legislation and regulations and this RPF, the higher of the two standards will prevail because *ipso facto* the lesser standard is satisfied. Lastly, this framework is valid for all subprojects executed under the MCPSD. *Annex 4: Comparison of Mozambican Law and the World Bank* provides relevant perspective.

methods of valuing affected assets

The valuation of potential losses will be determined at their new i.e., non-depreciated) replacement cost. A description of the proposed types and levels of compensation under local law, and such supplementary measures as are necessary to achieve replacement cost for lost assets, will be provided in each RAP. The following items are discussed under this category. *Annex 5: Categories of Losses and Their Impact on Project Affected Persons* provides information to help in valuation.

14. Potential Number of PAPs/Categories of Affected Persons

The MCPSD project activities will comprise of rehabilitation works at the existing training institutes and minor road improvements such as limited paving, pot-hole fixing etc. and minor utility improvements, where needed. At the time of this study, details of potential construction works were not known. Thus, number of PAPs impacted could not be ascertained. However, types of assets and Project Affected Persons (PAPs) or the persons, likely to be displaced economically and physically can generally be categorized into the following main groups. Under *Annex 6: Entitlements Matrix for Various Categories of PAPs* is highlighted.

15. Land

The unit of land measurement would be that, which is used and understood by the affected persons. Therefore, if a traditional unit of measurement exists in the rural areas, that unit shall be used. If traditional unit does not exist, it is recommended that land should be measured in meters or any other internationally accepted unit of measurement. The farmer must be explained the unit of measurement. For example, an Agricultural Field compensates will be of the same size and with same soil type and water availability, replaced in kind; if no unoccupied land is available, compensate at the current rate for informal land sales over the past three years, and monitor that the PAP actually replaces the land.

16. House or Business Plots

House or Business Plots for replacement should be the same size and in similar location, and replaced in-kind; for businesses, particular attention to clientele location will be paid A household may be affected if one or more of its members are affected by the MCPSD activities. This will be either in form of loss of property, land or access to services or in any other way by the project activities. Affected household members will include:

- a) Any member of the household whether men, women, children, dependent relatives, friends and tenants,
- b) Vulnerable individuals who may be too old or ill to farm or perform any duties with the others;
- c) Members of the household who cannot reside together because of cultural rules, but depend on one another for their livelihood;
- d) Members of the household who may not eat together but provide housekeeping or reproductive services, critical to the family's maintenance;
- e) Other vulnerable people who cannot participate, for physical and/or cultural reasons; and

- f) Disabled people who may be attached to a particular service center for assistance.

Generally speaking, the local families live in sets that co-reside and share production, consumption and domestic farming services on a regular basis. However, compensation should not be limited to people living together. It should include even those who may not live together with the rest of the family.

17. Unmarried Women or Female Headed Households

Unmarried women may depend on sons, brothers, and another member of family or property/business that might have been left by the deceased husband should be covered under RAP and compensation should be given for such dependent persons. This and all the other categories of affected persons such as the elderly, the chronically ill and orphans need to be covered.

18. The Elderly

Elderly persons usually depend on subsistence farming, often benefiting from assistance from family members to cultivate the farm. Economic and social welfare of these people may be compromised such as through the loss of dependents and loss of farmland, as resettlement takes place, due to the implementation of the MCPSD project activities. This group of people therefore, should be adequately compensated to ensure that their means of livelihood is maintained, if not promoted.

19. AIDS Affected and Chronically Ill Persons

In Mozambique, currently high percentage—mostly poor people—is either living with the terminally ill such as with AIDS patients or are afflicted with the disease. Resettlement may isolate these people from others taking care of them and from the health programs that they have access to. In the assessment of affected persons for compensation under this group of people should not be left out. It is of relevance to note that some of these people are beneficiaries of assistance from various health programs.

20. Orphans

Due to the AIDS pandemic, a large number of children depend on family or relatives. Some depend on government health programs and others in small business activities as well as begging. Resettlement and compensation should adequately provide for this group of persons such as in form of training to acquire useful vocational skills. Placing such children in Care Homes or with children's charities could be one way of compensating them; the next of kin should be consulted for consent and related matters.

21. Small-Scale Farmers

Small-scale farmers, if subjected to relocation, may find it difficult to open new lands such as in areas with thick vegetation and grasses and/or trees. These farmers should be compensated for

labor and other costs, as reviewed and approved by EFP/GO with EFP/MIC, following RAP's guidelines. Prior to opening of new farms, the requirements of the environmental and social management framework must be applied and satisfied. For an environmental review, where needed, MICOA may have to be involved.

The categories given above may not cover all types of affected persons. Furthermore, the categories are not mutually exclusive. It is, therefore important that MCPSD project activities should have well-prepared Resettlement Action Plans that would be specific and comprehensive enough to benefit all applicable categories of affected persons. In addition, the following and other actions may be appropriate:

- a) Quick decisions and rapid action on the RAPs' to assist the affected timely;
- b) Include both individual and collective consultation;
- c) The affected persons should be given the opportunity to participate in a sub-project's design and planning activities;
- d) Alternative subsistence farming plots (*mashambas*) should be identified and vetted following procedures and standards set forth in the MCPSD's Environmental and Social Management Framework (ESMF) and made available to those losing land;
- e) Compensation for loss of crops and trees should be determined as a result of re-location or construction and paid as soon as possible thereafter;
- f) Transitional support, where appropriate, should be given to PAPs removed from land during rehabilitation/construction and re-establishment;
- g) Resettlement should be aimed at improving their livelihood;
- h) Monitor RAP's to ensure that resettlement and compensation benefiting all the affected persons to improve their livelihoods is in line with the pre-resettlement conditions; and
- i) Technical and financial assistance should be made available to those individual who wish to use the grievance mechanism.

22. Crop Compensation

The EFP/GO, in participation with the Ministry of Agriculture, will determine prevailing prices for cash crops. The value for the crop and the value for the labor preparing new land should be incorporated. Also, it is important to note that calculating compensation using rate uniformity allows anyone to measure the area of land for which compensation is due; multiply the area by the prevalent rate. This approach also allows assignment of values to previous year' in which a farmer has already invested labor; the crops may not have sprouted.

23. Compensation Rates for Labor

The value of labor invested in preparing (replacement) agricultural land will be compensated at the average labor rate in the community for the same period. The value will include: the average costs of clearing, plowing, sowing, weeding harvesting the crop. Labor costs will be paid in Mozambican currency, *Meticais*, at the prevail rates. The rate used for land compensation should be updated, as needed. *Annex 7: Contents of a Comprehensive Compensation Budget* depicts key elements.

24. Compensation for Buildings and Structures

Replacing huts, houses, farm outbuildings, latrines and fences will be compensated as building and structures. Any homes lost will be rebuilt on the acquired replacement land. However cash compensation would be available as a preferred option for structures such as extra buildings lost, that are not the main house or house in which someone is living.

The applicable replacement costs for construction materials will be used to calculate the values. Alternatively, compensation will be paid in-kind for the replacement cost without depreciation of the structure. The project will survey and update construction material prices on an on-going basis. Compensation will be made for structures that are abandoned. Because of relocation, or resettlement of an individual or household, or structures that are damaged directly by construction activities.

Replacement values will be based on:

- Drawings of individual's house and all its related structures;
- Average replacement costs of different types of households, buildings and structures based on information on the quantity and type of materials used for construction (e.g. bricks, rafters, bundles of straw, doors etc.) and prices averaged, based on local markets;
- Cost of transportation and delivery of these items to acquired/replacement land or building site; and
- Estimated cost of construction of new buildings including labor required.

In order to ensure that during MCPSD's implementation any person displaced by land acquisition will be provided full replacement cost of lost structures and is able to rebuild or replace his or her house without difficulty, the EFP/GO will ensure that estimated building compensation rates are based on full replacement cost without depreciation. The Local Government representative will participate in this process.

The EFP/GO will also be responsible for ensuring (or arranging to provide) provision of alternative residential plots to the displaced persons. Once individual sub-project impacts are identified and valuation of individual structures is completed, detailed compensation rates for different structures will be included in the resettlement plan, and the plan will be submitted to appropriate Mozambique government agency and the staff in the Project Implementation Unit (PIU) of the World Bank. Output of the review must have concurrence and approval of GOM's since it is government's document. Notwithstanding this, the Bank's concurrence is also required.

25. Community Compensation Payments

Community compensation will be paid in-kind only for a community and it will be in the form of reconstruction of the facility to at least the same standard and in accordance with the local planning regulations. Examples of compensation include:

- a) School Building (public or religious);
- b) Public Toilets;
- c) Well or Pump;
- d) Market Place;

- e) Road; and
- f) Storage warehouse

Community compensation may in itself require land-take and people affected thereby requiring compensation. All handing over of property such as land and buildings and compensation payments will be made in the presence of the affected party, the traditional officials; and representatives of the local government administration.

Organizational Procedures and Delivery of Entitlements

Entitlements for compensation shall be based on the eligibility criteria and the various categories of losses identified in the desk studies and field consultations. *Annex 6: Entitlement Matrix for Various Categories of PAPs* provides guidance for the settlement of claims for compensation for lost assets of PAPs. Unless otherwise indicated, payment of compensation and other entitlements and assistance is given to PAP households and not individuals.

7.1 Procedure for Delivery of Compensation

Compensation and resettlement activities will be funded like any other activity eligible under the MCPSD. Funding would be processed and paid through MIC's financial processing arrangements. The following key steps are provided for guidance:

7.1.1 Consultation and Public Participation

Consultation and public participation with the PAPs will initiate the compensation process. This consultation and public participation will be part of an on-going process that started earlier at the planning stage, continuing through the technical design inception and development, land selection and screening stages. This process will ensure that all affected individuals and households are well informed and adequately involved in the entire process.

7.1.2 Notification to Landholders

Land titleholders must be informed in the context of local and GOM's regulations, process synopsized above. Situations, where no identified owners or users exist, the respective Regional Lands Board, District Administration and the Traditional Leaders, as applicable, will notify the community leaders and representatives to help to identify and locate the land users.

These leaders and representatives will also be charged with the responsibility to notify their members about the established *cut-off date* and its significance. The user(s) will be informed through both formal notification in writing and by verbal notification delivered in presence of the relevant community leaders or their representatives. In addition, representatives of traditional leaders, religious leaders, other elders and individuals who control pastoral routes, fishing areas, indigenous tress, or beehives and hunting areas will ascertain localities of these sensitive areas.

7.1.3 Documentation of Holdings and Assets

The Provincial Land Board, the District Administration and Traditional Leaders and EFP/GO will arrange meetings with affected individuals to discuss the compensation process. For each individual or household affected, EFP/GO with participation of the community leaders will complete a compensation dossier containing necessary personal information on:

- a. The affected party including household members,
- b. Total land holdings,

- c. Inventory of assets affected, and
- d. Information for monitoring their future situation.

This information will be confirmed and witnessed by the Provincial Land's Board, District Administration and Traditional Leaders or their representatives as applicable. The EFP/GO will provide guidance in this respect. The dossiers will be kept current and will include documentation of pieces of land that are to be surrendered. All claims and assets will be documented in writing.

The MIC through appropriate channels shall make every effort to ensure that no land against the will of the person(s), exercising rights over their land takes place. If land acquisition is unavoidable, it shall be done according to the process this framework.

For required land, the community will proceed to identify plots of similar size and quality that can be offered for the PAP's consideration. The identification and negotiation of plots will be carried out during the design phase of the resettlement operation. The RAP will include these arrangements. The agreement will be appended with the RAP prepared for the activity. Once the sub-project has been approved, the formal transfer of the land to the PAPs will be affected.

Where other assets are also affected (buildings, other infrastructure, annual crops taken before harvest, economic trees), the unit value of each asset in the local area will be determined, and the total cost of such compensation (including land if it is not to be replaced in kind) will be included in the RAP. These funds will be released to the local development committee, as pre-identified via EFP/GO, as soon the sub-project is approved by the EFP/MIC.

Such information will facilitate the preparation of a detailed and accurate budget for resettlement and compensation. The EFP/GO, in collaboration with development committee or village leaders, as agreed with EFP/MIC will be responsible for monitoring and reporting on the resettlement operation. The EFP/GO will certify when the resettlement operation has been successfully completed with all replacement land formally transferred to the PAPs and all other assets lost compensated appropriately. The EFP/MIC and the local municipality official or village leaders should also participate in this process, verifying its completion.

Upon receipt of that certification, the EFP/MIC will verify the assessment and, if satisfied with its completeness and accuracy, release the funds allocated for the community development investment.

7.1.4 Delivery of Entitlements

MIC would have to finance the resettlement compensation because they are the parties who would be impacting on the livelihoods. Disbursements based on budgetary requirements, established by a RAP, in consultation with PAPs and local chiefs, will be made through the relevant District Administration.

The delivery of entitlements will be the responsibility of the EFP/GO, assisted by the local community leaders and relevant officials of the local government, as applicable. EFP/GO will also work with EFP/MIC to assure that the compensation agreed is deposited in the name of PAPs in a local financial institution, as agreeable to PAPs. All documentation will be kept and certified copies provided to the World Bank representative.

IMPLEMENTATION Process

The overall responsibility for the implementation of this Framework rests with MIC, acting through its regional representative, MIC/GO, and its representative in Maputo, EFP/MIC. MIC in liaison with relevant ministries and organizations, particularly village councils or other appropriate organizations, local and regional, will ensure that the framework is publicly disseminated and that project staff has the requisite knowledge and, where necessary, appropriate training to implement the process.

The EFP/GO, helped by local municipality and village committee or leadership, as relevant, as well as the Ministry of Lands and Valuation, the Ministry of Development, the Ministry of Housing, the Ministry of Local Government, Ministry of Agriculture and Rural Development, as relevant and to the extent needed (as determined by EFP/MIC), will help implement RAP for the sub-project.

They will work closely with the Village Government (or village committee/leaders, as applicable) to ensure that the resettlement compensation contracts signed with PAPs are timely executed and interests of the PAPs are protected. EFP/GO will also work with the District Administration to ensure that the data collection activities, as needed are timely and regularly updated for MCPSD sub-projects in various areas. The individual will seek additional qualified manpower from EFP/MIC, if needed.

The EFP/GO should also take into account any relevance and/or application of other World Bank Safeguard Policies such as: OP/BP 4.01 (Environmental Assessment), OPN 11.03, (Cultural Property), OP/BP 4.10 (Indigenous Peoples), OP 4.36 (Forest), and 4.04 (Natural Habitats), in implementing the provisions of the RPF or RAP.

The EFP/GO may periodically deploy NGOs to independently monitor the resettlement and compensation plans and reports any deviations from the planned activities to EFP/GO and EFP/MIC. The NGO will be responsible for funding these activities except for cases where an agreement has been entered into with the MIC. *Annex 8: An Example of Land Acquisition and Resettlement Implementation Plan* provides relevant information in this aspect.

26. Resettlement Action Plans

EFP/GO, under oversight by EFP/MIC and others, such as the Ministry of Agriculture, will make sure that a comprehensive RAP has been prepared for each MCPSD sub-project. Where necessary, a private consultant to provide land valuation services, if needed, may be hired and financed by the MIC. In case of involuntary resettlement, approval of the new pieces of land to be used for resettlement shall be sought from the relevant government body, in consultation with local communities. The process of preparing the resettlement action plans will involve the following:

- Establishment of the cut-of- date and assessing Project Affected Persons (PAPs);

- The review and census will generate information about the PAPs entitlements— compensation, resettlement and assistance as required;
- MCPSD sub-project-related disturbances, especially those affecting income-earning activities properly recorded for the sake of compensation or replacement resettlement;
- Based on the census and inventory of losses, and in consultation with Project Affected Persons, develop a time phased action plan with a provision of compensation, resettlement, and other assistance shall be prepared.

To ensure transparency of procedures, PAPs will be informed of the method of valuation employed to assess their assets. All Compensation, Resettlement Assistance and Rehabilitation Assistance shall be fully documented and made to PAP's with the local chiefs and other officials, as appropriate.

27. Public Consultation and Participation

Public consultation and participation afford PAPs the opportunity to contribute to both the design and program activities implementation. This reduces the likelihood for conflicts between PAPs and the sub-project's management personnel. As a matter of strategy, public consultation should be an on-going basis and take place throughout the entire project cycle including:

- Project Inception and Planning;
- Screening Process;
- Socioeconomic Study;
- Preparation of Training Institute Development Plans;
- Resettlement and compensation Planning;
- Drafting and Reading/Signing of the Compensation Contracts;
- Payment of Compensations;
- Resettlement Activities; and
- Implementation of After-project Community Support Activities.

Also, public documents should be made available in appropriate language, National, local and homestead levels, as appropriate, and at suitable locations including at residences/offices of Village Governments and village leader(s). Public measures should take into account the low literacy levels in the relevant communities, by allowing enough time for discussions, consultations, and feedback.

28. Time-frames and Civil Works

The following key timeframes shall apply unless otherwise agreed by MIC, other participating organizations and the recipient; provided these do not affect compensation to PAPs:

- The inventory shall be completed at most four months prior to commencement of work;
- The RAP shall be submitted to EFP/MIC immediately after completion of inventory; and
- Compensation, resettlement and rehabilitation activities shall only be made after EFP/GO and PAP's have reviewed the activity-specific Resettlement Plan.

Compensation payments for acquired land and affected assets, households and documentation/ validation of voluntary land donations, must be completed as a condition for commencement of the civil works under the project.

In the Implementation Schedule of each RAP precise details on resettlement and compensation must be provided. Similarly, the Monitoring and Implementation must provide a schedule for details on resettlement and compensation. In both of these sections, the schedule for the implementation of activities, as agreed between the EFP/GO and the PAPs must include:

- Target dates for start and completion of civil works;
- Timetables for transfers of completed civil works to PAPs;
- Dates of possession of land that PAPs are using transfer date for completed civil works to PAPs and for payments of all compensation); and
- How these activities are linked to the implementation of the overall sub project?

When approving recommendations for resettlement during screening, LGAs must confirm that the resettlement plans contain acceptable measures that link resettlement activity to civil works, in compliance with this policy. Proper timing and coordination of the civil works should ensure that no PAP or household would be displaced (economically or physically) due to civil works activity before compensation is paid and before resettlement sites with adequate facilities are prepared and made available to the affected individual or homestead.

29. Implementation Schedule

The EFP/GO in partnership with local authorities including Village Government (or leaders) will develop an implementation plan for RAP including a detailed list of activities to be implemented. Implementation Plan should include: (i) Time frames agreed; and (ii) list and role of persons and institutions responsible for implementing the activities.

Before any sub-project is implemented, the PAPs must be compensated in accordance with the resettlement policy framework and subsequent RAP. As stated earlier, and repeated here to highlight its importance, any taking of land and related assets must take place only after appropriate compensation has been paid and, where applicable, resettlement sites and moving allowances have also been provided to displaced persons. The measures to ensure compliance with this policy directive will be repeated in any RAP that must be prepared for a sub-project requiring land that is occupied or otherwise utilized and thus involves resettlement or compensation, as defined in this RPF.

30. Grievance Redress Mechanisms

MCPSD is premised on local determination of investment decisions. In this context, it is critical that the community meetings include those members who will benefit from the activity—for example, area farmers, group members, and others. Notwithstanding the above, there may be individuals or groups who may be adversely affected (i.e., land owners and occupiers). Both the EFP's—at Governor's Office (GO) and MIC—are charged with ensuring that the PAPs and any vulnerable segments of the community attend the meetings or at least are aware of the proceedings.

Since each investment will be a local development activity, it is presumed that the EFP/GO and the community will minimize land take, and when land acquisition is unavoidable, use a community plot that is free of all occupation and claims. When no such suitable community land is available, the community, through its chief, may alienate private land held under customary tenure. In such instances, it is preferable to obtain the accord of all the people affected before proceeding with the project.

If land that is owned or occupied privately must be acquired and one or more of the owners or occupiers is not in agreement with the alienation of the parcel to the community, the aggrieved will first make his or her case to the EFP/GO. The proceedings of the meeting will be recorded, and if there is no agreement, will be forwarded within 15 days to the EFP/GO and regional authorities, as applicable, for further consideration. The EFP/MIC who in participation of village government will conduct hearings at the local level, and will report to higher authorities at MIC and local Governor's office as well as other relevant authorities for its determination of the matter.

If resolution of the matter still cannot be reached at either the local level or MCPSD project level, the aggrieved party always has the right to sue in court for an acceptable agreement. Such recourse is often costly in terms of time and money, and rarely successful. But the option remains open formally. No project activity can be initiated until the matter is resolved. *Annex 9: Grievance Registration Form* exemplifies the type of information included in such matters.

31. Consultative Processes and Local Participation

The basic approach of the MCPSD project is for a village or a group within a village to participate in MCPSD sub-project planning, design and implementation activities at various stages. The EFP/GO will be the contact person to carry out these participatory processes. Once an activity is jointly reviewed and approved, its implementation will start.

The same participatory approach applies when a sub-project involves resettlement. When the village or development group is considering its options, they will, with the guidance of the EFP/GO, take into account the possible environmental and social (in particular, resettlement) implications of the sub-project(s). If land is required and no suitable, unoccupied community land is available, the EFP/GO will and must consult with both the community/village leaders and the potential PAPs.

Ideally, the potential PAPs will accede to the need for their lands (or assets), and they will be offered the appropriate compensation, as defined in this RPF. If, however, a PAP does not agree to a re-allocation of land or to the other compensation offered, the EFP/GO and participating village and other organizations and/or relevant individuals would do well to seek an alternative location, if possible, in order to avoid the delays inherent in a grievance process. At every stage of this process, full and complete information about the prospective sub-project, and its land requirements, will be available to all parties, in public meetings, in the reports of those discussions, as well as through printed materials.

The key to the success of the MCPSD sub-projects is its grounding, as indicated above, in local processes. The level of transparency should be very high. Project information will be disseminated, and public meetings will be held in the local language(s), ensuring that the villagers are fully aware of the issues involved in the sub-project activities. If those adversely affected disagree with the public consensus, they have the right to bring up their points during the community meetings, and if not listened to, pursue their issues with village leaders and project staff.

While no participatory process can ensure that everyone will always be in full and complete agreement, the constant use of local participation and consultation will go a long way towards ensuring that the investments proposed by the community development group accord with the wishes of all of the villagers.

32. Budgetary Implications and Funding

Funds for implementing inventory assessments as well as compensating PAPs will be provided by MIC. Disbursements based on budgetary requirements, established by the RAPs in consultation with PAPs and local chiefs, will be made through the relevant District Administration.

At this stage, it is not possible to estimate the likely number of people who may be affected. This is because the technical designs and details for MCPSD sub-projects have not yet been developed and the land needs, if any, have not yet been identified. It is possible that a brief socio-economic study for the sub-project area(s) may also be needed. As sub-project details are generated, the EFP/GO with input from local officials will make the determination.

The MCPSD will prepare the resettlement budget and will finance this budget through the administrative and financial management rules and manuals like any other activity eligible for payment under the MCPSD. This budget will be the subject of approval by MIC. At this stage however, all that can be reasonably and meaningfully prepared is an indicative comprehensive budget, highlighting key elements that the budget must contain.

33. Monitoring and Evaluation

In order to assess whether the goals of the resettlement and compensation plan are met, a monitoring plan will be required. The monitoring plan will indicate parameters to be monitored, institute monitoring milestones and provide resources including responsible persons or institutions, necessary to carry out the monitoring activities.

The arrangements for monitoring the resettlement and compensation activities would fit the overall monitoring program of the entire MCPSD, which would fall under the overall responsibility of MIC. MIC will institute an administrative reporting system that:

- a) Alerts project authorities to the necessity for land acquisition in the project activities design and technical specifications;
- b) Provides timely information about the asset valuation and negotiation process;
- c) Reports any grievances that require resolution;
- d) Documents timely completion of project resettlement obligations (i.e. payment of the agreed-upon sums, construction of new structures, etc.) for all permanent and temporary loses, as well as unanticipated, additional construction damage; and.
- e) Updates the database with respect to changes that occur on the ground as resettlement and compensation activities are being implemented

Annual evaluations will be made in order to determine whether the PAPs have been paid in full and before implementation of the sub-project activities; and whether the PAPs are able to enjoy the same or higher standard of living than before.

A number of objectively verifiable indicators shall be used to monitor the impacts of the compensation and resettlement activities. These indicators will be targeted quantitatively to measure the physical and socio-economic status of the PAPs, to determine and guide improvement in their social welfare. Therefore, monitoring indicators to be used for different

RAPs will have to be developed to respond to specific site conditions. EFP/GO, with input from local authorities at the community level, will provide guidance to monitor resettlement operations at the following three levels.

The EFP/GO is charged with daily supervision of any resettlement operation. This individual, the lead person, will also make succinct, monthly reports to the EFP/MIC on progress in identification and acquisition of replacement land, progress in construction of any replacement structures, identification, acquisition, transfer and opening of any new agricultural fields, and distribution of replacement seedlings for fruit trees.

Also, the EFP/GO will compile the monthly resettlement reports, which will be included in the semi-annual reports for submission to EFP/MIC, MCPSD's coordinator at the national level. The EFP/MIC, the national coordinator will incorporate the resettlement reports into his/her annual report to the MIC and the Bank.

Finally, in as much as the resettlement plans formally constitute part of the EIA, a specialist such as a social specialist may have to be engaged for the mid-term project review and for the Implementation Completion Report in order to verify the findings of the field assessments.

34. Dissemination

This RPF and any subsequent RAP will be made available to any and all interested parties at the EFP/GO and at the local community development group office, as well as at the EFP/MIC's offices in Maputo.

An executive summary of the RPF and of any RAP will be made available in the local languages of the place where the sub-project is being undertaken. The Government will also authorize dissemination of this document through the World Bank Info-Shop.

35. Budget for implementing the RPF:

As stated earlier, given the lack of MCPSD's sub-projects details, the extent of potential land acquisition, if any, at this stage cannot be ascertained. However, estimated budget for training needs indicated under Section 4.5 has been estimated at \$32,000 during MCPSD's implementation period. Potential trainees should be selected from municipal and local offices as well as village communities. Competitively recruited in-country resources should provide training. The EFP/GO and EFP/MIC will provide assistance in defining training needs, selecting potential trainees, hiring of resources and other sub-project specific needs, as applicable.

ANNEXES

Annex 1: DEFINITION OF TERMS USED IN THE REPORT

Unless the context dictates otherwise, the following terms shall have the following meanings:

1. "**Census**" means a field survey carried out to identify and determined the number of Project Affected Persons (PAP); in accordance with the procedures, satisfactory to the MIC, Ministry of Labor (MINTRAB), and the World Bank safeguard policies. The meaning of the word shall also embrace the criteria for eligibility for compensation, resettlement and other measures, emanating from consultations with affected communities and the local chiefs.
2. **Environmental and Social Management Framework (ESMF)** is a safeguard instrument (document) which establishes a mechanism to determine and assess future potential environmental and social impacts of the project funded activities in the MCPSD rehabilitation—road paving, minor construction program. The framework sets out mitigation, monitoring and institutional measures to be taken during design, implementation and operation of the project activities to eliminate adverse environmental and social impacts, offset them or reduce them to acceptable levels. This instrument has been prepared as a separate and stand-alone document to be used in conjunction with this RPF.
3. "**Compensation**" means the payment in kind, cash or other assets given in exchange for the taking of land including fixed assets thereon, in part or whole.
4. "**Cut-off date**" is the date of commencement of the census of PAPs within the project area boundaries. This is the date on and beyond which any person whose land is occupied for project use, will not be eligible for compensation.
5. "**Project affected persons**" (PAPs) means persons who, for reasons of the involuntary taking or voluntary contribution of their land and a her assets under the project, result in direct economic and or social adverse impacts, regardless of whether or not the said Project affected persons physically relocate. These people will have their:
 - a) Standard of living adversely affected, whether or not the Project Affected Person must move to another location;
 - b) Right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently, adversely affected;
 - c) Access to productive assets adversely affected, temporarily or permanently; or
 - d) Business, occupation, work or place of residence or habitat adversely affected.
6. "**Involuntary Displacement**" means the involuntary taking of lard resulting in direct or indirect economic and social impacts caused by:

- a) Loss of benefits from use of such land;
 - b) Relocation or loss of shelter;
 - c) Loss of assets or access to assets; or
 - d) Loss of income sources or means of livelihood, whether or not the project affected person has moved to another location.
7. **"Involuntary Land Acquisition"** is the taking of land by government or other government agencies for compensation, for the purposes of a public project against the will of the landowner. The landowner may be left with the right to negotiate the amount of compensation proposed. This includes land or assets for which the owner enjoys uncontested customary rights.
8. **"Land"** refers to agricultural and/or non-agricultural land and any structures thereon whether temporary or permanent and which may be required for the Project.
9. **"Land acquisition"** means the taking of or alienation of land, buildings or other assets thereon for purposes of the Project.
10. **"Mashamba"** means subsistence farming plot
11. **"Rehabilitation Assistance"** means the provision of development assistance in addition to compensation such as land preparation, credit facilities, training, or job opportunities, needed to enable project affected persons to improve their living standards, income earning capacity and production levels; or at least maintain them at pre-project levels.
12. **"Resettlement and Compensation Plan", also known as a "Resettlement Action Plan (RAP)" or "Resettlement Plan"** - is a resettlement instrument (document) to be prepared when training locations are identified. In such cases, land acquisition may lead to physical displacement of persons and/or loss of shelter, and /or loss of livelihoods and/or loss, denial or a restriction of access to economic resources. RAPs are prepared by the party (in this case MIC, or owners of training institutes such as provincial governments or private entities impacting on the people and their livelihoods.

RAPS contains specific and legally binding requirements to be abided by MCPSD to resettle and compensate the affected party or parties before implementation of the project activities causing adverse impacts.

13. **"Replacement cost"** means replacement of assets within amount sufficient to cover full replacement cost of lost assets and related: transaction costs. The cost is to be based on Market rate (commercial rate according to the Mozambique law for sale of land or property. In terms of land, this may be categorized as follows:
- a) "Replacement cost for agricultural land" means the pre-project or pre-displacement, whichever is
 - b) Higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the costs of:

- c) Preparing the land to levels similar to those of the affected land; and
 - d) Any registration, transfer taxes and other associated fees;
14. **"Replacement cost for houses and other structures"** means the prevailing cost of replacing affected structures, in an area and of the quality similar to or better than that of the affected structures. Such costs shall include:
- a) Transporting building materials to the construction site;
 - b) Any labor and contractors' fees; and
 - c) Any registration costs.
15. **"Resettlement Assistance"** means the measures to ensure that project affected persons who may require to be physically relocated are provided with assistance during relocation, such as moving allowances, residential housing or rentals whichever is feasible and as required, for ease of resettlement.
16. **"The Resettlement Policy Framework (RPF)"** has been prepared as an instrument to be used throughout the MCPSD implementation. The RPF will be disclosed to set out the resettlement and compensation: policy, organizational arrangements and design criteria to be applied to meet the needs of the people who may be affected by the program. The Resettlement Action Plans ("RAPs") for the MCPSD will be prepared consistent with the provisions of this RPF.
17. **"Voluntary Land Contribution"** refers to a process by individual or communal owner agrees to provide land or project-related activities. Voluntary contribution is act consent, made with prior knowledge of other options available consequences, including the right not to contribute or transfer must be obtained without undue coercion or duress. Voluntary Land Contribution may be of two types: Voluntary Land Contribution for Compensation, or Voluntary Land Contribution without Compensation.

ANNEX 2: ENVIRONMENTAL and Social Screening Checklist

A. NAME, DEPARTMENT, JOB TITLE, AND CONTACT DETAILS FOR THE PERSON WHO IS RESPONSIBLE FOR FILLING OUT THIS FORM:

Completed by (Name): _____

Contact details: _____

Date: _____

Signature: _____

B. PROJECT DESCRIPTION

Name of Sub-project: _____

Name of Sub-project Execution Organization: _____

Location of the Sub-project: _____

Type and scale of the Sub-project: _____

Approximate size of the Sub-project in land area the location of the project

Estimated Cost: _____

C. THE CHECKLIST

Please fill in the checklist below:

PROJECT SITING:

1. Are there any environmentally sensitive areas (intact natural forests, rivers or wetlands etc.) or threatened species (specify below) that could be adversely affected by the project?

Yes _____ No _____

2. Does the project occur within/adjacent to any protected areas designated by government (national park, national reserve, etc.)?

Yes _____ No _____

3. Based upon visual inspection or available literature, are there areas of possible geologic or soil instability (erosion prone, landslide prone, subsidence-prone)?

Yes_____No_____

4. Is the project located near to water sources used for domestic consumption such as boreholes, water wells or springs?

Yes_____No_____

5. Based on available sources, consultation with local authorities, local knowledge and/or observations, could the project alter any historical, archaeological or cultural heritage site?

Yes_____No_____

6. Will the project result in displacement, loss of assets, or access to assets?

Yes_____No_____

7. Will the project result in the permanent or temporary loss of crops, fruit trees and household infra-structure (such as granaries, outside toilets and kitchens, etc)?

Yes_____No_____

CONSTRUCTION RELATED ACTIVITIES

8. Will construction or operation of the Project use large amounts of local natural resources such as water, timber, gravel from river beds, stones especially any resources which are non-renewable or in short supply?

Yes___No_____

9. Will the Project involve use, storage, transport or handling of substances or materials, which could be harmful to human health or the environment?

Yes___No_____

10. Will the Project produce solid wastes either during Construction or Decommissioning?

Yes___No_____

11. Will construction require the use of heavy machinery or equipment?:

Yes___No_____

OPERATIONAL PHASE

12. Will the Project result in the production of solid wastes during the operational phase?:

Yes___No_____

13. Will the Project result in hazardous wastes during the operational phase?:

Yes___No_____

14. Will the Project produce waste water that require drainage?:

Yes___No_____

15. Will the Project require community management of the services?:

Yes ___ No ___

D. PROPOSED ACTION

All the above answers are 'NO'

If all the above answers are 'NO' there is no need for further action. The CDL and VDA will sign this form, and attach it to the subproject proposal before forwarding it to the RO for further processing.

There is at least one 'YES'

If there is at least one 'YES' describe your recommended course of action in the space below. If more space is needed, attach a separate sheet to the checklist. If there will be land acquisition, please follow the outline provided guidelines provided in this RPF in completing this form.

Signed: _____

EFP/GO

Village Leader

Others, as Needed by EFP/MIC:

E. RECOMMENDATION OF RO COORDINATOR

Circle one of the following screening recommendations:

1. All answers to the questions in Section D above are "No," and there is no need for further action, circle the 'NO' below and sign this form

NO

Signed: _____

EFP/GO

2. For all issues indicated by "Yes" answers to the questions in Section D above, the proponent has included adequate mitigation measures in the project design. While no further planning action is required, implementation of the mitigation measures will require supervision by the appropriate agency.

YES

Signed: _____
EFP/GO

3. For the following issues indicated by “Yes” answers in Section D above (specify questions numbers): the proponent has not provided adequate mitigation measures. The proponent must **revise** the proposed project plan to provide adequate mitigation.

Specialist advice may be required in the following areas:

4. For the following issues indicated by “Yes” answers in Section D above (specify question numbers): The proponent has not provided adequate mitigation measures. The proponent must prepare an environmental assessment of the proposed project, and revise the project plan according to the results of that assessment. Specialist advice will be required in the following areas:

Signature:

Date:

Annex 3: RAP Required SECTIONS as per World Bank's

When a Resettlement Policy Framework has been approved, a project specific Resettlement Action Plan may be required. The following provides an outline under World Bank's OP 4.12—Annex A: Paragraph 25; GOM's regulations are inadequate in this respect. The outline can be modified to meet local context needs. However, include key information, without changing the indicted contents order.

A recommended outline for any RAP developed under the MCPSD project would thus contain the following sections in the order given:

- A. Sub-project Description**
 - 1. Activity to be Undertaken
 - 2. Impacts Identified (including those identified during the population census and/or socio-economic survey)
 - 3. Alternatives Considered to Minimize Resettlement

- B. Census of Population Affected by Project**
 - 1. Population Census (count of number of families/individuals affected)
 - 2. Baseline socio-economic survey (brief account of ethnicity, marital status, primary and secondary occupation, estimated annual income and estimated dependence on area to be taken)
 - 3. Assessment of Vulnerable PAPs (number of PAP families below national poverty line, aged, women-headed households, who may require additional assistance to move or to restore livelihoods)

- C. Compensation Arrangements**
 - 1. Type and Extent of loss incurred by each PAP
 - 2. Compensation arrangements (in-kind or, for those assets whose indemnification is in cash, the unit compensation rates and overall cost for monetary compensation, including transport, administrative and other [e.g., contractor hiring] costs)

- D. Resettlement Arrangements (if any)**
 - 1. New resettlement site location, availability and acceptance to PAPs
 - 2. Physical transfer
 - 3. Post move arrangements
 - 4. Additional institutional arrangements (not in RPF)

- E. Economic Rehabilitation Measures (if any)**
 - 1. How PAPs will benefit from MCPSD investment?
 - 2. Additional measures to restore and/or Improve livelihoods

- F. Timetable for Resettlement and Sub-project Activities**

G. Detailed Budget, Identification of Sources of Funds.

1. Census of Affected Population and Type and Extent of Impact
2. Record of Meetings (Date, Participants, Topics Covered and Summary of Discussion)
3. Signed Agreements with PAPs

As was explained in the RPF, provide only those sections that are relevant to that particular operation. All RAPs must describe the project and detail the actual impacts, as well as present efforts to minimize land take and resettlement. All RAPs must enumerate the households affected by the acquisition of land and/or other assets, and assess the severity of those losses for each family, taking into consideration the vulnerability or special needs of each family (Section B).

All RAPs will also detail compensation arrangements. By contrast, relocation arrangements are relevant only when families or businesses must move to a new residence or locale. And, economic rehabilitation measures are relevant only when families lose a significant portion of their livelihoods and must either intensify production on a smaller area or change occupations entirely. Finally all MCPSD RAPs must present a detailed timetable for activities and budget.

Also, the description of the required socio-economic study in OP 4.12, Annex A, paragraph 6, prescribes an extensive undertaking. Such sophisticated studies are necessary when there is major disruption in the lives of a significant number of people, as is the case, for example, with a high dam and its reservoir. Some development projects, such as MCPSD project may not require such extensive studies.

Rather, it usually will suffice to detail: the number of families affected, the age and marital status of the head of household, the number of family members resident, their ethnic group and religion (whether the same as or different from the majority in the community), their primary and secondary occupations, and their dependence on the resources and assets being lost (i.e., the extent of impact).

ANNEX 4 : Comparison of Mozambican Law and World Bank OP 4.12 Regarding Compensation

Category of PAPS / Type of Lost Assets	Mozambican Law	World Bank OP4.12
Land Owners	Cash compensation based upon market value under statute. Land for Land under Customary Law	Recommends land-for-land compensation. Other compensation is at replacement cost.
Land Tenants	Entitled to compensation based on the amount of rights they hold upon land under relevant laws. Illegal tenants not entitled to compensation	Are entitled to some form of compensation whatever the legal/illegal recognition of their occupancy.
Land Users	-In some cases land users have some form of secured tenure extended to them under new laws. In other cases land users are not entitled to compensation for land; -Entitled to compensation for crops and any other economic assets; and -Land for Land under customary	Entitled to compensation for crops, may be entitled to replacement land and income must be restored to at least pre-project levels.
Owners of Temporary Buildings	Cash compensation based on market value or entitled to new housing on authorized land under government (state or local) housing programs.	Entitled to in-kind compensation or cash compensation at full replacement cost including labor and relocation expenses, prior to displacement.
Owners of Permanent buildings	Cash Compensation is based on market value.	Entitled to in-kind compensation or cash compensation at full replacement cost including labor and relocation expenses, prior to displacement.
Perennial Crops	Cash compensation based upon rates calculated as an average net agricultural income.	As per specifications of this RPF, once approved by the Bank and disclosed at the Bank info shop,

ANNEX 5: Categories of Losses and Their Impacts on Project Affected Persons

	Social Impacts
Relocation	Impoverishment, disturbance of production; loss of sources of income, loss or weakening of community systems and social networks, loss of access to social amenities such as hospitals and schools, water; dispersion of kin groups, loss of cultural identity and traditional authority, loss or reduction of potential for mutual help, emotional stress.
Loss of land but no relocation	Impoverishment, loss of sources of income and means of livelihood, loss of assets or access to assets, increased time to access resources
Alienation due to neighbors being relocated	Impoverishment, weakening of community systems and social networks, loss of mutual help and community support, loss of traditional authority, Loss of identity and cultural survival, emotional stress
Hosting PAPs	Impoverishment, loss of sources of income, reduced time and access to resources such as hospitals and schools, water, increased time to access sources and disruption of social fabric, increased crime, increase in diseases such as Sexually Transmitted Diseases (STDs) and HIV/AIDS, Clash of cultural and religious beliefs and cultural norms.

Annex 6: Entitlement Matrix for Various Categories of PAPs

Category of PAP	Type of Loss	ENTITLEMENTS		
		Compensation for Loss of Structures	Compensation for Loss of land and other Assets	Compensation for Loss of Income/Livelihood
Property Owners (including those covered by customary law)	Loss of Land	Costs at full replacement value	Land replacement at new site, plus land clearing by the project	-Cash compensation for crops/trees at replacement cost in scarce season -Allow sufficient time to harvest crops
	Loss of Structures Residential or Business	Compensation at full replacement value (and not at depreciated values).	(Fences block work, wire, and wood) Wells, Stores Waste water facilities Connection to utilities Access Roads	For lost income from rented property: Agreed of payment cash sum Lump number of months of rental per tenant.
	Socio-economic and cultural identity			-Disturbance assistance, shifting and relocation costs; -Rehabilitation assistance, skills training and other development activities to be provided in coordination with other government agencies; if the existing means of livelihood is no longer viable and if the PAP/DP will have to engage in a new unfamiliar income generating activity; and -Arrange for assistance from host communities

Residential Tenant: Business Tenant	Loss of rental	entitlement to housing accommodation at new site.	Replacement costs for movables. non-.	-Disturbance assistance -Transportation assistance, if relocating -Rental for a few months
	-Loss of Premises	None	Replacement costs for non-movables if installation was agreed with owner.	None
	-Loss of business	None	None	For loss of business, payment of lost income at an agreed rate (say payment of six months of past year average turnover)
Encroachers (using Land)	Loss of shelter, assets and land for cultivation where applicable	Cash compensation for Assets/improvements as identified by the census on the affected land.	Where possible assistance in securing other access to land for growing crops, subject to approval of local Authorities/communities	-Cash compensation for trees/crops at replacement cost in scarce season. -Allow for sufficient time to harvest crops -Allow for sufficient time to relocate -For street vendors on right of ways allow possible access to other sites/locations
Squatters (living on Site)	Loss of Shelter	-Compensation at full replacement value for structure, relocation to resettlement site, with payment of site rent.	None	-Payments in lieu of wages while rebuilding; -Disturbance assistance; and -Transport assistance if relocating
Community	Public facilities	-Compensation at full replacement value of the structure for relocation to resettlement site, with payment of site rent.	-Land replacement at new site, plus land clearing by the project -Waste facilities, connection to utilities and provision of access roads	-For loss of business, payment of lost income; and -Provision of alternative temporary facilities during construction, where appropriate.

Note: All payments to be made in Mozambique Meticaís.

Annex 7: Contents of a Comprehensive Compensation Budget

	Item	Costs (in Meticaïs)*	Assumptions
1	Compensation for loss of Land	/hectare	For land acquisition purposes, based on cost realized in projects involving similar issues in Mozambique.
2.	Compensation for loss of Crops	/hectare of farm lost	Includes costs of labor invested and cost of crop based on average of highest price of staple food crops as per methods described in Appendix 7.2 above
3	Compensation for loss of access to pastoralists	N/a	Those affected would be provided with shared access, or alternate routes (decision-agreed through consultation and participation of all)
4	Compensation for loss of access to fishing resources.	As appropriate	Data provided from revised socio-economic study will determine market values of catch or fish.
5	Compensation for Buildings and Structures		This compensation would be in-kind. The new buildings would be built and then given to those affected. Cost based on basic housing needs for a family of ten, including house with four bedrooms, ventilated pit latrines, outside kitchen and storage.
6	Compensation for Trees	Per year/tree	Based on methods described earlier
7	Cost of Relocation Assistance Expenses	Household	This cost is to facilitate transportation, etc.
8	Cost of Restoration of Individual Income	As appropriate	Assumed to be higher than the GDP/Capita.
9	Cost of Restoration of Household Income	As appropriate	Through employment in Program Activities.
10	Cost of Training Farmers, Pastoralists and other PAPs	Estimated at \$32,000/part of total training costs.	This is a mitigation measure, which seeks to involve those affected by the project activities.

* These costs are to be confirmed during the socio-economic study and revised at the time the payments are made.

Annex 8: An Example of Land Acquisition and Resettlement Implementation Plan

Item No	STAGE OF WORK	KEY ACTIVITY	Time	Responsible Person/Institution	Monitoring Institution
1.0	Project Planning	Setting up an effective administrative reporting system		EFP/MIC	MIC/Relevant Village or municipality
		MCPSD Project concept/objectives studied and understood by key stakeholders		MIC/World Bank	MIC
		Resettlement Policy Framework discussed with stakeholders		MIC	MIC/Relevant Village or municipality
		Project authorities and stakeholders alerted on the necessity for land acquisition and resettlement.		MIC	MIC
		Formation of National District and Village implementation Committees		MIC	MIC
		Community involvement, sensitization and participation initiated		MIC	District Administration
		Community involvement, sensitization and participation		District/Village Govt.	MIC
2.0	Land acquisition	Screening of project sites indicating areas of possible resettlement		LGA's/Village Govt.	MIC
		Prepare maps for the affected areas		District admin/Cadastre	MIC
		Obtain land authorization		School Mgt. Board	MIC
		Demarcate authorized area to be affected		Village Govt./Cadastre	District Admin
		Set cut-off date		District Admin	MIC
3.0	Socio-economic Survey	Community involvement, sensitization and Participation and register their names in detail		District/Village Govt.	

		Estimate the magnitude of the impacts relative to the need for resettlement and/or compensation		District admin./Village Government	MIC
		Compile land the register		District admin./Village Govt.	MIC
		Carry out valuation of assets to be compensate		District admin./Village Govt.	MIC
		Create a database for comparative analysis at all levels of Government		MIC	MIC
		Report any grievances that require resolution		District Admin	MIC
4	Resettlement /compensation	Community involvement, sensitization and <u>participation</u>		District/Villages Govt.	MIC
		Create forum for identifying social investment opportunities		Proponent, District Administration	MIC
		Identify social investment opportunities as part of the projects activities		Proponent, District Admin./Village Govt.	MIC
		Provide information about the valuation and negotiation process		LGA	MIC
		Prepare RAPs		MIC	MIC
		Authorization of project and RAPs by GoM		MIC	MIC
		Up-date database for comparative analysis at all levels of Government		MIC	MIC/Others, as relevant
		Formulate compensation offers and obtain signed agreements with those affected		District Administration	MIC
		Provide alternative land (if applicable) inclusive of ancillary support services such as transport, housing, crop starter packs and food support		MIC	MIC/MADER/MCPS D
		Up-date database for		MIC	MIC/Local

		comparative analysis at all levels of Government			Government.
5	After Resettlement Activities	Draw up a program for after resettlement activities		PAPs, Village Government, SMB, District Administration	MIC/MCPSD
		Provide Resettlement After-care Assistance		MIC with participation of Local Government	MIC/MCPSD

Annex 9: GRIEVANCE REGISTRATION FORM (ILLUSTRATIVE TEMPLATE)

Plaintiff: _____

ID Number: _____

Contact Information: _____
(Village; mobile phone)

Property Contested: _____
(Type, e.g., land, house)

Location: _____

Description of Property: _____

Nature of Complaint: _____

Record of Prior Contacts and Discussions of Issues to Date:

<u>Date</u>	<u>Individuals Contacted</u>	<u>Summary of Discussion</u>
_____	_____	_____ _____ _____
_____	_____	_____ _____

Signed (Plaintiff); _____

Date: _____

Signed (Filer of Complaint) : _____

Name of Person Filing in Complaint: _____

(If different from Plaintiff)

Position or Relationship to Plaintiff: _____

Date: _____

Was agreement reached on the issues?: Yes No

If agreement was reached, detail the agreement below:

If agreement was not reached, specify the points of disagreement below:

Signed: _____
 EFP/MIC

Signed: _____
 Plaintiff

Signed: _____
 THE World Bank Representative

Signed: _____

Signed: _____
 MIC AUTHORITY ABOVE EFP/MIC

Date: _____

Review of Complaint
by
EFP/GO

Date of Conciliation Session: _____

Was Plaintiff Present? Yes No
Topic _____ :

Was field verification of complaint conducted? Yes No

Findings of Field Investigation :

Summary of Conciliation Session Discussion:

Issue _____ :

Issue _____ :

Issue _____ :

Was agreement reached on the issues? Yes No

If agreement was reached, detail the agreement below :

If agreement was not reached, specify the points of disagreement below:

Signed: _____
EFP/GO AND EFP/MIC

Signed: _____
Plaintiff

Signed: _____
MIC/the World Bank Representative

Date: _____

