



MALAWI - ELECTRICITY ACCESS PROJECT (P164331)

RESETTLEMENT POLICY FRAMEWORK (RPF)

TABLE OF CONTENTS

TABLE OF CONTENTS	II
LIST OF FIGURES	V
EXECUTIVE SUMMARY	VI
1.0 DESCRIPTION OF THE PROJECT.....	1
1.1 THE PREAMBLE	1
1.2 MALAWI ELECTRICITY ACCESS PROJECT (MEAP).....	1
1.2.1 Overview	1
1.2.2 Target of MEAP	2
1.2.3 Project Development Objective.....	2
1.2.4 Project Components.....	2
1.2.5 Project Beneficiaries	5
1.4 THE OBJECTIVES OF THE RESETTLEMENT POLICY FRAMEWORK (RPF)	6
1.5 RATIONALE FOR PREPARING THE RPF	7
1.6 FLEXIBILITY OF THE RPF	7
1.7 METHODOLOGICAL APPROACH	7
1.7.1 Literature review.....	7
1.7.2 Key Informant Interviews.....	8
2.0 RESETTLEMENT IMPLICATIONS OF MEAP.....	9
2.1 PROJECT ACTIVITIES WITH RESETTLEMENT POTENTIAL.....	9
2.2 ENTITLEMENTS UNDER THE RPF	9
2.2.1 Physical displacement.....	9
2.3.2 Economic Displacement.....	10
3.0 LEGAL AND REGULATORY FRAMEWORK	11
3.1 OVERVIEW OF LAND USES IN MALAWI	11
3.1.1 Size location and the economy	11
3.1.2 Land Tenure Regimes in Malawi	11
3.1.3 The Constitution of the Republic of Malawi.....	12
3.1.4 The National Land Policy 2002	13
3.1.5 Land Act 2016.....	13
3.1.6 Customary Land Act, 2016.....	13
3.1.7 Monument and Relics Act (Cap 29:01).....	13
3.1.8 Forestry Act (1997).....	14
3.1.9 Public Roads Act.....	14
3.1.10 Town and Country Planning Act (1988)	14
3.1.11 National Gender Policy (2000).....	15
3.1.12 Overview of World Bank Safeguard Policy on Involuntary Resettlement (OP 4.12)	15
3.1.13 Gaps and how they will be addressed	16
4.0 ELIGIBILITY CRITERIA, ENTITLEMENT, VALUATION AND COMPENSATION	23
4.1 CATEGORIES OF PROJECT AFFECTED PERSONS.....	23
4.2 VULNERABLE GROUPS	23
4.3 VULNERABLE ASSISTANCE MEASURES	24
4.4 APPROXIMATE NUMBER OF PAPs	25
4.5 ELIGIBILITY TYPE FOR COMPENSATION.....	25

4.6	ENTITLEMENT MATRIX	26
4.7	CUT-OFF DATES.....	35
4.8	ASSET VALUATION	35
4.9	VALUATION PROCESS OF ASSETS	35
4.9.1	<i>Development of Standard Valuation Table</i>	35
4.9.2	<i>Field Preparation of Asset Inventory.....</i>	35
4.10	VALUATION AND CALCULATION OF COMPENSATION	37
4.10.1	<i>Methods for valuing assets in Malawi.....</i>	37
4.10.2	<i>Investment method.....</i>	37
4.10.3	<i>Direct comparison method.....</i>	37
4.10.4	<i>Replacement Cost Approach</i>	37
4.10.5	<i>Gross Current Replacement Cost.....</i>	37
4.11	CALCULATION OF COMPENSATION BY ASSETS	38
4.11.1	<i>Compensation for Land in Urban Areas</i>	38
4.11.2	<i>Compensation for Agricultural Land</i>	38
4.11.3	<i>Land Measurement.....</i>	38
4.11.4	<i>Calculation of Crop Compensation Rate</i>	39
4.11.5	<i>Crop Values Determination</i>	39
4.11.6	<i>Compensation for Buildings and Structures.....</i>	39
4.11.7	<i>Voluntary Land Donation (VLD)</i>	40
4.11.8	<i>Compensation for Community Assets.....</i>	40
4.11.9	<i>Compensation for Sacred Sites.....</i>	40
4.11.10	<i>Compensation for Loss of Enterprises.....</i>	40
4.11.12	<i>Compensation for Horticultural, Floricultural and Fruit Trees</i>	41
4.11.13	<i>Other domestic fruit, shade trees,.....</i>	41
4.11.14	<i>Compensation for livelihoods that are not necessarily land based</i>	42
5.0	PREPARING & APPROVING RESETTLEMENT AND COMPENSATION PLANS	43
5.1	THE SCREENING PROCESS	43
5.1.1	<i>Screening</i>	43
5.2	PREPARATION OF A PROJECT SPECIFIC RAP	45
5.3	APPROVAL OF RESETTLEMENT ACTION PLANS	47
6.0	INSTITUTIONAL FRAMEWORK FOR RAP PREPARATION AND IMPLEMENTATION	48
6.1	IMPLEMENTATION ARRANGEMENTS.....	48
6.1.1	<i>Responsibilities and Roles of Key Entities</i>	48
		49
		49
		49
		49
6.2	SUPPORTING INSTITUTIONS.....	49
7.0	IMPLEMENTATION SCHEDULE.....	51
7.1	PREPARATION OF RAP	51
7.2	TIMING OF COMPENSATIONS	51
8.0	MECHANISMS FOR CONSULTATIONS AND PARTICIPATION IN PLANNING, IMPLEMENTATION AND MONITORING	52

8.1	OBJECTIVES OF CONSULTATIONS WITH PAPs.....	52
8.2	CONSULTATION PROCESS WITH PAPs	53
8.3	CONSULTATIONS ON THE RPF	53
8.4	DATA COLLECTING PHASE	54
8.5	DISCLOSURE OF RAPS	54
8.6	IMPLEMENTATION OPERATION.....	55
8.7	MONITORING AND EVALUATION PHASE	55
9.0	GRIEVANCES REDRESS MECHANISM.....	56
9.1	GRIEVANCE REDRESS PROCESS	56
9.2	PROCEDURES FOR GRIEVANCE MANAGEMENT	57
9.3	GRIEVANCE LOG	58
9.4	MONITORING COMPLAINTS	59
10.0	FUNDING ARRANGEMENTS FOR RESETTLEMENT.....	60
11.1	OVERVIEW.....	63
11.2	INDICATORS TO DETERMINE STATUS OF AFFECTED PEOPLE.....	63
11.3	MONITORING OF RPF/RAP IMPLEMENTATION	64
	LIST OF ANNEXES.....	65
	ANNEX 1: GLOSSARY OF TERMS	66
	ANNEX 2: SAMPLE RESETTLEMENT SCREENING FORM	68
	ANNEX 3: CENSUS AND LAND ASSET INVENTORY FORM	70
	ANNEX 4: COMMUNITY ASSETS AND INFRASTRUCTURE	74
	ANNEX 5: SAMPLE GRIEVANCE REDRESS FORM.....	76
	ANNEX 6: DRAFT TORS FOR THE DEVELOPMENT OF RESETTLEMENT ACTION PLAN (RAP).....	78
	ANNEX 7: OUTLINE OF RESETTLEMENT ACTION PLAN	82
	ANNEX 8: PROTOCOL FOR VOLUNTARY LAND DONATION (VLD) FOR THE MEAP	86
	ANNEX 9: MINUTES FROM CONSULTATION WITH DIFFERENT STAKEHOLDERS	

List of tables

Table 1: National Regulatory & Policy Requirements Malawi legislation and policies....	12
Table 2: Comparison of Malawi Laws and World Bank Requirements	17
Table 3: Categories of losses that are eligible for compensation	25
Table 4: Entitlement Matrix	27
Table 5. Forms of Compensation	35
Table 6: Institutions and their Roles in the implementation of the RAP	49
Table 7: Grievance log table	58
Table 8. Illustrative Budget Template for the RAP	59

Table 9: Explanation of Assumptions on Indicative Budget	61
--	----

List of Figures

Figure 1: Proposed solar off-grid facility	3
Figure 2: List of activities, outputs and outcomes of MEAP	20
Figure 3. RAP screening and approval process	46
Figure 4: Schematic diagram of the grievance management procedure	54

EXECUTIVE SUMMARY

Project Description

The Ministry of Natural Resources, Energy and Mining (MoNREM) and ESCOM proposed the Malawi Electricity Access Project (MEAP) to support the Government to prepare, finance, and strengthen its capacity to implement the National Electrification Program (NEP). Specifically, the proposed MEAP project will focus on improving access of electricity to households via a least cost medium voltage (MV) and low voltage (LV) network expansion where appropriate and invest in preparing the platform to launch off-grid electrification as a private sector-led effort where feasible. The proposed project amount for MEAP is about US\$ 150 million and has three components. The first component will involve the establishment of new on-grid electricity connections (US\$115 million) and will be managed by the Electricity Supply Corporation of Malawi (ESCOM). This component will provide households with an electricity connection by financing medium-voltage (MV) and low-voltage (LV) extensions, service drops, and pre-payment meters. The second component is (US\$20 million) and will be managed by the Department of Energy in the Ministry of Natural Resources, Energy and Mining (MoNREM). In this component a financing facility managed by a qualified fund manager will provide access to loans and grants to eligible enterprises offering quality assured solar off-grid systems. The last component is the provision of technical Assistance (US\$15 million). This component will finance various technical assistance and capacity building activities to ensure ESCOM, MoNREM and other sector stakeholders have adequate technical, planning, and operational capacity to implement the electrification roll-out activities. The first component has the likely probability that land will be required. Accessing and acquiring this land may demand resettlement of people and their properties.

Resettlement Policy Framework for MEAP

This Resettlement Policy Framework (RPF) therefore provides overall guidelines and procedures on how the project will avoid, minimize, manage or mitigate all these project related displacement risks. Whereas the individual sub-projects will carry some risks of adverse environmental and social impacts, this report addresses the risks that might arise if a MEAP sub-project will result in the acquisition of land and hence disturb the people's economic, social and physical aspects of life. Implementation of these sub-projects is expected to have a widespread net-positive impact on the overall socio-economic status and livelihoods of the people in the country as a whole.

This Resettlement Policy Framework (RPF) has been developed in line with OP 4.12 to provide guidelines on how the projects will avoid, manage or mitigate potential risks and the process by which Resettlement Action Plans will be prepared and implemented during the project implementation period.

The objectives of the Resettlement Policy Framework (RPF) are to:

- *Establish the resettlement and compensation principles and implementation arrangements;*
- *Describe the legal and institutional framework underlying Malawi's approaches to resettlement, compensation and rehabilitation;*

- Define the eligibility criteria for the identification of project affected persons (PAPs) and entitlements;
- Describe the consultation procedures and participatory approaches involving PAPs and other key stakeholders; and
- Provide procedures for filing grievances and resolving disputes.

Focus Impacts of the RPF

This resettlement policy framework focuses on direct economic and social impacts that result from the MEAP: - The involuntary taking of land or other resources resulting in (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood. The estimated numbers of PAPs will range from 2000 to 5000 individuals and businesses.

Legislative Framework of the RPF

The RPF has been developed based on OP 4.12 and relevant Malawian Laws which include Constitution of the Republic of Malawi (1994), Land Act (2016), Forest Act (1997), The Electricity Act (2004), Energy Act (2004), Rural Electrification Act (2004), Town and Country Planning Act (1988), National Land Policy (2002), and other relevant Malawian policies.

Valuation and Compensation Framework

Though the Malawian legal instruments and laws insist that all people affected by expropriation must receive fair and just compensation and that the calculation of fair and just compensation is based on current market prices, this RPF provides for Replacement Cost as valuation basis for compensation. The methods, formulae and cost for replacement are provided in the entitlement matrix of the RPF. This will ensure that OP 4.12 requirements are met for valuation for all MEAP activities that will affect and displace people and their sources of livelihood.

Framework for Preparation and Implementation of RAP under MEAP

The steps to be undertaken toward the preparation of each RAP under MEAP include a screening process, a socioeconomic profile, census and identification of Project Affected Persons (PAPs), land asset inventory of the area and valuation of assets, and public consultation among other RAP preparation processes. This will be followed by the development of a Resettlement Action Plan (RAP), review and approval, implementation of the RAP and monitoring of RAP implementation and success. These steps will be the responsibility of the Project Implementation Unit (PIU). However, the District Councils will assist in monitoring and ensuring that timely and fair compensations are done.

Disclosure of RPF/RAPs MEAP

Public disclosure of the MEAP RPF will be made nationally through the ESCOM and MoNREM websites, Environmental Affairs Department and the District Council/Assembly notice boards in addition to the World Bank external website. Disclosure of RAPs will be made to PAPs and other stakeholders for review and comments on entitlement measures and other issues in the implementation of the RAPs. The purpose of the disclosure will be to receive comments and suggestions from PAPs and incorporate appropriate suggestions. The MEAP RAPs will be disclosed in a form, manner and language comprehensible to PAPs and at a place accessible to the affected

population and other stakeholders for review and comments on entitlement measures. Except for the Entitlement Matrix, other sections of the RAPs will be disclosed. ESCOM and MoNREM shall disclose and post any MEAP RAPs in their websites, and in local newspapers with wide circulation, and receive comments. Comments and critiques made on any MEAP RAP by PAPs and other stakeholders will be taken into consideration by the MEAP- PIU. The MEAP-PIU will also conduct a half-day workshop in the project areas for the PAPs, stakeholders, representatives of civil societies, and local leaders with the objective of disclosing project specific RAPs. The Public disclosure of any RAP will be made in Chichewa and English languages. This could be done through depositing / posting them in a range of publicly accessible places such as District Council Offices, Schools, Churches and other public places. They will also be disclosed for input from civil societies, academics, and other professionals.

Monitoring and Evaluation Framework

The arrangements for monitoring the resettlement and compensation activities will fit the overall monitoring program of the entire MEAP program, which will fall under the overall responsibility of the PIU. At the sub-project level, the District Councils will have responsibility for ensuring monitoring is undertaken with the Resettlement and Compensation Committee coordinating efforts. Periodic evaluations will be made in order to determine whether: the PAPs have been paid in full and before implementation of the sub-project activities; economic rehabilitation measures have been implemented, and the PAPs have the same or higher standard of living than before. Some objectively verifiable indicators shall be used to monitor the impacts of the compensation and resettlement activities. These indicators will be targeted at quantitatively and qualitatively measuring the physical and socio-economic status of the PAPs, to determine and guide improvement in their social well-being. In addition, an independent audit will take place at the completion of RAP implementation.

Estimated Budget for the RPF implementation

The estimated cost for the implementation of this RPF will be MKw68,000,000.00 minus the cost of implementing individual RAPs since those costs have not yet been determined. The RPF budget costs will cover stakeholders' training and consultation forums on RPF; Monitoring and evaluation exercise on the implementation of the individual RAPs; evaluation of livelihood empowerment programs and MEAP RAP training.

Capacity Building and Training for RPF

Effective implementation of the RPF will require adequate capacity enhancement for MEAP implementing institutions and other stakeholders. This will be done by the PIU in all districts where the project will have investments.

1.0 DESCRIPTION OF THE PROJECT

1.1 THE PREAMBLE

This Resettlement Policy Framework (RPF) has been developed to address mechanisms and procedures to address resettlement issues likely to result from the implementation of the Malawi Electricity Access Project (MEAP). It outlines the legal requirement and the instruments that will be used to address resettlement of the affected people. This RPF complements the Environmental and Social Management Framework (ESMF) of the same project.

1.2 MALAWI ELECTRICITY ACCESS PROJECT (MEAP)

1.2.1 Overview

The Ministry of Natural Resources, Energy and Mining (MoNREM) and the Electricity Supply Corporation of Malawi (ESCOM) proposed the Malawi Electricity Access Project (MEAP) to support the Government to prepare, finance, and strengthen its capacity to implement the National Electrification Program (NEP). Specifically, the proposed MEAP project will focus on improving access of electricity to households via a least cost medium voltage (MV) and low voltage (LV) network expansion where appropriate and invest in preparing the platform to launch off-grid electrification as a private sector-led effort where feasible. MEAP will anchor the launch of the national electrification program's grid rollout for the period 2019-2023, and at the same time facilitate GoM's efforts to rally the participation of other development partners to mobilize financing for the projected funding gap for the overall least cost sector program.

The proposed project amount for MEAP is about US\$ 150 million. The proposed operation is aligned and informed by the strategic priorities and implementation approach of the National Electrification Program (NEP) currently under preparation and will anchor the launch of the NEP grid roll-out for the period 2019-23. The NEP will define Malawi's vision towards scaling-up access to electricity in the country through a four-pronged approach: (i) the formulation of a National Electrification Strategy for both on-grid and off-grid electrification approaches as well as the resource requirements; (ii) roll-out of a geospatial least cost electrification plan; (iii) an off-grid market assessment; and (iv) a power adequacy assessment. The World Bank through ESMAP financing is designing the NEP for delivery over the medium term. The NEP will also strengthen and complement the existing Government electrification plan prepared in 2002. Although a more detailed geospatial mapping will be completed as a broader pan-African program supported by ESMAP, the preliminary geospatial activities under NEP comprised of the creation of a GIS layer for the existing grid as well as national statistics data will allow for some preliminary results that can determine the initial investment scope under the project.

Additional information will be sourced from the investment plan for 2019-20 currently being prepared by ESCOM, which lays out the investment scope and funding needs for 90,000 connections per year, MV/LV extension and rehabilitation works. While in recent years ESCOM only connected about 28,000 customers due to a combination of mostly lack of funding resources, and capacity to scale-up, the utility aims to connect 90,000 households in 2019 and up to 130,000 households per year by 2030. Furthermore, while in previous years, ESCOM has been focusing on

connecting only high demand customers by charging a connection fee fully reflective of the connection costs¹, looking ahead to a sector-wide shift towards the NEP objective of achieving universal access eventually, the utility intends to connect low and middle-income households in peri-urban and urban areas. The utility is also considering a subsidy scheme for end-users that are unable to cover the current cost-reflective connection charge. Validation of the annual connection target of 90,000 connections, its locations, as well as an assessment of power adequacy will be part of project appraisal.

1.2.2 Target of MEAP

MEAP will anchor the launch of the national electrification program's grid rollout for the period 2019-2023. The project will target households in urban, peri-urban, and rural areas, nationwide, with electricity connection, by financing mostly low-voltage (LV) extensions, service drops, and pre-payment meters. The component will focus on densification targeting those households and beneficiaries living proximate to an existing distribution infrastructure.

1.2.3 Project Development Objective

The proposed MEAP project will focus on improving electricity access through a least cost MV and LV network expansion where appropriate and invest in preparing the platform to launch an off-grid electrification as a private sector-led effort.

1.2.4 Project Components

Component 1: New on-grid electricity connections (US\$115 million)

This component will focus on the lowest hanging fruit of grid electrification by providing households living near an existing distribution infrastructure in urban, peri-urban, and rural areas with electricity connections. Specifically, the component will finance low voltage (LV) extensions, service drops, and pre-payment meters to connect up to 300,000 households, which will nearly double the current access rate in the country from 11 per cent to 20 per cent. Some of the new connections may also require reinforcing hardware elements of the supplying MV feeder for ensuring quality and reliability of supply for new connections. Connections will be identified based on ESCOM's corporate proposal to connect 360,000 over the fiscal years 2019-22. The component may also finance ESCOM's Accelerated Electrification Program (AEP), which is investing in scaling up the number of connections in MAREP areas in a "campaign mode" to achieve scale economies in cost and speed. A distribution engineer has been recruited to assist with the design of the connection roll-out based on feeder capacity as well as the design of scope and costing of system reinforcement. The distribution planner is aligning ESCOM's first-year investment plan with the results of the geospatial least cost electrification plan. The methodology developed through this support will be applied for designing the investment plan for the remaining years of the project by ESCOM.

According to ESCOM's connection policy, low demand customers will be connected with pre-paid meters, while medium and high demand customers will be connected with smart meters. Where applicable, the use of low-cost technologies such as single-phase extensions, single-wire

¹ I.e. 120,000 MWK or US\$166 for the service drop and additional fees depending on the number of poles required for the connection.

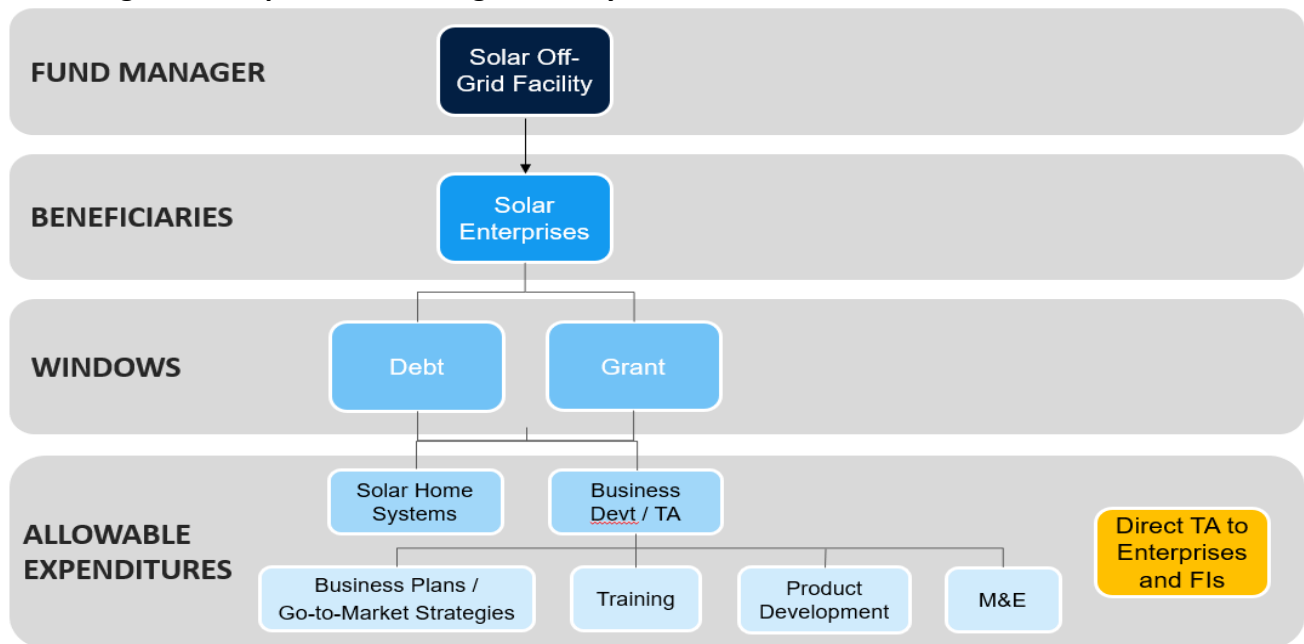
earth return, ready-boards for poor households, and more efficient network designs and construction practices will be considered.

This component will also include free distribution of LEDs (bulbs and tubes) and other demand-side management initiatives as appropriate at the time of connection for the poorest households. In rural households connected, it will undertake a pilot test of electric induction cookers that have very high efficiency.

Component 2: Off-grid market development (US\$20 million)

The component will address the challenges of developing the nascent off-grid market. This component will set up a financing facility managed by a qualified fund manager that will provide access to loans and grants to eligible enterprises offering quality assured solar off-grid systems. Solar companies will use funds to finance stock, develop business models and build the distribution channels to reach consumers. This component draws from successful experiences of off-grid facilities, in Bangladesh, Kenya, Ethiopia and Zambia.

Figure 1: Proposed solar off-grid facility



The facility will provide financing through the following two windows:

- i. **Debt facility** to support working capital constraints, especially upfront costs associated with the importing and building of an inventory of solar products. The solar companies lack the financial cash flow to import and build an inventory of products, which would allow for the faster turn-around of sales and for lower pricing of the systems due to economies of scale. In addition, solar companies are taking credit risk by advancing up to 80 per cent of financing of the system to enable households to purchase systems on a pay-as-you-go basis. The debt facility will provide lending at market rates to solar importers and distributors to import and

build an inventory as well as allowing them to provide medium-term consumer financing on a pay-as-you-go basis. Financing will be provided in foreign or local currency² depending on the needs of the solar companies on a first-come-first-serve basis after careful review of the companies' business plan.

- ii. **Grant Facility** to provide critical business development support and building the distribution channels at scale. Due to the early stages of the market, solar companies have high operational costs related to building and extending distribution channels, provision of training for agents and technicians, introducing innovative technologies, etc. The grant facility will not only help with buying down the opportunity costs of solar companies to expand their business in the market but also allow for start-up companies to enter the market and increase competition. Grant financing will be provided on a first-come-first-serve basis and based on the needs of solar companies for grants. Disbursement of grants will be based on pre-agreed milestones applying the principals of Results-based financing (RBF).

The terms of financing (i.e. pricing of loans), eligibility criteria of companies and their respective business plans as well as RBF criteria for the grants facility will be defined in the Project Operations Manual (POM), which is a disbursement condition of Component 2, i.e. financing for companies will only be made under the facility upon availability of the POM. The facility will also require solar companies to use customer mapping technology to track the customers and integrate the same as a layer of the geospatial mapping. Specific incentives for products promoting productive agricultural uses (e.g. for irrigation, drying, cooling) may be provided through the grant facility.

USAID through its Power Africa program is preparing a similar off-grid facility with an RBF component of US\$ 1.5 million. The facility was launched in January 2019. Power Africa has proposed that interventions by donors in the Malawi off-grid electrification space be phased with the Bank's contribution immediately following the delivery of the Power Africa program as a Phase II activity. The complementarity of the two programs and alignment of objectives and delivery modalities is being determined during program design.

Component 3: Technical Assistance (US\$15 million)

This component will finance various technical assistance (TA) and capacity building activities to ensure ESCOM, MoNREM and other sector stakeholders have adequate technical, planning, and operational capacity to implement the electrification roll-out activities and effectively undertake activities under Component 1 and 2 of the projects. This will entail the following:

Sub-component 3.1: Technical Assistance to ESCOM (US\$5 million): This will mainly finance activities to support ESCOM to effectively implement component 1, including support for detailed project design, planning, and supervisory oversight. More specifically the sub-component will finance (i) capacity building and implementation support for the Project Implementation Unit (PIU) in ESCOM related to core functions, including (Financial Management) FM, procurement, safeguards, and monitoring and evaluation; (ii) preparation of a Program Operations Manual

² Needs for foreign currency will be assessed during appraisal.

informed by a least-cost geospatial roll-out plan; (iii) training at ESCOM's Training facility of ESCOM front line construction supervision management personnel, and private sector contractors for implementing a scaled up on-grid connections program; (iv) mainstreaming more broadly, selective high impact DSM measures; (v) GIS platform for network reticulation planning, design; (vi) System-wide MV feeder- specific upgrading Master Plan through 2030; and (vii) preparation and implementation of a gender capacity building plan and program, and designing a recruitment, mentoring and leadership development program targeting potential, new and existing female employees at ESCOM.

Sub-component 3.2: Technical Assistance to MonREM (US\$10 million): This sub-component will support: (i) capacity strengthening of the PIU in MonREM tasked with oversight and implementation of part of the investments under component 1 and the activities planned under component 2; (ii) Mini-grid Development – Standardized Framework and Design Standards such as pre-feasibility studies for up to ten mini grid locations; along with a suitable institutional and regulatory framework to design, finance, implement and operate mini-grids that pass specified qualifying criteria; (iii) fund management fee under component 2; (iv) technical assistance for off-grid market development like targeted government policy and regulation; quality assurance; gender-informed consumer awareness; and technical assistance for financial institutions; (v) institutional Design of semi-autonomous Rural Electrification Agency, and Fund including repositioning MAREP's role going forward with focus on mini-grid; and (vi) critical sector studies.

1.2.5 Project Beneficiaries

The beneficiaries of the Program will include the following:

- i. **Households.** Access to electricity contributes to an improvement in the quality of life by enabling newly connected consumers to undertake productive and income-generating activities and enhanced access to information/communication (through phone, radio, television). Empirical evidence also points to health benefits owing to the reduction of indoor air pollution due to reduced kerosene consumption.
- ii. **Social institutions.** Improvements in the quality of public service delivery are expected through increased electricity connections, especially of public facilities such as schools; clinics; hospitals (for example, for cold chain, vaccine and medicine refrigeration, lighting, sterilization); and water pumping stations (for example, for safe drinking water) used by poor and vulnerable households.
- iii. **Productive enterprises.** Improved access to electricity supply will contribute to increased productivity and income of enterprises (particularly for micro/small/medium enterprises) and will assist them in reducing their dependency on expensive diesel generation that has a substantially higher per unit cost. In addition, increased access to electricity can boost productivity and reduce sales and equipment losses.
- iv. **Electricity sector institutions.** The sector institutions, especially MONREM and ESCOM, are expected to benefit from the strengthening of planning and implementation capacity, which could translate into improved institutional performance as well as cost-effectiveness, efficiency, transparency, and accountability of the sector.
- v. **Solar companies.** The solar companies will benefit through increased access to financing for

business development support and working capital allowing them to expand their businesses by building inventory, widening distribution channels and increasing training for distribution agents, improving after-sales services through increasing technicians and introduction of trouble-shooting technologies, as well as extend their product line and introduce innovations.

- vi. **Gender-differentiated benefits.** Providing rural households, social services, and enterprises with improved electricity services has the potential to promote gender equality, create employment and business opportunities for women, and improve development outcomes regarding, for example, education. Under the project, gender-differentiated considerations will be mainstreamed as part of the utility's operations.

1.4 THE OBJECTIVES OF THE RESETTLEMENT POLICY FRAMEWORK (RPF)

This RPF applies to all elements of the various subproject investments under MEAP. It applies to all eligible persons regardless of the severity of impact and whether they have legal title to land or not. The objectives of the Resettlement Policy Framework (RPF) are to:

- i. Establish the MEAP resettlement and compensation principles and implementation arrangements;
- ii. Describe the legal and institutional framework underlying Malawian approaches for resettlement, compensation and rehabilitation;
- iii. Define the eligibility criteria for the identification of project affected persons (PAPs) and entitlements;
- iv. Describe the consultation procedures and participatory approaches involving PAPs and other key stakeholders; and
- v. Provide procedures for filing grievances and resolving disputes.

The procedures will be carried out throughout the preparation and implementation of the projects, and the impacts of any potential resettlement will be included in monitoring and evaluation (M&E). When a subproject Resettlement Action Plans (RAP) is required, it will be prepared by the guidance provided in this RPF. The RPF ensures that any possible adverse impacts of subproject activities are addressed through appropriate mitigation measures, in particular, against potential impoverishment risks. These risks can be minimized by:

- i. Avoiding displacement of people without a well-designed compensation and relocation process;
- ii. Minimizing the number of PAPs, to the extent possible;
- iii. Holding extensive consultation with project beneficiaries and project affected persons.
- iv. Compensating for losses incurred and displaced incomes and livelihoods; and
- v. Ensuring resettlement assistance or rehabilitation, as needed, to address impacts on PAPs livelihoods and their wellbeing.

1.5 RATIONALE FOR PREPARING THE RPF

Given that specific project investments have not been identified at this point of preparation, this RPF has been prepared as the basis for preparing the project investment specific Resettlement Action Plans (RAPs). The RPF will set out the procedures for the development of more detailed RAPs for those investments/projects and associated facilities that have an impact on land, assets, and livelihoods.

1.6 FLEXIBILITY OF THE RPF

Since this RPF is prepared for the duration of the project cycle, it needs to be flexible to respond to the changes which may happen during the life of the MEAP. Such changes will include:

- i. Changes in relevant legislation; the introduction of new acts and legislation;
- ii. Possible reforms in the electricity and land sector which may affect existing ministerial arrangements; and
- iii. Possible adjustments to the new devolved structures.

1.7 METHODOLOGICAL APPROACH

1.7.1 Literature review

Several documents and literature were reviewed to have an in-depth understanding of the project. These included a national and international legal framework that will guide the operations and implementations of proposed activities and studies and reports that presents the possible impacts and mitigation measures that should be included during implementation and operation of the project. The following documents were reviewed: -

World Bank Related Documents

- i. Aide Memoire
- ii. World Bank Safeguards Policies
- iii. Project Appraisal Document and other supporting documents

Key Legislative Documents

- i. Energy Regulation Act, 2004
- ii. Electricity Act, 2004
- iii. Rural Electrification Act, 2003,
- iv. Physical Planning Act, 2016
- v. Land Act, 2016
- vi. Customary Land Act, 2016
- vii. Employment Act, 1999
- viii. Environment Management Act, 2017
- ix. Forest Act, 1997

In addition to the above, several other documents, reports and websites were reviewed to access information on the baseline data for Malawi.

1.7.2 Key Informant Interviews

Staff and key informants of the project were interviewed in August and September of 2018 to understand several procedures, policies and institutions' mandates. These are institutions that will be key during the implementation and operation of the project. The following institutions were consulted: World Bank Malawi, The Electricity Supply Corporation of Malawi (ESCOM), Energy Department, The Environmental Affairs Department, Forest Department, Mulanje Electricity Generation Agency (MEGA), Kavuzi mini hydro generation construction site, Department of Physical planning and local communities in Chiradzulu, NKhotakota, Nkhatabay, Mzuzu, Lilongwe, Blantyre, and Lilongwe. These interviews provided many insights regarding the possible impacts of the project and possible mitigation measures. They also highlighted the institutions that will be key and instrumental in making the project sustainable and effective.

2.0 RESETTLEMENT IMPLICATIONS OF MEAP

2.1 PROJECT ACTIVITIES WITH RESETTLEMENT POTENTIAL

During the implementation of MEAP, under component 1, the installation of MV and LV distribution lines, step-down transformers, will likely lead to the temporary or permanent acquisition of a sizeable portion of land in project sites. These investments will also likely affect assets and livelihoods. The exact impact of the investments under the MEAP is not yet known and will only be known when the actual sites for the distribution lines are identified. However, it is expected that the impacts will vary in degree depending on the nature of investments under the MEAP. Component 2 involves mainly off-grid solar systems which includes solar home systems and solar lanterns. No resettlement is expected for those individual households.

The main investments/projects envisaged to have resettlement potential are listed below. However, this list is not exhaustive and other types of investments may be identified under the MEAP during its implementation.

- i. Construction of distribution lines (mainly the 33 and 11kv);
- ii. Installation of dropdown transformers from 33 or 11kv to 400v lines and service drop line for connecting to consumers;

The above activities may demand that assets or livelihood activities be moved to accommodate the installation of the project infrastructure. This will require people in those designated areas to relocate assets and livelihoods to other areas either temporarily or permanently.

2.2 ENTITLEMENTS UNDER THE RPF

2.2.1 Physical displacement

If people must move to another location due to the implementation of a subproject under MEAP, as is required by the Land Act 2016, the affected people will be offered choices including adequate replacement housing, land or cash compensation as appropriate. In accordance with OP.4.12, displaced PAPs will also be provided full relocation costs above the compensation amount. Particular attention will be paid to the needs of the poor and the vulnerable, who will be provided assistance through capacity enhancement during RAP implementation to adapt to new environments.

In the case of physically displaced persons with known or recognizable rights, the project will offer the choice of replacement property of at least equal value, equivalent or better characteristics and equal or better location or cash compensation at full replacement value. Where displaced persons own and occupy structures, the project will compensate them for the loss of assets other than land, such as dwellings and other improvements to the land at full replacement cost.

The Land Act 2016 and the Customary Land Act, 2016, the legal instrument governing land acquisition and compensation in Malawi, specifies that all PAPs must receive just compensation, including costs related to moving, disturbances, and legal fees for land transactions of the PAPs. This presents a gap where if not adequately interpreted may negatively affect compensation to PAPs.

For that reason, in all instances where compensation will be undertaken, Bank policies will apply and will require that this compensation is paid at full replacement costs by ESCOM.

2.3.2 Economic Displacement

If land acquisition or any other project activity under MEAP causes loss of income or livelihood, regardless of whether the affected people are physically displaced, the project will meet the following requirements:

- i. Promptly compensate economically displaced persons for loss of assets at full replacement cost;
- ii. In cases where project activities affect commercial structures, compensate the affected business owner for the cost of re-establishing commercial activities elsewhere, for lost net income during the period of transition, and for the cost of transfer and reinstallation of plants, inventory, machinery, and other equipment;
- iii. Provide replacement property (e.g., agricultural or commercial sites) of equal or higher value, or cash compensation at full replacement cost where appropriate, to persons with legal rights or claims to land which are recognized or recognizable;
- iv. Compensate economically displaced persons who are without legally recognizable claims to land for lost assets (such as crops, irrigation infrastructure and other improvements made to the land) other than land, at full replacement cost;
- v. Provide additional targeted assistance (e.g., credit facilities, training or job opportunities) and opportunities to improve or at least restore their income-earning capacity, production levels, and standards of living to economically displaced persons whose livelihoods or income levels are adversely affected;
- vi. Provide transitional support to economically displaced persons, as necessary, based on a reasonable estimate of the time required to restore their income earning capacity, production levels, and standards of living.

In particular, the taking of land and related assets will take place only after full compensation has been paid and where applicable, resettlement sites, new homes, related infrastructure, public services, and relocation costs have been provided to economically or physically displaced persons.

3.0 LEGAL AND REGULATORY FRAMEWORK

The chapter sets out the legal operating environment for acquisition of land that will be applied to the implementation of MEAP and seeks to highlight major issues related to Malawi's land legislation with regards to compulsory land acquisition and involuntary resettlement. It provides a brief overview of Malawi's Land Policy, Malawian Constitution 1994 and related provisions connected with the land use, planning, acquisition, management and tenure, and more specifically the legislation related with land expropriation or acquisition, land valuation and land replacement. Table 1 presents the list of legislation and policies that are important and will be used in implementing this RPF. The chapter further compares the Malawian legislation with the World Bank provisions on resettlement, with gaps highlighted and recommendations are drawn to fill gaps.

3.1 OVERVIEW OF LAND USES IN MALAWI

3.1.1 Size location and the economy

Malawi is a landlocked country in southeast Africa between latitudes 9°22'S and 17°03'S and longitudes 32°40'E and 35°55'E. Malawi has one of the highest population densities in Southern Africa with an estimated population of approximately 19 million people against a land size of about 9.5 million hectares. About 85% of the population live in rural areas and depend on smallholder farming while only 15% of the population live in towns and urban areas. 75% of the urban population live in poor peri-urban and informal settlements.

Agriculture is the mainstay of Malawi's economy, accounting for about 40% of gross domestic product and about 85% of export revenues. Smallholder farming occupies about 4.5 million hectares while estates occupy about 1.2 million hectares of rural land. Therefore, land is a significant asset to the majority of Malawians. Studies indicate that as much as 55% of the smallholder farmers have less than half of a hectare of cultivable land. As a result of this constraint, most rural households face difficulties in producing enough output for food and cash throughout the year. Poverty levels are estimated at 60% and 65% of populations in rural and urban areas respectively. Resettlement activities within poor and highly populated areas generate long-term setbacks on agro-based livelihood systems.

3.1.2 Land Tenure Regimes in Malawi

Malawi embraces the capitalistic ideas about land ownership. There are currently two legally recognized tenure regimes operating in Malawi: the public tenure system and the private tenure system (Land Act, 2016)³. The description and extents of the classes of land in Malawi are as follows:

- i. **Public land:** Land held in trust and managed by the Government or Traditional Authorities and openly used or accessible to the public at large.
 - **Government land** comprises land acquired and privately owned by the government and dedicated to a specified national use or made available for private uses at the

³ Customary land is that which is held or used under customary law.

discretion of the government. This includes land reserved for government buildings, schools, hospitals, etc., or government-owned land leased for exclusive use by individuals, companies and institutions for which ground rent is often paid. This category of land also includes land gazetted for use as national parks, recreation areas, forest reserves, conservation areas, historical and cultural sites, etc. The public land designation also applies to all land vested in the Government as a result of uncertain ownership, abandonment and land that is unusable for one reason or another.

- Within a Traditional Authority (TA), the community’s public land includes all land within the boundaries of the TA not allocated exclusively to any group, individual or family. This designation applies in particular to dambos, dry season communal grazing areas, etc. Such common access or unallocated customary land reserved for the community are regarded as public only to members of that community and will be protected.
- ii. **Private Land** is all land that is exclusively owned, held or occupied under (a) freehold tenure, and (b) customary land allocated exclusively to a clearly defined community, corporation, institution, clan, family or individual. Such exclusive allocations of customary land will henceforth be known formally as a “customary estate.”

Table 1: National Regulatory & Policy Requirements of Malawi

Legislation	
Constitution of the Republic of Malawi (1994)	Forestry Act (1997)
Environment Management Act (2017)	Public Health Act (1948)
Land Act (2016)	Gender Equality Act (2013)
Energy Act	Customary Land Act 2016
Electricity Act	Land Acquisition Act 2016
Physical planning Act 2016	Rural Electrification Act
Local Government Act (1998)	Town and Country Planning Act (1988)
Policies and Guidelines	
Guidelines for Environmental Impact Assessment (1997)	National Environmental Policy (2004)
National Land Policy (2002)	Gender Policy (2008)
Malawi National Forest Policy (1996)	

3.1.3 The Constitution of the Republic of Malawi

The Constitution of Malawi provides the basis for and against land acquisition. Section 28 (2) of the Constitution of the Republic of Malawi states that —No person shall be arbitrarily deprived of property and section 44 (4) states that —Expropriation of property shall be permissible only when done for public utility and only when there has been adequate notification and appropriate compensation, provided that there shall always be a right to appeal to a court of law for redress. In cases where people will be deprived of their land, property and source of livelihood to pave way for the implementation of the MEAP, the developer will be required to compensate them for the losses

that will be incurred. In preparation of the RAPS, the developer should ensure that the compensation packages will improve and restore the livelihoods of the PAPs.

3.1.4 The National Land Policy 2002

The policy recognizes the free enjoyment of legally acquired property rights in land and that a landholder is entitled to compensation in the event that his land is acquired by government for public use. The policy emphasizes that customary land has value and as such, compensation for such land has to be based on the market value of the land and all permanent improvements on the land at the time of acquisition.

The land that will be required for the project may fall under customary or private tenure and the developer will have to ensure that the affected people receive fair compensation for their land and the property they will lose based on the current market value. The money they will receive should enable them to settle comfortably wherever they will be relocated and restore the source of livelihood.

The policy further highlights that compensation is inadequate at times because certain items or qualities are excluded during the assessment to determine their value and that there are always delays in the payment once the value has been determined. This should be taken into account during the RAP preparation process to ensure that all items are taken into account during assessment and that the affected people receive their compensation in time before the commencement of the project implementation.

3.1.5 Land Act 2016

Section 18 of the act provides for the compensation of customary land in cases where it is required for public use. The section also provides for any person who suffers any disturbance or loss or damage to any property to be paid reasonable compensation for such disturbance, loss or damage. The developer will have to compensate the people who will be affected by the implementation of the project for loss of land or access to it as well as the developments on the land as has been provided for in this act.

3.1.6 Customary Land Act, 2016

This is an Act that provides for the management and administration of customary land and for matters connected in addition to that and incidental to it. The customary land shall be transferred subject to:

- i. payment of appropriate compensation as assessed by a registered valuer and agreed upon between
 - the land committee and the Commissioner; or
 - where subsections (4) and (10) apply, the persons referred to in those subsections and the Commissioner;
- ii. if Government or reserved land is to be exchanged with customary land which is the subject of the transfer, Government will identify an alternative piece of land to be transferred to the Traditional Land Management Area or the affected persons as the case may be.

3.1.7 Monument and Relics Act (Cap 29:01)

Graves are among the monuments that are protected under the monuments and relics act.

The chief antiquities officer is given the power to preserve and protect all monuments entrusted to his care under section 4 (a) of the act. Section 13 (b) of the act states that no person shall without prior consent of the minister carry out any cultivation or mining project or other work so as to cause or likely to cause damage or disturbance to any protected monument or protected relic. In preparing RAPs, consultants will have to consult the Department of Antiquities to ensure that they have consent from the chief antiquities officer to exhume bodies in the event that the implementation of the project will affect an existing graveyard.

3.1.8 Forestry Act (1997)

The Act provides for the management of indigenous forests on public, customary, and private land. Section 46(a) states that no person shall cut, take, fell, destroy, uproot, collect and remove forest produce from a forest reserve, customary land, public land and protected forest area. In compliance with this section, alternative site selection for replacement of affected land should be done in compliance with this provision. They will also have to promote forestation programmes to reduce the pressure on existing forest products with time.

3.1.9 Public Roads Act

The Public Roads Act is the most comprehensive of all Acts that deal with compensation in providing guidance on the assessment of land and assets. It will provide guidance during the valuation exercise for the compensation of the people affected by the implementation of the proposed project activities. Section 45 states that compensation has to be paid in cases where:

- i. A person has to move his residence or place of business;
- ii. Where no alternative land can be made available to him; and
- iii. Where he will have to spend money in order to make the land that he will be given as a replacement fit for cultivation.

The act also provides the factors that should be taken into account when assessing the amount of compensation in section 46 to include:

- i. The open market value of land or interest at the valuation date;
- ii. The damage if any sustained by the person interested in the valuation; and
- iii. Any increase in the value of the other land or other benefit of the person interested.

3.1.10 Town and Country Planning Act (1988)

The project will also target urban and peri urban areas which are statutory planning areas established under the Town and Country Planning Act. The act regulates the use of land and provides guidelines for the planning and management for all development activities in the country especially those in statutory planning areas. It is, therefore, a requirement for all development within a statutory planning area to seek permission from the planning authority before being implemented. In resettling the displaced persons within districts that are planning areas, the developer will have to ensure that PAPs submit their development plans to respective Town Planning committees so that they are approved before commencement of the redevelopment exercise.

Section 40 of the Act also requires Local Councils to ensure that negative environmental impacts of projects are avoided. The implication of this provision for the proposed project is that PAPs are allocated land that is zoned for the use and should monitor the implementation of their

development to ensure that they are complying with the zoning to ensure environmental protection during construction and operation of their various developments.

Parliament passed the Physical Planning Act of 2016 which provides for a developer to seek permission for development activities on any parcel of land regardless of tenure. In the event that the sub projects will be implemented after the new law comes into force, PAPs will be required to submit development plans for the redevelopment of their structures to the respective planning authorities for approval before commencing construction works.

3.1.11 National Gender Policy (2000)

The project-affected people will include women, men, the youth, and girls some of whom may be vulnerable. The National Gender policy provides gender mainstreaming in the planning and implementation of projects to ensure that the needs of different groups of people affected by a project are taken care of in a manner that promotes equity. The developer should ensure that principles that promote equity among different groups are applied in the assessment and implementation of the RAPs that will be prepared to facilitate the compensation and resettlement of the PAPs.

3.1.12 Overview of World Bank Safeguard Policy on Involuntary Resettlement (OP 4.12)

The WB indicates that involuntary resettlement under development projects, if unmitigated, often gives rise to severe economic, social, and environmental risks: production systems are dismantled; people face impoverishment when their productive assets or income sources are lost; people are relocated to environments where their productive skills may be less applicable and the competition for resources greater; community institutions and social networks are weakened; kin groups are dispersed; and cultural identity, traditional authority, and the potential for mutual help are diminished or lost. The Bank, therefore, recommends that involuntary resettlement should be avoided where feasible or minimized and alternative project designs should be explored. If resettlement cannot be avoided, then, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs. The following principles are provided under the World Bank Policies on Involuntary Resettlement implementation under this RPF:

- i. Involuntary resettlement, including land acquisition and all associated impacts, should be avoided or at least minimized;
- ii. Compensation and other forms of rehabilitation assistance (moving allowance, credit facilities, training and job opportunities) should be provided in order to provide those affected with opportunities to improve and restore their incomes and living standards;
- iii. Compensation should be prompt and effective at full replacement cost for losses of land and assets attributed directly to the project for land
- iv. Replacement land for settlement and cultivation should have a combination of locational advantages or productive potential, and other factors at least equivalent to or better than the advantages of their original land.

- v. Affected persons should be fully informed and consulted on impacts and planned mitigation measures;
- vi. Affected persons should be consulted on offered compensation choices and provided with technically and economically feasible resettlement alternatives
- vii. The socio-cultural institutions of PAPs should be supported as much as possible;
- viii. Compensation should be carried out with equal consideration for women and men; and
- ix. Lack of legal title should not be a bar to compensation or alternative forms of assistance instead of compensation.

The policy provides for vulnerable groups which include female, elderly and child-headed households, the physically challenged, and the sick to be given special consideration, and providing them with the appropriate assistance so that they can adapt to changed circumstances caused by the relocation.

3.1.13 Gaps and how they will be addressed

The GoM does not have a specific policy for resettlement and compensation but the legal framework has changed in 2016 (Land Act, 2016) and compensation (not resettlement) issues have been addressed and provided legal basis for addressing land and resources that are affected by projects like the MEAP. As such there are no clear guidelines on some of the elements of compensation which creates gaps in the process as compared to the World Bank which has a specific policy on involuntary resettlement. For the purpose of this project, the World Bank policy on Land Acquisition and Involuntary Resettlement will be used to fill the gaps in the local legislation. Table 2 below outlines the provisions in the local legislation and World Bank policy on resettlement and compensation.

Table 2: Comparison of Malawi Laws and World Bank Requirements

Theme	WB: OP4.12	Malawi Legislation	Evaluation	Recommendation to address the Gap
Policy objective	<p>The overall objectives of the Bank's policy on involuntary resettlement are the following:</p> <p>Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.</p> <p>Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits.</p> <p>Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.</p> <p>Displaced persons should be assisted 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 before the beginning of project implementation, whichever is higher.</p>	<p>The Bill of Rights contained in Part IV of the Malawi Constitution entrenches several rights relevant to the objectives of WB: OP 4.12</p> <p>For instance:</p> <p>(i) The right to property in ss. 28 and 44(4) which protect arbitrary acquisitions of property and for acquisition with adequate notification, and appropriate compensation.</p> <p>(ii) The right to development in ss.13 and 30 which accord the people right social, economic and political development and places the duty on the government. This accords with the project objective improving livelihoods and living standards</p> <p>(iii) The right to due process in s.43 which accords with the objectives against forced eviction.</p>	<p>While the WB: OP 4.12 objectives are not word for word written into the Malawi Constitution, the overall shared picture and objective is the same when the enumerated rights and jurisprudence thereon are seen against the objectives of the WB: OP4-12.</p> <p>Under s. 5, the Constitution of the Republic of Malawi is the overriding legal instrument setting out the broad aspirations of the people and the government of Malawi. All acts of government are required to be consistent with the Constitution.</p> <p>Avoidance of impacts etc. is not specifically stated though. Further local laws do not specify on improvements or restoration of livelihoods & standards of living of displaced persons.</p>	<p>Ensure that resettlement issues are fully recognized and dealt with at the project planning and design stages in order to avoid or minimize displacement. This is particularly important in the context of land scarcity.</p> <p>Ensure that levels of compensation, assistance, and benefits are in line with OP 4.12.</p> <p>Ensure that all affected land users receive appropriate assistance and benefits, including unauthorized occupants ("squatters"), laborers and persons affected by the loss of access to resources that support their livelihoods.</p>

Theme	WB: OP4.12	Malawi Legislation	Evaluation	Recommendation to address the Gap
Eligibility for compensation	<p>According to paragraph 15 of the WB: OP 4.12 applies to physical and economic displacement concerning:</p> <p>a) Those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country);</p> <p>b) Those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets provided that such claims be recognized under the laws of the country or become recognized through a process identified in the resettlement plan, but have a claim to such land; and</p> <p>c) Those who do not have recognizable legal right or claim to the land</p>	<p>The entrenched identified in policy objectives column above are buttressed by s. 20 of the Constitution. It prohibits discrimination of any person in any form. The legal rights themselves are therefore available to all persons affected by the project</p> <p>The understanding in item (i) is buttressed by a High Court judgment concerning one of the former heads of state where the court ruled that despite holding land customary land tenure, the constitutional protections were available to the claimant.</p> <p>Similarly, ss.28 and 44(4) of the Constitution accord protection against arbitrary acquisitions of property and for acquisition with adequate notification, and appropriate compensation to every person.</p>	<p>The WB: OP 4.12 standard as to eligibility for compensation under the project can fall within the legal parameters for acquisition of land and compensation under Malawi law. In law, the property is not a thing. It is a bundle of rights relative to which a subject stands against the object of property. One may not have legal title in a piece of land but will have beneficial interests, or rights of use. Under OP 4.12 in the project, those interests will be recognized and compensated for. So will they be recognized under property law in Malawi? If a squatter gets compensation, it is not because he is a squatter and is being rewarded for being a squatter but because he may have attained legally recognizable rights and interests in the course of his or her illegal occupation. As an example, under s. 36 of the Land Act, defines a squatter while a trespasser or encroacher or unlawful occupant upon any public land or private land or customary land may not be legible</p>	<p>Ensure that all users of affected lands (including unauthorized occupants or users, laborers or persons affected by the loss of access to resources) are included as affected parties in the census survey. Implement cut-off procedures based upon the date of the census survey.</p>

			for compensations.	
--	--	--	--------------------	--

Theme	WB: OP4.12	Malawi Legislation	Evaluation	Recommendation to address the Gap
Compensation criteria and relocation	WB: OP 4.12 para 3(a) and 3(b), dictates that (a) The resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are (i) informed about their options and rights pertaining to resettlement; (ii) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and (iii) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project. (b) If the impacts include physical relocation, the resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are (i) provided assistance (such as moving allowances) during relocation; and (ii) provided with residential	Sections 28 and 44(4) of the Constitution accord protection against arbitrary acquisitions of property and provide for acquisition with adequate notification and appropriate compensation to every person. The full text reads: <i>“Expropriation of property shall be permissible only when done for public utility and only when there had been adequate notification and appropriate compensation, provided that there shall always be a right to appeal to the court of law.”</i> The community involvement and grievance mechanism requirement criteria accord s.43 and s. 44(4) Constitutions - due processes.	The constitutional preconditions to the expropriation of property cover items in the OP 4.12 requirements. The difficulty is a practical one because the Constitution does not provide the meaning of adequate compensation. In addition, the compensatory principle of law applied by Courts in Malawi is the restitution in interregnum principle which essentially entails placing of the affected person in at least the same position as he or she would have been in but for the acts, in this project, injuring his or her interests. This means that the test in Malawi would be	Relocation options for displaced persons whose livelihoods are land-based. Affected parties to be adequately compensated and relocated PRIOR TO project implementation. Cash compensation to be provided at full, non-depreciated, replacement cost for losses of assets attributable to the project. The valuation process will be performed through the district land offices, with official valuers; the final determination of

	<p>housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site.</p> <p>(c) Where necessary to achieve the objectives of the policy, the resettlement plan or resettlement policy framework also include measures to ensure that displaced persons are : (i) offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living; and (ii) provided with development assistance in addition to compensation measures described in paragraph 6(a) (iii), such as land preparation, credit facilities, training, or job opportunities.</p>		<p>the same as item (i) if in the OP 4.12 if the question of compensation were to come before the Courts. The marked difference lies in approaches between the OP 4.12 and practice in Malawi with regards to the use of Replacement Cost rather than Depreciated Replacement Cost. While OP 4.12 specifies aspects that need to be covered in the community engagement, local laws do not state the contents that would be deemed as adequate notification.</p>	<p>compensation rates will be done according to the approach of the RAP; actual land and property market assessments will be done prior to determination of final replacement rates</p>
--	---	--	--	---

Support to Vulnerable Groups including the poor	The client will consider feasible alternative project designs to avoid or minimize physical and economic displacement, while balancing environmental, social, and financial costs and benefits, paying particular attention to impacts on the poor and vulnerable.	Under ss. 23 and 24 women and children have the right to full and equal protection by law and have the right not to be discriminated against on the basis of their gender or marital status (on the part of women) or on account of the circumstances of their birth (on the part of children). The National Policy on Equalization of Opportunities for Persons with Disabilities is to promote the rights of people with disabilities to enable them to play a full and participatory role in society. The aim is to ensure that concrete steps are taken for people with disabilities to access the same fundamental rights and responsibilities as any other Malawian citizen. This means that there must be the integration of disability issues in all government development strategies, planning and programs. Further, it has objectives to Increase access to	OP4.12 defines vulnerable groups as those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities or other displaced persons who may not be protected through national legislation. On the other hand, Malawi law makes special recognition for women and children. It is to be noted that the kind of recognition does not give higher rights than the standard rights to equality or property. Perhaps, the special emphasis in ss. 23 and 24 of the Constitution reflects a history of the people of Malawi and needs to be properly regarded in the management of the project although it does not have to create rights which did not hitherto exist. In this respect, we observe that provided that it is applied	Special assistance to be provided to vulnerable persons as per provisions of the RAP, with the assistance of districts and resettlement committees
---	--	---	--	--

		<p>technical, vocational and entrepreneurial training opportunities for persons with disabilities and Improve access to loans and credit facilities for income generating activities.</p>	<p>consistently the Malawi standard does not fall far below the OP4.12. These are the rights to equality in s.20, to property in 28 and 44(4) which are, as observed in the compensation criteria, consistent with Op 4-12 para 3(a) and (b). Further, the National Policy recognizes the linkage between disability and poor and puts emphasis on concrete steps being taken towards this effect. The policy also requires the monitoring and evaluation of the implementation of its programs, to examine the extent to which the programs of line Ministries, Departments and parastatals are responsive to the needs of persons with disabilities.</p>	
--	--	---	--	--

4.0 ELIGIBILITY CRITERIA, ENTITLEMENT, VALUATION AND COMPENSATION

4.1 CATEGORIES OF PROJECT AFFECTED PERSONS

Affected groups under various MEAP investments are categorized into five groups namely: -

- i. Project affected Individuals whose assets may be lost and affected, including land, property, other assets, livelihoods, and/or access to natural and/or economic resources because of activities related to a given investment under MEAP.
- ii. Project affected households are groups of PAPs in one household and where one or more of its members are directly affected by a given investment/project under MEAP. These include members like the head of household, male, and female members, dependent relatives and members, tenants, etc.
- iii. Project affected enterprises are business enterprises that have already been established in the community centres where electricity will be supplied. These will be in trading centres and market places which may have to be relocated to pave the way for transformers and dropdown poles with meters.
- iv. Affected local community – A community is affected if project activities affect their socio-economic and social-cultural relationships or cohesion. For example, project activities could lead to loss of welfare or cultural erosion etc. In addition, the investments under MEAP can cause the breakdown of communities and social networks due to the introduction of potential new activities in the communities.
- v. Vulnerable groups may be individuals, households or parts of households. The investment/project will separately identify the vulnerable people, such as those who are too old or too ill; children; people living with HIV/AIDS; Female Headed Households; unemployed youth, and orphans; Child-Headed Households; single parents with dependants; Elderly-Headed Households; etc. The vulnerable groups are eligible for additional assistance under this RPF, as is indicated in the Entitlement Matrix, Table 4.

The categories given above may not cover all types of affected persons. In addition, the categories are not mutually exclusive. The MEAP subproject investments will prepare comprehensive RAPs that would list all affected persons and groups specific to each subproject investment.

4.2 VULNERABLE GROUPS

Vulnerable groups⁴ are special and need additional assistance. There will be several categories of vulnerability identified in MEAP. Each category of vulnerability indicates some circumstance by which the PAP would need special consideration and additional assistance. Details

⁴ Vulnerability implies 'weakness' or 'defencelessness', and typically used to describe groups that are weak and liable to serious hardship. These are groups that without substantial support may be in severe and chronic poverty, unable to take advantage of profitable opportunities if they emerge, while with limited defences in case serious events or shocks occur. Examples are disabled people, orphans, HIV infected, elderly, ethnic minorities, households headed by widows or deserted women, or headed by children.

will be provided in the specific census survey that will be used to classify certain PAPs as vulnerable and to sub-categorize them based on the reasons for vulnerability. The following are definitions of possible categories vulnerable groups:

- i. **Child-Headed Household:** these are households headed by young children, usually 18 years of age or younger, with no social support;
- ii. **Single Parent (Female) with Dependent Children:** these are households headed by women, where there is no husband or partner present (e.g. widows, unmarried women, others) and no other form of support present;
- iii. **Single Parent (Male) with Dependent Children:** these are households headed by men, where there is no wife or partner present (e.g. widowers, unmarried men, others) and no other form of support present;
- iv. **Elderly-Headed Households with No Support System:** these are households headed by an elderly male or female, aged 55 or above, or in some cases, less than 55 but with a lack of any social support services;
- v. **Disabled-Headed Households:** these are households where the head (male or female) have a physical disability;
- vi. **Ultra-Poor:** these are households where the PAPs do not have a sustainable livelihood and access to income generation options and do not have assets or income sources. Those whose income is at or below US\$1 per day are included in this category.
- vii. **HIV/AIDS/ Chronically-ill:** those who are HIV positive or chronically ill will also be classified as vulnerable.

Under MEAP, vulnerable PAPs will be eligible for additional support which will help them to manage the resettlement process. Support to PAPs who are identified as vulnerable under MEAP will be provided on an individual household basis. Additional monetary compensation for vulnerable PAPs will be considered in project-specific RAP. If impacts on this population are identified, the appropriate authorities will be notified immediately.

The use of gender-friendly technologies during construction will be important to consider, and this will be done in close consultation with affected communities. Both men and women will be more concerned about the safety of their children during the construction phase and the risk of accidents that may arise from the depth of the trenches used for erecting poles, electrocution from live power lines and lightning. Therefore, construction methods used will have to factor in these views and ensure that the risks are minimized.

4.3 VULNERABLE ASSISTANCE MEASURES

A Vulnerable Assistance Programme will be developed by MEAP for specific RAPs to provide a safety net for vulnerable households. The objective will be to identify, assess, support, remediate, and monitor project-affected households experiencing severe hardship, as part of the overall Livelihood Assistance Package for each household. Vulnerable persons will be specifically identified, registered, and tracked through the following means:

- i. Analysis of RAP socio-economic survey data and casework on household composition, assets, the source of income, and food security
- ii. The community identified households receiving charity
- iii. Analysis of records or casework on each household being compensated

Assistance may take the following forms, depending upon vulnerable persons' requests and needs:

- i. Assistance in the compensation payment procedure (e.g., specifically explain the process and procedures, make sure that documents are well understood);
- ii. Assistance in the post-payment period to secure the compensation money and reduce risks of misuse/robbery;
- iii. Additional cash to enable them to restore their livelihood;
- iv. Counselling in matters such as family and health;
- v. Ensuring that the vulnerable enjoy equal opportunity during employment procedures;
- vi. Where alternative farming land is to be found, ensure it is at the most easily accessible locations;

The support package to vulnerable persons may include free or subsidized electricity connections and priority compensation for any loss in income, or relocation or resettlement and will vary on a case-by-case basis. Project Implementation Units (PIUs) and the District Social Welfare Department will be used to provide support to vulnerable PAPs. District Social Workers will also be responsible for providing necessary support to PAPs identified as vulnerable and for carrying out other general additional social impact mitigation measures through the provision of social support on a case-by-case basis for all vulnerable PAPs identified.

Monitoring the treatment of vulnerable people during the compensation and resettlement process will be done as a specific focused activity. As with all aspects of the M&E system, care will be taken to keep it as simple as possible. This monitoring is to ensure that requirements are met and that any shortfalls are identified and covered.

4.4 APPROXIMATE NUMBER OF PAPs

Determination of the number of all the PAPs is not possible at this time because subproject investments have not been defined or identified in terms of location, nature, scope and magnitude. At this stage, project descriptions exist for general subproject investments to allow exact estimation of a number of the PAPs. However, estimated numbers of PAPs will range from 2000 to 5000 individuals and businesses.

4.5 ELIGIBILITY TYPE FOR COMPENSATION

The following in table 3 are some of the categories of impacts eligible for compensation. The list, though, may increase when socio-economic study and census are undertaken for individual investments under MEAP, where other types of impacts will be identified.

Table 3: Categories of losses that are eligible for compensation

Assets	Structures	Livelihoods
Land	Houses	Businesses
Land and property	Property	Livelihoods
Crops and trees	Structures on land	
Grazing land	Fence (live or brick)	
Community assets		

All affected persons irrespective of their status or whether they have formal titles, legal rights or not, are eligible for assistance if they occupied the land before the entitlement cut-off date. *Table 4* below summarizes the entitlements for each group of affected persons.

4.6 ENTITLEMENT MATRIX

Table 4 below shows the type of compensation for different PAPs in MEAP project areas. This also presents the type of impact that will trigger compensation from the project while taking into consideration the most vulnerable groups listed above.

Table 4: Entitlement Matrix

Land and Assets	Types of Impact	Person(s) Affected	Compensation/Entitlement/Benefits
Agricultural land	Less than 20% of landholding affected	Farmer/ title holder	Cash compensation for affected land equivalent to the replacement value
	Land remains economically viable. (i.e. land was productive at least in the last year)	Tenant/ leaseholder	Cash compensation for the harvest or product from the affected land or asset, equivalent to the average market value of last three years, or market value of the crop for the remaining period of tenancy/ lease agreement, whichever is greater.
	Greater than 20% of landholding lost Land does not become economically viable.	Farmer/ Titleholder	<p>Land for land replacement where feasible, or compensation in cash for the entire landholding according to PAP's choice.</p> <p>Land for land replacement will be regarding a new parcel of land of equivalent size and productivity with a secure tenure status at an available location which is acceptable to PAPs. Transfer of the land to PAPs shall be free of taxes, registration, and other costs. Any taxes or associated fees will be borne by the GoM.</p> <p>Relocation assistance (costs of shifting + assistance in re-establishing economic trees + livelihood rehabilitation assistance)</p> <p>Relocation assistance (costs of shifting + assistance in re-establishing economic trees + livelihood rehabilitation assistance)</p>
		Tenant/Leaseholder	Cash compensation equivalent to an average of last three years' market value for the mature and harvested crop, or market value of the crop for the remaining period of tenancy/ lease agreement, whichever is greater.

Land and Assets	Types of Impact	Person(s) Affected	Compensation/Entitlement/Benefits
			Relocation assistance (costs of shifting + assistance in re-establishing economic trees + livelihood rehabilitation assistance)
Land users	Impact on livelihood	Landless, encroachers	Compensation to restore livelihood and will include compensation on of any built structure that landless persons may have installed on agricultural land.
Commercial Land	Land used for business partially affected Limited loss	Title holder/ business owner	Cash compensation for affected land Opportunity cost compensation equivalent to 5% of net annual income based on tax records for the previous year (or tax records from comparable business or estimates where such records do not exist).
		The business owner is a leaseholder	Opportunity cost compensation equivalent to 10% of net annual income based on tax records for the previous year (or tax records from comparable business, or estimates where such records do not exist)
	Assets used for business severely affected If partially affected, the remaining assets become insufficient for business purposes	Title holder/business owner	Land for land replacement or compensation in cash according to PAP's choice. Land for land replacement will be provided regarding a new parcel of land of equivalent size and market potential with a secured tenure status at an available location which is acceptable to the PAP. Transfer of the land to the PAP shall be free of taxes, registration, and other costs. Any taxes or associated fees will be borne by the GoM. Relocation assistance (costs of shifting + allowance) Opportunity cost compensation equivalent to 2 months net

Land and Assets	Types of Impact	Person(s) Affected	Compensation/Entitlement/Benefits
			income based on tax records for the previous year (or tax records from comparable business, or estimates)
		The business person is a leaseholder	<p>Opportunity cost compensation equivalent to 2 months net income based on tax records for the previous year (or tax records from comparable business, or estimates), or the relocation allowance, whichever is higher.</p> <p>Relocation assistance (costs of shifting)</p> <p>Assistance in rental/ lease of alternative land/ property (for a maximum of 6 months) to re-establish the business.</p>
Residential Land	Land used for residence partially affected, limited loss	Title holder	Cash compensation for affected land
	The remaining land is viable for present use.		
		Rental/leaseholder	Cash compensation equivalent to 100% of lease/ rental fee for the remaining period of the rental/ lease agreement (written or verbal)
	Land and assets used for residence severely affected	Title holder	<p>Land for land replacement or compensation in cash according to PAP's choice, based on the replacement cost.</p> <p>Land for land replacement shall be of the minimum plot of acceptable size under the zoning law/ s or a plot of equivalent size, whichever is larger, in either the community or a nearby resettlement area with adequate physical and social infrastructure systems as well as secured tenure status.</p>
	Remaining area insufficient for continuing use or become smaller than minimally accepted under zoning laws		

Land and Assets	Types of Impact	Person(s) Affected	Compensation/Entitlement/Benefits
			<p>When the affected holding is larger than the relocation plot, cash compensation to cover the difference in value.</p> <p>Transfer of the land to the PAP shall be free of taxes, registration, and other costs.</p> <p>Relocation assistance (costs of shifting + allowance)</p>
	<p>Land and assets used for residence severely affected</p> <p>Remaining area insufficient for continued use or becomes smaller than minimally accepted under zoning laws</p>	Rental/leaseholder	<p>Refund of any lease/ rental fees paid for time/ use after the date of removal</p> <p>Cash compensation equivalent to 3 months of lease/ rental fee</p> <p>Assistance in rental/ lease of alternative land/ property</p> <p>Relocation assistance (costs of shifting + allowance)</p>
Buildings and structures	Structures are partially affected	Owner	<p>Cash compensation for affected building and other fixed assets</p> <p>Cash assistance to cover costs of restoration of the remaining structure</p>
	Remaining structures viable for continued use	Rental/leaseholder	<p>Cash compensation for affected assets (verifiable improvements to the property by the tenant). This will also include the compensation for any remaining lease/rental payments at time of physical displacement.</p> <p>Disturbance compensation equivalent to lease/rental payments for the time of physical displacement.</p>
	Entire structures are affected or partially affected	Owner	<p>Cash compensation for entire structure and other fixed assets without depreciation equal to replacement cost, or alternative structure of equal or better size and quality in an</p>

Land and Assets	Types of Impact	Person(s) Affected	Compensation/Entitlement/Benefits
	Remaining structures not suitable for continued use		<p>available location which is acceptable to the PAP.</p> <p>Right to salvage materials without deduction from compensation</p> <p>Relocation assistance (costs of shifting + allowance)</p> <p>Rehabilitation assistance if required (assistance with job placement, skills training)</p>
		Rental/leaseholder	<p>Cash compensation equivalent to 100% of lease/ rental fee for the remaining period of the rental/ lease agreement (written or verbal)</p> <p>Relocation assistance (costs of shifting + allowance equivalent to four months rental costs)</p> <p>Assistance to help find alternative rental arrangements</p> <p>Rehabilitation assistance if required (assistance with job placement, skills training)</p>
		Squatter/informal dweller	<p>Cash compensation for affected structure without depreciation</p> <p>Right to salvage materials without deduction from compensation</p> <p>Relocation assistance (costs of shifting + assistance to find alternative secure accommodation preferably in the community of residence through the involvement of the project)</p>

Land and Assets	Types of Impact	Person(s) Affected	Compensation/Entitlement/Benefits
			<p>Alternatively, assistance to find accommodation in rental housing or a squatter settlement scheme, if available)</p> <p>Rehabilitation assistance if required assistance with job placement, skills training)</p>
		A street vendor (informal without title or lease to the stall or shop)	<p>Opportunity cost compensation equivalent to 2 months net income based on tax records for the previous year (or tax records from comparable business, or estimates), or the relocation allowance, whichever is higher.</p> <p>Relocation assistance (costs of shifting)</p> <p>Assistance to obtain alternative site to re-establish the business.</p>
Standing crops	Crops affected by land acquisition or temporary acquisition or easement	PAP (whether the other owner, tenant or squatter)	Cash compensation equivalent to an average of last three years market value for the mature and harvested crop, plus the labour cost.
Trees	Trees lost	Title holder	Cash compensation based on type, age and productive value of affected trees plus 10% premium
Loss of access to grazing	On livelihood	Households are undertaking grazing activities in the affected areas.	<p><i>Alternate Arrangements:</i> Encourage the adoption of zero-grazing techniques,</p> <p><i>Economic rehabilitation assistance:</i> Assist to facilitate this transition... For example, assistance with and payment for construction of new zero-grazing structures on alternative lands; provision of buffer lands for the growth of cattle fodder; assistance with the cultivation of fodder, provision of cattle fodder for the lag period until cultivated cattle fodder becomes available.</p>

Land and Assets	Types of Impact	Person(s) Affected	Compensation/Entitlement/Benefits
			Ensure that the livestock owners have access to land for grazing or ways to sustain their livelihoods.
Loss of access to water sources	Loss of access to water for household use, for household plots, etc.	Affected households	<i>Replace water access:</i> Provide alternate access to water sources in the interim period. Ensure that the investments' design takes into consideration different use and need for water and accommodate the users accordingly.
Loss of communal properties such as burial grounds and places of worship, community centres, and social buildings	Loss of access to these sites, temporarily or permanently, loss of investment made.	Communities affected	<i>Consultation:</i> Undertake consultation with affected households to determine appropriate arrangements and compensation if suitable. Replacing the social building such as schools and dispensaries.
Loss of livelihoods	Loss of means of livelihoods such as small production, such as collection of forest product, fishery, beekeeping, small dependent jobs on affected assets, such as sand, forest, inaccessible water bodies and forest	Communities are engaging in non-farming livelihoods such as hunters and gatherers, fisherfolk, beekeeper.	Livelihood restoration programs: Undertake to help the affected communities restore their livelihood.
Temporary Acquisition	Temporary acquisition	PAP (whether the other owner, tenant or squatter)	Cash compensation for any assets affected (e. g. boundary wall demolished, trees removed)
		Vulnerable people	Addition (20%) cash compensation for any assets affected (e. g. boundary wall demolished, trees removed)

Land and Assets	Types of Impact	Person(s) Affected	Compensation/Entitlement/Benefits
			Subsidised electricity connections and bills Prioritised compensation with help to reconstruct new relocation houses.

4.7 CUT-OFF DATES

The entitlement cut-off date refers to the time when the assessment of persons and their property in particular project areas is carried out, which is the time when the census or economic survey is initiated. The establishment of a cut-off date is required to prevent opportunistic invasions/rush migration into the area.

Where there are apparently no identified owners or users of land or assets, the respective Administration will notify the community leaders and representatives to help to identify and locate the land users and owners. In the case of unallocated customary land, the Customary Land Act provided for the Ministry of Lands to allocate the land for public utilities to the implementing partner in collaboration with Traditional Authorities. 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 PAPs will be informed through both formal notifications in writing and by verbal notification delivered in the presence of the community leaders or their representatives.

4.8 ASSET VALUATION

Valuation is the process of determining the value of land, or an asset that PAPs possess or use. Compensation for all land use and assets will be required for the following:

- i. Land;
- ii. Residential buildings, structures and fixtures;
- iii. Cultivated crops (both cash and food crops) and trees (timber and fruits); and
- iv. Loss of businesses or employment.

In addition, resettlement and economic rehabilitation assistance will be provided to the PAPs, as outlined in the Entitlement Matrix. It is essential that if cash compensation is selected, then replacement values are used to establish actual compensation for all projects funded under MEAP. A registered valuer will undertake the valuation exercise, using existing market price, to establish replacement cost. This will be done as part of the preparation of each investment specific RAP.

4.9 VALUATION PROCESS OF ASSETS

4.9.1 Development of Standard Valuation Table

Due to the expected investments under MEAP and the localized nature of the majority of project interventions, it is anticipated that a relatively large number of small-scale asset valuations will need to be carried out during the implementation of MEAP.

4.9.2 Field Preparation of Asset Inventory

The first step will be to carry out an asset valuation survey as part of RAP preparation. The team will include the consultant contracted by the implementing agency to carry out the RAP and the registered land valuer and will include a representative of the PAPs. Each asset will be enumerated and inscribed in an inventory, and a valuation of the asset carried out using the approach described above. The values of each asset will then be recorded in a register, and before presenting the figures to the PAPs, the Ministry of Lands, Housing and Urban Development will validate the figures and after that show to the affected person for agreement. The register will be

signed, and a copy given on the spot to the affected person. At this time, a copy of the grievance procedure will also be given to the affected person as stated in the grievance redress mechanism. The information collected, including census, will have been compiled in electronic and hard copy form, with a separate file for each affected household, including: -

- i. Census results;
- ii. Asset inventory and valuation;
- iii. Photographs; and
- iv. Any other relevant information.

The type of compensation will be an individual choice. MEAP will consult with the affected persons to determine the preferred mode of compensation. Records of these consultations will form part of the RAP reports that will be prepared by the consultant. **Table 5** below describes the forms of compensation.

Table 5. Forms of Compensation

FORMS OF COMPENSATION	
Cash Payments	Compensation will be calculated in Malawi kwacha, based on the replacement cost. Rates will be adjusted for inflation.
Replacement of assets	Compensation may include reinstatement of houses, structures such as driveways, road sections, and other buildings.
Resettlement and Economic Rehabilitation Assistance	Assistance may include livelihood restoration measures, moving allowance, transportation and labor

Cash compensation can lead to short term spending by poor households who are losing houses and consequently long-term impoverishment. Cash also has negative impacts for women as payments are generally paid to male households' heads. To mitigate this, MEAP will make it a policy that affected households incorporate women as signatories into their accounts.

To reduce inflationary pressure on the cost of goods and services, current market prices will be monitored within the period that compensation is being made to allow for adjustments in compensation values. These changes in values could be due to an economic shock that may cause increase in prices and values of assets. Where compensations are done six months after valuation of the assets, adjustment on the total values will be made to reflex market prices and values. The issue of security, especially for people who will be receiving cash compensation payments will be addressed by the local administration and using bank accounts or mobile money as modes of payment. The timing and venue for compensation will be decided by each implementing agency in charge of a specific investment in consultation with the PAPs and with the assistance of the local administration.

4.10 VALUATION AND CALCULATION OF COMPENSATION

4.10.1 Methods for valuing assets in Malawi

There are fundamental and basic appraisal methods which enable a valuer to arrive at a logical and supportable estimate of the value of property owned by PAPs. For any valuation model to have validity it will have to produce an accurate estimate of the market price. The method will, therefore, have to reflect the market culture and conditions at the time of valuation. The following method will be considered.

4.10.2 Investment method

The investment method will treat the property like any other investment in the market, where the main factors influencing investment decisions are the security of principal, adequate yield, security of income, administrative costs and capital growth. The procedure is to capitalize on the rental income (net of expenses or outgoing) using a coefficient based on the prevailing market yield. Yield adjustments will have to be made where income is terminable. Where ownership will accrue in future or the expected income stream is likely to change, the benefit is deferred at an appropriate rate, where adequate market data are available. Where sale and rental transactions are rare, and there is a scarcity of comparative data on rental and capitalization rates, the method will not be used.

4.10.3 Direct comparison method

The method will be used to value assets by comparing like with like. It is a very reliable method if the current market information is available on sale prices and rentals. It is usual to reduce sales or rent information to unit price for compensation purpose.

4.10.4 Replacement Cost Approach

Replacement Cost Approach is where the market sale and rental information is not available; the value can be arrived at by using the cost approach - that the costs of replacing assets are based on damages caused by project operations. The approach involves direct replacement of expropriated assets and covers an amount that is sufficient for asset replacement, moving expenses and other transaction costs. This is the method that will be preferred when compensating all MEAP project affected persons.

4.10.5 Gross Current Replacement Cost

Gross Current Replacement Cost (GCRC) is defined as the estimated cost of erecting a new building having the same gross external area as that of the existing one, with the same site works and services and on a similar piece of land. As noted earlier, to comply with OP 4.12, under this RPF the replacement cost approach will be used, which includes all expenses to replace a lost property and land. No depreciation will be used since the crux of this approach is that the people who lose land and assets will be able to replace them at least at the pre-project level.

4.11 CALCULATION OF COMPENSATION BY ASSETS

The following methods of calculation will be adopted for the preparation of the aforementioned standardized asset valuation tables and the application of specific case by case valuations in the case of projects that have significant impacts.

4.11.1 Compensation for Land in Urban Areas

The compensation will be based on replacement cost, which will be the market price plus the cost of buying a new plot of land and the fees and taxes involved.

4.11.2 Compensation for Agricultural Land

The MEAP project will provide the first replacement of land for any affected land. If receiving land as compensation, the affected party will then be compensated for the labour required to replant the crops. In the case where there is no alternative land available, cash compensation at full replacement value will be provided. This will be valued based on the prevailing market value in the locality to purchase an equally productive plot of land in the same locality.

Any associated costs of purchasing the land, i.e. taxes, and registration fees will be included in the compensation. Compensation will also be done for any improvement made on the land with the calculation made using current prevailing market rates for labour, equipment, and materials. In cases where land lost is only a small fraction of total land owned by the PAP, but renders the remaining land as unusable, the compensation provided will be calculated based on the total land affected (i.e., the actual land lost plus the remaining unusable land). In addition, the PAPs will be compensated for any permanent improvements made to the land (for instance water distribution and supply lines). This will be calculated based on the price of making the permanent improvement at current prevailing market rates for labour, equipment, and materials.

Compensation for land is aimed at providing a farmer and landowners whose land is acquired and used for project purposes, with compensation for land, labour, and crop loss. The farmer's labour is one of the most significant investments he/she makes in producing a crop which is higher than all other inputs such as seed and fertilizer. As a result, compensation relating to land will cover the market price of labour invested as well as the market price of the crop lost.

4.11.3 Land Measurement

For purposes of measuring land under MEAP, the unit of measurement would be that which is used and understood by the PAP and if a traditional unit of measure exists in the rural areas, that unit will be used. If a traditional unit of measurement does not exist in a particular area, then it is recommended that land should be measured in metres or any other internationally accepted unit of measurement.

However, in such an event, the unit that is being used must be explained to the affected farmers/users and must somehow be related to easily recognizable land features that the communities are familiar with, such as using the location of trees, stumps, etc. as immovable pegs. The most critical concern of this exercise is to ensure that the affected person is able to verify using

his/her standards/units of measurement, the size of land that is being lost. This will ensure transparency in the system and will thus avoid subsequent accusations of wrong measurements or miscalculation of areas. A farmer should know how much land he/she is losing, in terms of size and the replacement land must be at least of that same size and comparable value as land lost.

4.11.4 Calculation of Crop Compensation Rate

The compensation of the crops will be paid at the market rate for the production lost. This rate incorporates the value of crops and the value of the labour invested in preparing. Market value is equivalent to an average of previous years' market value for the mature and harvested crop. The value of the labour invested in preparing agricultural land and ploughing will be compensated at the average wage in the community for the same period.

4.11.5 Crop Values Determination

The value of each staple crop affected will be taken as the highest market price (over three years) reached during the year. This will be validated from current market prices of crops as kept by Agriculture Development Division (ADD) office. The labour cost for preparing replacement land is calculated on what it would cost a farmer to create a replacement land. This value is found by adding together the average costs of clearing, ploughing, sowing, weeding twice, and harvesting the crop. The labour costs will be paid in Malawi kwacha at the prevailing market rates. For transparency reason, all land labour will be compensated for at the same rate. If the land is needed at the agriculturally critical date when a farmer or PAPs will not have enough time to prepare another land without assistance, support will be provided in the form of labour-intensive village hire, or perhaps mechanized clearing so that that replacement land will be ready by the sowing dates. The farmer will continue to receive his/her cash compensation to enable him/her to pay for sowing, weeding and harvesting.

4.11.6 Compensation for Buildings and Structures

Compensation will be paid by replacing structures such as houses, buildings, huts, farm, outbuildings, latrines and fences on alternative land provided. Cash compensation would be available as a preferred option for structures lost, that are not the main house or house in which someone is living. The current market prices for construction materials will be determined. The second option is the provision of cash compensation at full replacement value. Replacement values will be based on:

- i. Measurements of structures and detail of materials used;
- ii. Average replacement costs of different types of household buildings;
- iii. Structures based on a collection of information on the numbers and types of materials used to construct different types of structures (e.g. poles, bricks, rafters, bundles of straw, corrugated iron sheets, doors etc.).
- iv. Prices of these items collected in different local markets;
- v. Costs for transportation and delivery of these items to acquired/ replacement land or building site;
- vi. Estimates of construction of new buildings including labour required;
- vii. Any associated taxes, registration fees.

4.11.7 Voluntary Land Donation (VLD)

For land donated voluntarily for MEAP projects, written consent must be undertaken by the owner of the land and also consented by the family of the owner and witnessed by the Chief. A detailed procedure for VLD is provided in Annex 9. An agreement will then be prepared by the District Magistrate, signed by the owner, and witnessed by the Chief. The project will have to ensure that (i) the potential donors have been appropriately informed and consulted about the project and the choices available to them, that potential donors are aware that refusal is an option, (ii) that the donated land is not more than 5% of the landowner's land and that the donation will not reduce the donors' current livelihood level, (iii) the donor is expected to benefit directly from the project, and (iv) no household relocation is involved.

4.11.8 Compensation for Community Assets

Community assets include community-owned assets such as water points, wells, marketplaces and community/ public facilities (e.g. schools, clinics police posts). Community assets will be identified through the census and enumerated. In the event that community assets are affected, in-kind and new facilities will be provided even if there are existing facilities at the new location, except if such assets are not needed in the new place. However, if community trees are affected, the community will be compensated through the provision of new seedlings equivalent to the value of lost trees. Some community assets such as burial grounds in the rare case may be affected. This site will be avoided, and the project will not remove/relocate graves or use land in graveyards.

4.11.9 Compensation for Sacred Sites

This RPF is conscious of the fact that the valuation of sacred places is a difficult undertaking because of the complexity of placing a monetary value on a cultural site. Additionally, most sacred sites belong not only to an individual but to a family, village, or community.

Under this RPF to the largest extent possible, the sacred sites and use of land that is defined to be cultural and sacred property by the Banks Safeguards OP 4.11 will be avoided. Sacred sites will include but not be restricted only to; museums, altars, initiation centres, ritual sites, ancestral tombs, trees, stones, and cemeteries which are considered sacred by the project affected persons. It will also include other such sites or places/features that are accepted by local laws (including customary), practice, tradition and culture as sacred. However, if the impact on some cultural sites is unavoidable, utmost care will be taken to ensure that all related activities affecting such sites and compensation are culturally appropriate and acceptable to the involved community and that all the processes are done in a consultative manner and with full participation of the affected communities.

4.11.10 Compensation for Loss of Enterprises

Business structures in project areas will be replaced in an appropriate location as outlined above. In addition, compensation will be paid for the lost income, profits and production during the transition period (time lag between losing the business and re-establishment). If it is not possible or

preferable to provide replacement site for an affected business/enterprise, the full replacement cost to re-establish the business, as described above, will be provided.

4.11.11 Compensation for Vegetable Gardens and Beehives

Most vegetable garden, form part of the residential space of most homes - though miniature in size, they make a critical component of most family's food and nutritional supplement through the provision of vegetables. Until a replacement garden starts to bear, the family displaced (economically or physically), will have to purchase vegetables in the market for daily use. The replacement costs, therefore, will be calculated based on the average amount that an average household in the area spends on buying these items for one year per adult from the local market. Beehives are placed in various locations in the bush by individuals specializing in honey gathering. If such hives will be disturbed by the project activities or access to hives is denied, beekeepers will be free to move them, and hopefully the bees will adapt to the new locations. Beekeepers will be compensated by the value of one season's production costs of honey for each hive that is moved and any reasonable costs associated with moving the hive.

4.11.12 Compensation for Horticultural, Floricultural and Fruit Trees

Papaya, Banana, Guava, spice crops, medicinal and aromatic crops will form a set of primary fruit trees that are likely to be found in the project's targeted area and are estimated to account for a significant amount of all fruit-bearing trees. They are primarily important as a source of subsistence food for families; cash produce that contributes to the export economy; petty market income in some areas, and shade. For banana trees, they have a relatively much shorter productive life, normally, than mango trees. For species, banana trees will not bear fruit more than once a year. Therefore, compensation for banana trees will be based on the full market rates for bananas harvested in that year and for one additional year. The second-year payment is for the replacement cost of planting a new tree, looking after it and harvesting it which could all be done in one year. This method, in general, is used for trees/plants that have a relatively short life.

Mango tree and other fruit-bearing trees with longer lifespan will be compensated on a combined replacement/market value. Mango trees used for commercial purposes will be compensated at market value based on historical production records.

If households choose to resettle, they will be compensated for the labour invested in the trees they leave behind. For this RPF, the compensation rate will be based on the value of the mango and other fruits harvested in one season multiplied by the 30 years⁵ of the maturity of the tree. The compensation could also be in the form of providing a combination of new grafted and local trees to farmers, as well as cash payments to offset lost yearly income.

4.11.13 Other domestic fruit, shade trees,

As defined in this RPF, individuals will be compensated for wild trees which are located in their land. Wild productive trees belong to the community when they occur in the bush as opposed

⁵ With proper selection, planting and care, fruit trees can be productive for **20 to 30 years** or more, even in non-ideal conditions.

to fallow land. These trees will be compensated for under the umbrella of the community compensation.

4.11.14 Compensation for livelihoods that are not necessarily land based

For those who have small production and that production is a major part of their livelihoods, such as forest fruit and herbs collectors, fishermen, beehive keepers, livestock owners, tenants, those working on land, sand collectors, earning an income, which is affected by any of MEAP sub project investment, the RPF proposes full livelihood restoration and support to such vulnerable groups affected by the project's activities.

5.0 PREPARING & APPROVING RESETTLEMENT AND COMPENSATION PLANS

This chapter describes how a determination will be made (screening) on whether MEAP subproject investments will lead to physical or economic displacements (figure 2). If through the screening process, it is determined that displacement will occur, then the section highlights the steps, process and methodologies for preparing RAPs. The RAPs for each investment will be prepared in accordance with this RPF.

5.1 THE SCREENING PROCESS

5.1.1 Screening

Given that the types of investments and possible severity of impacts of subprojects under the MEAP vary, each investment that is proposed to be included under MEAP will be screened by the PIU and classified according to its potential social, economic and environmental impacts. The screening will be based on the sub-project brief, defined area of impact, primary engineering drawings, maps and if available satellite images of the project area showing homes, farms, workplaces, schools, health posts, places of worship and other individual and community assets.

If screening determines that resettlement is likely, the next step will be to initiate resettlement planning, consultation and the preparation of a RAP. The steps to be undertaken for each individual Resettlement Action Plan (RAP) include; identification of Project Affected Persons (PAPs), a socioeconomic census and asset inventory of the area, and consultation. Each RAP when prepared will contain the analysis of alternative sites undertaken during the land screening process.

Once the decision is made on the location of a given subproject under MEAP and screening done by the PIU indicates that the subproject will affect land, assets and/or livelihood, the PIU will make a written request to the Ministry of Lands, Housing and Urban Development of the intention of the acquisition of the identified area for the proposed MEAP subproject land. The Ministry of Lands, Housing and Urban Development will inspect the land and grant approval for the land to be acquired for the implementation of the subproject. With this approval, the Ministry shall then go ahead and make written notification of the intention to acquire the identified land for public purposes. This RPF proposes the constitution of a Resettlement and Compensation Committee (RCC), whose membership and functions are comprehensively described in Chapter 6 on Institutional Framework: With this committee in place, the RAP process will be set in motion.

- i. First, the RCC will begin by meeting with the affected community to inform them about the potential project in their area and its possible impacts on land and livelihoods. A RAP shall then be prepared by the qualified consultants contracted by the PIU for the identified MEAP investment. The consultants will work closely with the technical design team, PIU Safeguards team, and relevant Lands Office.
- ii. All affected individuals will be notified by the District Councils directly in the presence of their local leaders;

- iii. All potential PAPs will be identified (through a scoping exercise) and informed about their options and rights pertaining to compensation for land and assets to be acquired by a given project;
- iv. PAPs will be consulted about land acquisition and compensation and offered technical and financial options, including the most economically feasible alternatives;
- v. PAPs will receive reasonable compensation at full replacement cost for losses of assets and access attributable to the sub-project;
- vi. PAPs will be enabled to restore and preferably improve their living standards compared to pre-project ones.

Timing	Task	Tools
During subproject approval process with E=environmental screening process	Screening	Screening Checklist form
	Approval?	
On receipt of permit for subproject Where resettlement identified	Creation of Sub-project Resettlement and Compensation	RPF
	Set cut-off date, prepare and implement consultation and grievance plan	RPF
On out off date	Census and ID of PAPs	census survey form
On out off date	Land asset inventory	census survey form
	Validation and verification	Validation and verification
Once PAPs are validated	Development of RAP	RPF
RAP should be completed within one month of PAP validation	RAP review and Approval	RPF
Before subproject commences implementation. Before people are displaced	RAP Implementation	RPF
Throughout project baseline dev. Monthly/quarterly monitoring	Monitoring	List of indicators

5.2 PREPARATION OF A PROJECT SPECIFIC RAP

As soon as investment/project is approved to be financed under the MEAP, the implementing agency will initiate a consultative and participatory process for preparing the RAP as follows:

- i. A census survey will be completed to determine the scope and nature of resettlement impacts including the number of PAPs, the number and size of the assets, the economic activities, the other socio-economic data, and productive assets to be affected, among others.
- ii. The socio-economic assessment will focus on the potentially affected communities, including some demographic data, description of the area, livelihoods, the local participation process, socio-cultural characteristics of the population. This together with the census will establish baseline information on livelihoods and income, landholding, etc. Aside from the census and socioeconomic survey, which are the basis for collecting data and information on the PAPs and their assets, the following guidelines will be used when the RAP is being developed.
- iii. Consultation and participatory approaches. A participatory approach will be used to initiate the compensation process. Consultations will start during the planning stages when the technical designs are being developed, and at the land selection/screening stage. The process, therefore, seeks the involvement of PAPs throughout the census and socioeconomic study for identifying eligible PAPs and throughout the RAP preparation process.
- iv. Notification. All eligible PAPs will be informed about the project and the RAP process. A cut-off date will be established as part of determining PAPs eligibility, which is the date the census or the socioeconomic survey is initiated. In special cases where there are no identifiable owners or users of the land or asset, the RAP team must notify the respective local authorities and leaders. A “triangulation” of information – affected persons; community leaders and representatives; and an independent agent (e.g. local organization or NGO; other government agency; land valuer) – may help to identify eligible PAPs. The RAP team will notify PAPs about the established cut-off date and its significance. They will be notified both in writing and by verbal notification delivered in the presence of all the relevant stakeholders.
- v. Documentation and verification of land and other assets. The Ministry of Lands, Housing and Urban Development, together with a contracted registered valuer, will arrange meetings with PAPs to discuss the compensation and valuation process. For each individual or household affected by a given investment/sub-project, the RAP preparation team will complete a Compensation form containing necessary personal information on the PAPs and their household members; their total land holdings; inventory of assets affected; and demographic and socio-economic information for monitoring of impacts. This information will be documented in a report and witnessed by an independent or locally acceptable body such as RCC or an NGO in the locality. The reports will be regularly updated and monitored.
- vi. Compensation and valuation. All the types of compensation will be clearly explained to the individual and households involved by the consultant and a Ministry of Lands, Housing and Urban Development representative. This will refer especially to the basis for valuing the land and other assets, which will always be done in the presence of the PAPs or their

representatives. Once such valuation is established, the Ministry will produce a Contract or Agreement that lists all property and assets that will be acquired by the project and the types of compensation selected. Table 4 provides a sample of entitlements that are eligible for compensation. All compensation should occur in the presence of the affected persons and the community local leaders. If cash compensation is the preferred choice of the PAPs, the means to provide such cash compensation will be decided by the PAPs, e.g., through a cheque, direct deposit to the PAPs' account or direct payment in cash to PAPs given that access to banking is sometimes a challenge in a remote environment.

- vii. Budgeting. The costs associated with resettlement or relocation will be included in the RAP budgets for all sub-projects under MEAP.
- viii. Payments. A compensation schedule will be produced for all the PAPs, institutions and community. This will guide the payment of compensation packages to the PAPs by the Project Implementation Unit through the District Councils/Assemblies in each district that are mandated to make payments to the PAPs. The Electricity Supply Corporation of Malawi (ESCOM) through the of PIU will provide funding to the District Councils/Assemblies, which have the overall responsibility for compensation issues at the district level.
- ix. Grievance Mechanism. Establishment of grievance mechanism will be one of the key requirements of the RAP processes for every MEAP subproject. This is described fully in Chapter 9. One of the key roles of the proposed RCC will be grievance resolution and management. The PAPs will be informed about the dispute resolution process, specifically about how the disputes will be resolved in an impartial and timely manner and on how to register grievances or complaints, including specific concerns about compensation and relocation as well as disputes regarding livelihood restoration measures.
- x. Disclosure. Disclosure of all relevant information will be done to PAPs through project communication channels and the independent grievance mechanism.

5.3 APPROVAL OF RESETTLEMENT ACTION PLANS

All RAPs developed for MEAP project investments will be reviewed by the MEAP/PIU, Department of Lands and the World Bank. For quality assurance, it is required that RAPs prepared for specific investments be submitted to the World Bank for review to ensure that they are produced in line with principles of this RPF and World Bank OP 4.12 policy requirements. Gaps in quality shall be addressed through reviewers and the contracted consultants.

Once the individual RAPs are approved, they should be disclosed in the country and on the World Bank's external website. In addition, each RAP should be available in the localities and districts for which the investments are intended. The entitlement section of each RAP and the entitlement matrix should be translated into the local language and be distributed among the project affected communities.

6.0 INSTITUTIONAL FRAMEWORK FOR RAP PREPARATION AND IMPLEMENTATION

6.1 IMPLEMENTATION ARRANGEMENTS

The Institutional responsibility for Resettlement Action Plans (RAPs) preparation and implementation, including delivery of entitlements lies with ESCOM and MoNREM (Figure 3).

6.1.1 Responsibilities and Roles of Key Entities

The lead implementing agencies are the Electricity Supply Corporation of Malawi (ESCOM) for component 1 and Ministry of Natural Resources Energy and Mining (MoNREM) for component 2. ESCOM will establish a Project Implementation Unit (PIU) which is charged with the responsibility of delivering ESCOM's capital projects under MEAP. No resettlement is expected for Component 2 activities. Therefore, the RPF only covers component 1.

ESCOM will recruit two qualified fulltime safeguards staff, one responsible for Environment and the other Social safeguards issues. MoNREM will have a safeguards specialist assigned from the EAD to manage both environmental and social issues in this project under the MoNREM PIU. The three PIU's Social Safeguards Officers will work closely with District Councils/Assemblies, who in turn will work closely with Area Development Committee (ADC) and Village Development Committee (VDC) in areas where MEAP will have investments that will require RAPs (see figure 3). The PIU's Social Safeguards Officers will be responsible for screening the project's activities for social impacts including activities that will result in land acquisition and involuntary resettlement; hiring of consultancies to prepare RAPs as needed; facilitating various consultation activities; disclosure of RAP in country; ensuring the interests of PAPs, particularly vulnerable groups, are taken into account and addressed within the RAPs; review of RAPs to ensure compliance with national and WorldBank requirements; ensuring RAP clearance and approval; ensuring functioning GRMs and response towards resolving related issues; and supervising and monitoring the progress in resettlement preparation and implementation including delivery of entitlements and regular progress reporting. The preparation of a Safeguards capacity building plan and its implementation/execution is included under component 3 of the project.

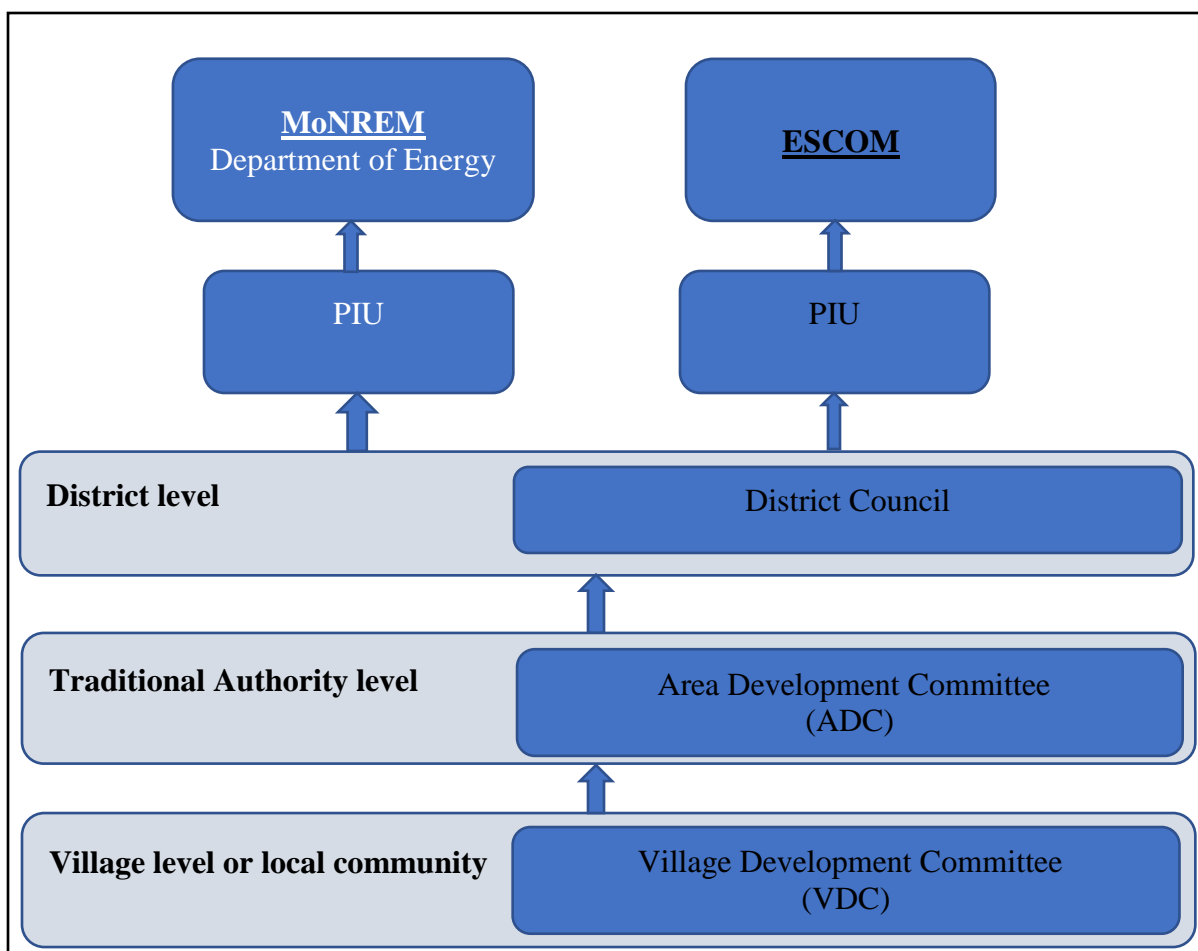


Figure 3: Implementation structure of the RPF

6.1.2 Establishment of Resettlement and Compensation Committee (RCC)

For the purpose of this RPF, at every District Council level where investments are likely to be made, a Resettlement and Compensation Committee (RCC) will be established to help ensure that all legal processes involving valuation and compensation are followed in a just and transparent manner. This committee is proposed to ensure participation and inclusion of stakeholders. The RCC will ensure effective communication among affected persons, Ministry of Lands, Housing and Urban Development, District Councils and ESCOM. In each District, the RCC will include a representative of District Council, Ministry of Lands housing and urban development, the PIU, VDC, ADC, Traditional Authority, and representative of the PAPs among other members. The main role of the RCC will be to participate in and oversee the compensation process and ensure that there is equity. The RCC will also work with the PIU social safeguards person, the VDC, ADC and DC in the GRM process.

6.2 SUPPORTING INSTITUTIONS

A number of Government and Non-Governmental institutions will be directly and indirectly involved in the implementation and monitoring of this RPF. These include Ministry of Lands, Housing and Urban Development who will mainly assist on land issues and monitoring of the RAP.

Within the Ministry of Lands, Housing and Urban Development, Lands department will be responsible for the -valuation of land before compensation is given. Where there will be non-fruit or fruit trees and forest to be compensated, the Forestry Department will be responsible for the valuations for the compensation of such trees and forest assets that will be affected by the project. The Table below presents a summary of the institutions that will be involved in the RAP and their roles.

Table 6: Institutions and their Roles in the implementation of the RAP

Institution	Role
Ministry of Lands, Housing and Urban Development	Policy guidance on land acquisition and compensation Monitoring the Implementation of the RAP Assessments of Land and Assets Review and Approval of RAP
Department of Forestry	Providing Schedule for assessment of trees
Ministry of Agriculture and Water Development	Providing a schedule for crop assessment
District Councils	Heading the Grievance Mechanism Committee Oversees the payment of Compensation to PAPs Monitoring implementation of RAPs
Traditional Leaders	Coordinates with the developer and District Council Helps in identifying the PAPs Identifies Alternative Land for PAPs Member of the Grievance redress committee
Project Implementation Unit	Preparation of RAP Coordination with all government institutions involved with the resettlement process Processes the payment of compensation Manages the resettlement process Monitors the implementation of RAP
NGOs	Monitoring the implementation of RAPs Members of the Grievance redress committee through representatives

7.0 IMPLEMENTATION SCHEDULE

7.1 PREPARATION OF RAP

While it is not possible to prepare a detailed implementation schedule at the current time, because MEAP investments have not been defined, the guiding principle is that no civil works will begin before compensations have been fully paid out.

Each investment once identified and screened, if required, will prepare an individual implementation schedule as part of the RAP for that investment. Therefore, all RAPs will include an implementation schedule for each activity covering initial baseline and preparation, actual relocation, and post relocation economic and social activities. The plan will include a targeted date when the expected benefits for project affected persons would be effected. Arrangements for monitoring of the implementation of the resettlement and evaluating its impact will be developed during the preparation of individual RAPs' implementation schedules. The principles for the preparation of monitoring and evaluation are discussed in Chapter 11 on Monitoring and Evaluation. Target dates for achievement of expected benefits to resettled persons and hosts will be set, and the various forms of assistance to the resettled persons will be disseminated to them. All the stakeholders will be requested to participate in the decision-making process and provide inputs in the area of their expertise in order to establish a coherent work plan or schedule.

The schedule for the implementation of activities related to specific RAPs will be prepared based on the principles of this RPF and must be agreed between the MEAP PIU, RCCs and PAPs to give legitimacy to the whole process as outlined in the law. These will include the target dates for start and completion of civil works, the dates of the possession of land that PAPs are using, dates of the full compensation, dates of transfer of titles, if necessary, and dates of handover of land to the implementing agency. The consultation process will ensure that RAPs contain acceptable measures agreed upon among all stakeholders that link resettlement activities to civil works under each specific investment in compliance with this policy.

7.2 TIMING OF COMPENSATIONS

Before any subproject investment is implemented, PAPs will need to be fully compensated in accordance with this RPF. The timing mechanism of these measures will ensure that no individual or affected household would be displaced (economically or physically) due to civil works activity before compensation is paid. In cases where PAPs will be relocated, resettlement sites, with adequate facilities, will be prepared and provided to the individual or homestead affected.

8.0 MECHANISMS FOR CONSULTATIONS AND PARTICIPATION IN PLANNING, IMPLEMENTATION AND MONITORING

Public consultations and participation are essential because they afford PAPs the opportunity to contribute to both the design and implementation of the project's activities and reduce the likelihood for conflicts between and among PAPs and implementing agencies. The way the land administration is undertaken in Malawi today is based on long-standing traditional and cultural practices that make public consultations with the rural communities, essential. In recognition of this, particular attention will be paid to public consultations with project-affected individuals/households/communities in resettlement and compensation. Public consultations will take place at the inception of the planning stages of RAP when the potential land areas are being considered. Records of these consultations will form part of the RAP reports that will be prepared by the PIU.

The participation strategy will revolve around the provision of a full opportunity for involvement. Therefore, as a matter of strategy, public consultations will be an on-going activity taking place throughout the entire project cycle.

Public participation and consultations will take place through meetings, radio programs, request for written proposals/comments, filling in of questionnaires/ application forms, public readings and explanations of project ideas and requirements, making public documents available at the national, local and homestead levels at suitable locations like the official residences/offices of local chiefs/elders. These measures will take into account the low literacy levels prevalent in these rural communities in Malawi by allowing enough time for responses and feedback.

Notwithstanding, the best guarantors for public interest are the traditional and local leaders who are responsible members of their local communities and can also be part of the potentially displaced (economically or physically) individuals/households. Particular attention will be given to vulnerable groups such as the landless, and women to ensure that they are represented adequately in such arrangements.

8.1 OBJECTIVES OF CONSULTATIONS WITH PAPS

Specific objectives of the engagement process on RAP project will be as follows:

- i. To share fully RAP information about the social-economic and environmental impacts of the project with the PAPs;
- ii. To obtain information about the needs and priorities of the PAPs, as well as information about their reactions to proposed policies and activities;
- iii. To inform PAPs about various options for livelihood restoration;
- iv. To obtain the cooperation and participation of PAPs and related communities in activities required to be undertaken for RAP planning and implementation;
- v. To discuss compensation rates and eligibility entitlement;
- vi. To discuss choice of alternative location of farmland;

- vii. To ensure transparency in all activities related to land acquisition, compensation and rehabilitation;
- viii. To establish a clear, easily accessible and effective complaints and grievance procedure; and
- ix. To establish mechanisms for monitoring and evaluation and for implementing corrective actions.

8.2 CONSULTATION PROCESS WITH PAPS

Steps of information and consultation will be implemented:

- i. **Initial information:** Basic information will be provided to potentially affected people on the MEAP project. This step will take the form of public meetings.
- ii. **External stakeholder consultation:** Other key stakeholders such as MoNREM, EAD, traditional authorities, local political leaders and District Council/Assembly officials have been consulted for their views, concerns and suggestions regarding RAP.
- iii. **Consultation on draft RAP:** once the RAP is available in draft form, it should be discussed with project-affected persons, RCC Committee members and other relevant stakeholders whose comments shall be incorporated into final document
- iv. **Disclosure:** The RAP will then be disclosed on ESCOM and relevant District Assembly notice boards and websites for comments.

RCCs are expected to play an important role in the consultation process. They will be in close contact with the affected communities and in continuous communication with them about the MEAP projects, their impacts, resettlement and compensation processes, grievances management, among other things. They will also be the ones communicating the cut-off date and other project related issues to the PAPS.

8.3 CONSULTATIONS ON THE RPF

During the development of this RPF, public consultations were held in August and September 2018 with different stakeholders from some MEAP focus districts to discuss the contents of this RPF. In addition to consulting different institutions like ESCOM, the Malawi Government Ministries and Non-Governmental Organization, local communities in Chiradzulu, NKhotakota, Nkhata Bay, Mzuzu, Lilongwe, Blantyre, and Lilongwe Districts were consulted. Communities that have had new electricity connections and had experience working with ESCOM, in addition to other new non-connected customers were consulted. These interviews provided many insights regarding the possible impacts of the project and possible issues that should be taken into consideration in the RPF. They also highlighted the institutions that will be key and instrumental in making the project sustainable and effective. Specific details of the consultations are captured in Annex 10. However, below is a summary of the main issues that were raised by the communities.

The communities raised the main issues of the lack of feedback and procedures for grievances. The communities reported that when they have raised issues, e.g. encroachment of ESCOM into their land without permission and damage of their property, the procedure for the PAPS/communities to follow to launch their complaints is unclear. Where the complaints are

launched successfully, ESCOM's feedback takes time, and communities end up spending considerable time and resources in following up on these issues with ESCOM.

In other cases, the communities raised concerns that where a household raised a grievance, such households are most times excluded from the supply of electricity and they have to wait long to be connected. These complaints were mainly from issues of ESCOM installing electricity poles without the consent of the landowners.

In cases where compensation is to be paid, and all procedures have been followed, some communities mainly in Chiradzulu complained that the District Council staff have either abused the recipients of the compensations verbally or in worst case scenarios deducting some of their compensation by giving very suspicious reasons. The community hoped that in the new project, the procedures will be transparent and that complaints will be handled fairly and faster.

8.4 DATA COLLECTING PHASE

During the preparation of MEAP RAPs, preliminary public consultations and socio-economic surveys study will be undertaken. It will involve the active participation of the all PAPs in the provision of preliminary data. PAPs will be important information providers, enabling accurate and effective data. Information about the proposed project will also be explained to PAPs in the local language that they understand. Besides, PAPs will be given a platform to ask questions about the project, identify the impact of the proposed MEAP activities, suggest mitigation measures and alternatives to be considered in the technical design that limits impacts. The RAP preparation consultant will also provide a rationale for data collection, discuss data with PAPs, and give PAPs feedback on the collected data.

8.5 DISCLOSURE OF RAPs

Public disclosure of the MEAP RAPs will be made to PAPs and other stakeholders for review and comments on the entitlement matrix and other issues in the implementation of the RAP. The purpose of the disclosure will be to receive comments and suggestions from PAPs and incorporate appropriate suggestions. The MEAP RAPs will be disclosed in a form, manner and language comprehensible to PAPs and at a place accessible to the displaced population and other stakeholders for review and comments on entitlement measures. Except for the Entitlement Matrix, other sections of the RAP will be disclosed. MEAP PIU at ESCOM will disclose and post any MEAP RAP in its websites and receive comments. Comments and critiques made on any MEAP RAP by PAPs and other stakeholders will be taken by MEAP PIU at ESCOM for consideration. MEAP PIU at ESCOM will also conduct a half-day workshop in the project area for the PAPs, stakeholders, representatives of civil societies, local leaders with the objective of disclosing project specific RAP. The public disclosure of any RAP will be made in Chichewa in the central and southern regions and Tumbuka in the northern region and English languages. This will be done through the MEAP PIU at ESCOM's office; depositing / posting it in a range of publicly accessible places such as, schools, churches, District Council offices, and in local newspapers with wide circulation. This RAP also will be disclosed for input from civil societies, academics and other professionals.

8.6 IMPLEMENTATION OPERATION

During consultation phase before implementation, the PAPs will be informed about their rights and options, at which point they will air their views. Cash compensation amount and size of land offered for compensation will be presented to each eligible PAP for consideration and endorsement before cash payment, or land compensation can be effected.

8.7 MONITORING AND EVALUATION PHASE

The PAPs' representatives will participate in the project completion workshops, to give their evaluation of the impacts of the project. They will also suggest corrective measures, which may be used to improve implementation of other MEAP supported projects. After completion of all expropriation/compensation operations, the PAPs will be consulted in a household survey to be undertaken as a monitoring and evaluation exercise.

9.0 GRIEVANCES REDRESS MECHANISM

9.1 GRIEVANCE REDRESS PROCESS

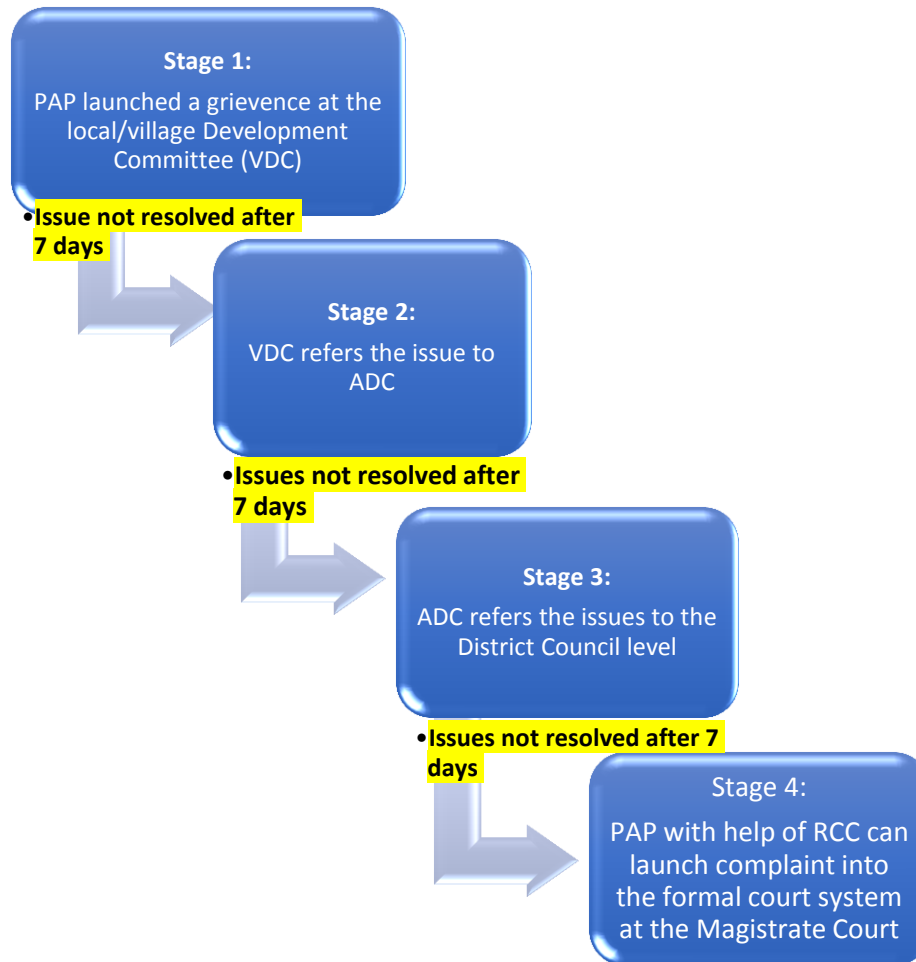
Grievance procedures are required to ensure that PAPs are able to lodge complaints or concerns, without cost, and with the assurance of a timely and satisfactory resolution of the issue. The procedures should also ensure that the entitlements are effectively transferred to the intended beneficiaries. PAPs will be informed of the intention to implement the grievance mechanism, and the procedures will be communicated at the time of the preparation of investments' specific RAPs. Under MEAP, grievances may arise from members of communities who are dissatisfied with (i) the eligibility criteria; (ii) valuation of assets and compensation, or (iii) actual implementation of RAPs, among others. This chapter sets out the measures to be used to manage grievances

Currently, ESCOM does not have any set of procedures or protocols that are followed for GRM. For projects, the grievance mechanism differs depending on the activities. Each project comes with its redressal mechanism as such there is no written procedure. During operation of projects, the procedure has been to encourage the aggrieved party to complain in writing to senior Managers or to the CEO of ESCOM. MEAP will have well set out procedures for grievance resolution that will be followed and documented. Figure 4 presents the schematic diagram of the steps that will be followed in the grievances redress procedure.

A grievance log will be established at the District level and copies of the records kept in the PIU to be used for monitoring of complaints. The grievance redress mechanisms will be designed with the objective of solving disputes at the earliest possible time which will be in the interest of all parties concerned. Communities will be advised on the GRM process through sensitisation meetings and encouraged to launch any grievances as soon as possible. These meetings will be conducted when instituting the GRM committees at village and local level. A designated committee in the community (at village level) will be responsible to receive complaints and start the process. Hence any member of the community affected by the project activities or contractors will be encouraged to launch the complaint with this committee. Details of the GRM procedures are outlines in the section below.

If a complaint pattern emerges, ESCOM through the PIU and District council will discuss possible remedial measures. The above institutions will be required to advise on the need for revisions of procedures. Once they agree on the necessary and appropriate changes, then a written description of the changed process will be made. The PIU and the District Council in collaboration with local leaders will be responsible for communicating any changes to future potential PAPs when the consultation process with them begins.

Figure 4: Schematic diagram of the grievance's management procedure



9.2 PROCEDURES FOR GRIEVANCE MANAGEMENT

The procedures for grievances management will be done from the village level as indicated in figure 4 above. The PAP will lodge any grievance linked to MEAP to the Village Development Committee (VDC) as a starting point. The detailed procedure is as below:

Stage 1: The affected person will file his/ her grievance, relating to any issue associated with the resettlement process or compensation, in writing or verbally in to the VDC. The PAP will be directed to fill the grievance form (Annex 5) and where the PAP cannot write, a responsible committee member of the VDC will assist the PAP with filling in the grievance form. The grievance form should

be signed and dated by the aggrieved person. A copy of this completed form should be submitted to the PIU through the District Council. If the issue is not resolved within seven (7) days or the PAP is dissatisfied with the proposed resolution, the VDC will refer the matter to the Area Development Committee (ADC).

Stage 2:

Upon receipt of the complaint from VDC, the ADC will conduct its own investigations to strengthen evidence that will be used to resolve the issue. If the grievance relates to valuation of assets, a second or even a third valuation will be undertaken, at the approval of ADC until it is accepted by both parties. These should be undertaken by separate independent valuers than the person who carried out the initial valuation. The more valuations that are required to achieve an agreement by both parties, the longer the process will take. If the matter is not resolved within seven days or the resolution is unsatisfactory to the PAPs, the ADC will refer the issue to the District Council.

Stage 3: If the issue is brought to the District Council, who are also mandated to help resolve such matters, they will be given seven (7) days to find solutions for the issue. The District Council will help to facilitate resolution of their complaint and ensure that the matter is addressed in the optimal way possible. If the issue involves compensations or related issues, the RCC will also be involved to help find solutions for the matter.

Access to Other Grievance Redress Systems

If the matter at the District Council cannot be resolved or the resolution is unsatisfactory to the PAP, the PAP could explore any other means outside the above-mentioned procedure. The PAPs could lodge the matter in the formal judicial system or with the World Bank's Grievance Redress System or Independent Inspection Panel of the World Bank or any other alternative means available to them. Information on how to submit complaints to the Bank's Grievance Redress Service and the Bank Inspection Panel will be disclosed to the public during various project meetings with stakeholders and community sensitization meetings.

9.3 GRIEVANCE LOG

Copies of all grievances at the VDC will be collected and given an individual reference number that will be used to track and record all actions on the matter. These grievances will be compiled in a log form at district level and the Safeguards staff from the PIU will collect all grievances at the district level for monitoring and following up. The log will contain a record of the person responsible for an individual complaint, the nature of the complaint, the name of the aggrieved, the nature of the proposed resolution and the acceptance, or otherwise, of the proposed solution by the aggrieved person and records dates for the following events as indicated in Table 7 below:

Table 7: Grievance log table at district level

Name of complainant	
Age (optional)	
Gender	
Village/Location/TA and District	
Date received:	
Received by:	
Location where complaint is received	
Issue type: Request or Concern or Grievance	
Summary of grievance	
Action taken or to be taken	
Responsible institution/person to take action	
Date response was sent to the complainant	
Status of grievance	
The date the complaint was closed out	

When the grievance is addressed and resolved, a form will be filled and filed to indicate at what stage this was resolved and what was the final resolution. This form will also be used to monitor the progress of the GRM.

9.4 MONITORING COMPLAINTS

The Social Safeguards Officer of the ESCOM PIU will be responsible for:

- i. Collecting monthly report detailing the number and status of complaints, type of complaints, levels of complaints, and actions to reduce complaints at district level from the Social Development officer.
- ii. Resolving any outstanding issues that are the responsibility of the ESCOM PIU.
- iii. Capacity building of all committees at VDC and ADC on the GRM.
- iv. Monitoring the functionality of the GRM systems.

10.0 FUNDING ARRANGEMENTS FOR RESETTLEMENT.

The actual cost of resettlement and compensation for each MEAP investment will be determined during each socio-economic study for the preparation of the individual RAPs. ESCOM will finance all the resettlement compensation costs because they are the party that would be impacting livelihoods. After the completion and approval of the subproject RAPs, ESCOM will disburse the compensations through the District Councils welfare office that will be responsible for final paying the compensations to the PAPs. However, due previous experience and community concerns raised during consultations, the full list of PAPs and their corresponding compensations will be sent to the PIU who will closely monitor and ensure that all PAPs have received their money. Where possible, PAPs will be encouraged to open bank account to allow for electronic transfer of the compensation to the PAPs accounts or use mobile money. This will reduce abuse of the district official to poor PAPs when receiving compensations.

At this stage, it is not possible to know the exact number of people who may be affected under the MEAP project since the technical designs and details of all investments have not yet been finalized. It is therefore not possible to provide an estimated budget for the total cost of resettlement that may be associated with MEAP implementation. However, when these locations are known, and after the conclusion of the site-specific socio-economic study, information on specific impacts, individual and household incomes and numbers of affected people and other demographic data are available, detailed and accurate budgets for each RAP will be prepared using the template outlined below.

Table 8. Illustrative Budget Template for the RAP

Asset acquisition	Amount or number	Total estimated cost	Agency responsible
Land			
Structure			
Crops and economic trees			
Community infrastructure			
Land Acquisition and Preparation			
Land			
Structure			
Crops areas and others			
Community infrastructure			
Relocations			
Transfer of possessions			
Installation costs			
Economic Rehabilitation			
Livelihoods restoration			
Training			
Capital Investments			
Technical Assistance			
Monitoring			

Contingency			
-------------	--	--	--

Table 9: Explanation of Assumptions on Indicative Budget

#	Item	Costs (in MKW)	Assumptions
1	Compensation for loss of Land	/hectare	For land acquisition purposes, based on cost realized in projects involving similar issues in Malawi.
2	Compensation for loss of Crops	/hectare of a farm lost	Includes costs of labour invested and an average of the highest price of staple food crops as per methods described in this RPF.
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.	/fishmonger	Data provided from the revised socio-economic study will determine market values of catch, fish products etc. that is produced.
5	Compensation for other livelihoods affected such as gathering medical herbs and plants from the forest, small production such as beekeeper loss of labour income for those dependent on the land taken	N/A	Livelihood restoration program
6	Compensation for Buildings and Structures		This compensation would be in-kind. These 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.
7	Compensation for Trees	/year/tree	Based on methods described in this RPF for compensation for trees.
8	Cost of Relocation Assistance/Expenses	/household	This cost is to facilitate transportation, etc.
9	Cost of Restoration of Individual Income	N/A	Assumed to be higher than the GDP/capita.
10	Cost of Restoration of Household Income	N/A	Through employment in Program Activities.
11	Cost of Training farmers, pastoralists and other PAPs		This is a mitigation measure which seeks to involve those affected by the project activities. This figure represents a cost of around MKW/person
12	NGO support	Number/years	Administrative support to undertake livelihood restoration or monitoring and evaluation of RAPs implementation
	Cost of the restoration of livelihood for vulnerable	/year	Assumed to be higher than the GPP/capita

11.0 ARRANGEMENTS FOR MONITORING AND EVALUATION

This chapter sets out requirements for the monitoring and evaluation of the implementation of the RAPs which will be prepared in accordance with this RPF.

11.1 OVERVIEW

The arrangements for monitoring will fit the overall monitoring plan of the entire MEAP, which will be done by the ESCOM PIU. All RAPs will set major socio-economic goals by which to evaluate their success and will include:-

- i. affected individuals, households, and communities being able to maintain their pre-project standard of living, and even improve on it;
- ii. the local communities remaining supportive of the project;
- iii. the absence or prevalence of conflicts;
- iv. project affected persons reporting satisfaction with the resettlement operation.

In order to assess whether these goals are met, RAPs will indicate parameters to be monitored, institute monitoring milestone's and provide resources necessary to carry out the monitoring activities.

The objective of the monitoring will be to determine: -

- i. If affected people are satisfied with the actual resettlement process.
- ii. If affected people have been paid in full, before implementation of any MEAP subproject that is causing resettlement.
- iii. If affected individuals, households, and communities have been able to maintain their pre-project standard of living and even improve on it.

The census and the socio-economic survey study which are the basis for the preparation of investment-specific RAPs under the MEAP will be used as the baseline for the evaluation of the individual RAPs.

11.2 INDICATORS TO DETERMINE STATUS OF AFFECTED PEOPLE

A number of indicators from the above studies will be used in order to determine the status of all affected people under MEAP subprojects.

- i. Size of land being used compared to before,
- ii. Standard of house compared to before,
- iii. Status of income compared to before
- iv. Level of participation in project activities;
- v. Access to water, access to schools and health centres as it was before the project
- vi. Status of vulnerable people compared to before
 - a. Specific indicators may include the following, which would indicate a change:
- vii. Access/ distance/ quality of agricultural plots
- viii. Quality of, and access to, water
- ix. Number of people employed
- x. Number of 'vulnerable' people

- xi. Number of grievances and time taken to resolve them. If not resolved, what were the next steps
- xii. Status of income of the project affected persons
- xiii. The local communities remaining supportive of the project.
- xiv. The local communities reporting satisfaction with project resettlement

Most of the information for these indicators will be collected through survey, interviews and focus group discussions with the affected communities. The data for these indicators will be collected every six months during the RAP implementation by the PIU. The pre-project census information will provide most, if not all of the required information to set a baseline against which performance can be tracked.

In addition to the existing baseline data, the following steps will be taken to ensure the proper monitoring of the RAPs:

- i. Questionnaire data will be entered into a database for comparative analysis.
- ii. Each individual will have a compensation dossier recording his or her initial situation, all subsequent project use of assets/improvements, and compensation agreed upon and received.
- iii. RCC specifically the land's office and ESCOM will maintain a complete database on every individual impacted by the sub-projects' land use requirements.
- iv. Regular resettlement status reports submitted by the implementing agency will be reviewed.

11.3 MONITORING OF RPF/RAP IMPLEMENTATION

The ESCOM PIU will assist in compiling base information related to compensation and send them to ESCOM as part of regular monitoring. Some of the information which will be collected at the RCC level will include: -

- i. Length of time from project identification to the payment of compensation to PAPs;
- ii. Timing of compensation in relation to the commencement of physical works;
- iii. Amount of compensation paid to each PAP household;
- iv. Number of people raising grievances in relation to each project investment;
- v. Number of unresolved grievances;
- vi. Number of vulnerable people assisted;
- vii. Number of livelihoods restored and types of the livelihood restoration.

The ESCOM PIU will review the statistics to determine whether the resettlement planning arrangements as set out in this RPF are being adhered to. Financial records will be maintained by ESCOM's PIU to permit calculation of the final cost of resettlement and compensation per individual or household, and they will be included in the monitoring report. The statistics will also be provided to the external independent consultant/agency that will be contracted on an annual basis to monitor the implementation of the RAPs.

LIST OF ANNEXES

ANNEX 1: GLOSSARY OF TERMS

ANNEX 2: SAMPLE RESETTLEMENT SCREENING FORM

ANNEX 3: CENSUS AND LAND ASSET INVENTORY FORM

ANNEX 4: COMMUNITY ASSET AND INFRASTRUCTURE

ANNEX 5: SAMPLE GRIEVANCE REDRESS FORM

ANNEX 6: TORS FOR DEVELOPING A RAP

ANNEX 7: OUTLINE FOR THE RAP

ANNEX 8: PROTOCOL FOR VOLUNTARY LAND DONATION (VLD) FOR THE MEAP

ANNEX 9: MINUTES FROM CONSULTATION WITH DIFFERENT STAKEHOLDERS

ANNEX 1: GLOSSARY OF TERMS

DEFINITIONS

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

“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 will include: (a) transporting building materials to the construction site; (b) any labour and contractors’ fees; and (c) any registration costs.

“Resettlement Assistance” means the measures to ensure that MEAP Affected Persons and Displaced Persons under various investments 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.

“The Resettlement Policy Framework (RPF)” is an instrument to be used throughout the MEAP Program implementation. The RPF sets out the resettlement objectives and principles, organizational arrangements and funding mechanisms for any resettlement, that may be necessary during MEAP investments implementation. The RPF guides the preparation of Resettlement Action Plans of individual investments in order to meet the needs of the people who may be affected by the project. The **Resettlement Action Plans (“RAPs”)** for various investments under the MEAP will, therefore, be prepared in conformity with the provisions of this RPF.

“Census” means a field survey carried out to identify and determine the number of Projected Affected Persons (PAP) or Displaced Persons (DPs) as a result of land acquisition and related impacts under various investments in the MEAP. The census provides the basic information necessary for determining eligibility for compensation, resettlement and other measures emanating from consultations with affected communities and the local government institutions (LGIs).

“Cut-off date” is the date of commencement of the census of project affected persons, within various projects areas under MEAP, when those who will move to the area after the time of census will not be compensated.

“Displaced Persons” mean persons who, for reasons due to involuntary acquisition or voluntary contribution of their land and other assets under the various investments in MEAP, will suffer direct economic and or social adverse impacts, regardless of whether or not the said Displaced Persons are physically relocated. These people may have their: standard of living adversely affected, whether or not the Displaced Person will move to another location; lose right, title, interest in any houses, land (including premises, agricultural and grazing land) or any other fixed or movable assets acquired or possessed, lose access to productive assets or any means of livelihood.

“Involuntary Displacement” means the involuntary acquisition of land resulting in direct or indirect economic and social impacts caused by: loss of benefits from use of such land; relocation or loss of

shelter; loss of assets or access to assets; or loss of income sources or means of livelihood, whether the Displaced Persons have moved to another location or not.

“Involuntary Land Acquisition” is when the project affected people need to be relocated or give up their rights to land and other assets as a result of development projects or other reasons which are beyond their control, in this case, the MEAP PAPs.

“Land” refers to agricultural and non-agricultural land and any structures thereon whether temporary or permanent and which may be required for the MEAP.

“Land acquisition” means the possession of or alienation of land, buildings or other assets thereon for purposes of the MEAP.

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 MEAP Project Affected Persons and Displaced Persons to improve their living standards, income earning capacity and production levels; or at least maintain them at pre- MEAP levels.

Resettlement and Compensation Plan”, also known as a “Resettlement Action Plan (RAP)” or “Resettlement Plan” - is a resettlement instrument (document) to be prepared for each individual investment under MEAP which is prepared based on the principles of this RPF. In such cases, land acquisition leads to physical displacement of persons, and loss of shelter, and /or loss of livelihoods and/or loss, denial or restriction of access to economic resources. Individual RAPs are prepared by the agencies in charge of the development projects under the MEAP. RAPs contain specific and legal binding requirements to resettle and compensate the affected party before implementation of a given investment under MEAP project activities commences.

“Replacement cost” means replacement of assets with an amount sufficient to cover full cost of lost assets and related transaction costs. It includes expenses that a person will incur in order to replace his or her house or land (at market price) which could include taxes and moving allowance. In terms of land, this may be categorised as follows; (a) “Replacement cost for agricultural land” means the pre-MEAP or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the others costs of (b) preparing the land to levels similar to those of the affected land; and (c) any registration and transfer taxes.

Program Affected Person(s) (PAPs) are persons affected by land and other assets lost as a result of a number of subprojects under MEAP project. These person(s) are affected because they may lose, be denied, or be restricted access to economic assets; lose shelter, income sources, or means of livelihood. These persons are affected whether or not they will move to another location.

“Compensation” means the payment given in exchange for the acquisition of land including fixed assets thereon as well as other impacts resulting from MEAP activities.

ANNEX 2: SAMPLE RESETTLEMENT SCREENING FORM

Project name:

Project Location

(Include map/sketch): (e.g. Area, Ward, Location, and Village etc.).

Type of activity: (e.g. new construction, rehabilitation, periodic maintenance)

Estimated Cost:

(Malawian Kwacha)

**Proposed Date of
Commencement of Work:**

Technical

Drawing/Specifications

Reviewed: (circle answer): Yes No

This report is to be kept short and concise.

1. Site Selection:

When considering the location of a project, rate the sensitivity of the proposed site in the following table according to the given criteria. Higher ratings do not necessarily mean that a site is unsuitable. They do indicate a real risk of causing undesirable adverse environmental and social effects, and that more substantial environmental and/or social planning may be required to adequately avoid, mitigate or manage potential effects.

Issues	Site Sensitivity			Rating
	Low Medium High	Low Medium High	Low Medium High	
Involuntary Resettlement	Low population density; dispersed population; legal tenure is well-defined.	Medium population density; mixed ownership and land tenure.	High population density; major towns and villages; low income families and/or illegal ownership of land; communal properties.	

2. Checklist questions:

Physical data:	Yes/No answers and bullet lists preferred except where descriptive detail is essential.
Site area in ha	
Extension of or changes to the existing alignment	
Any existing property to transfer to sub-project	
Any plans for new construction	

Refer to the project application for this information.

Land and resettlement:	Yes/No answers and bullet lists preferred except where descriptive detail is essential.
Will the project involve loss of land and other resources?	
Will the project result in temporary or permanent loss of crops, household infrastructures like shelter, granaries or latrines?	
What is the likelihood of land purchase for the subproject?	
How will the proponent go about the land purchase?	
What level or type of compensation is planned?	
Who will monitor actual payments?	

Refer to the Resettlement Policy Framework.

Actions:	
List outstanding actions to be cleared before project appraisal.	
Approval/rejection	Yes/No answers and bullet lists preferred except where descriptive detail is essential.

Recommendations:

☐ Requires a RAP to be submitted on date: _____

☐ Does not require further studies

Reviewer: _____

Name: _____

Signature: _____

Date: _____

ANNEX 3: CENSUS AND LAND ASSET INVENTORY FORM

Socio-economic Household Datasheet of PAPs

<i>Name of Interviewer</i>		<i>Signature</i>
<i>ID Code</i>		
<i>Name of Supervisor</i>		<i>(after verification of interview)</i>
<i>ID Code</i>		

<i>Cell Name</i>		<i>Number of Concessions in Village (GPS Coordinates)</i>	
<i>ID Code</i>			

Date:
Day Month Year

<i>Name of Head of Extended Family:</i>	
<i>Number of Nuclear Families in Extended Residential Group (including household of the head of the extended family)</i>	

Household Interview

Name and Surname	Relationship to Head of Family	Sex		Place of Birth	Age	Marital Status	Residence Tenure	Ethnic Group	Religion	Educational Level	Income Earner		Economic Activities	
		M	F								Yes	No	Primary	Secondary
1.														
2.														
3.														
4.														
5.														
6.														
7.														

Relation to Head of Family: 1 HoH; 2 Spouse of HoH ; 3 Child of HoH; 4 Spouse of child of HoH; 5 Grandchild of HoH; 6 Parent of HoH; 7 Other (specify); 0 No Answer.

Marital Status: 1 Married; 2 Widowed; 3 Divorced; 4 Unmarried; 0 No Answer.

Residential Status: 1 PRP (Permanent Resident); 2 RA (Resident absent); 3 Member of non-resident HH; 4 Visitor; 5 Other (specify) ; 0 No Answer.

Occupations: -

Principal Occupation: 1. Farmer; 2 Shepherd; 3 Household; 4 Merchant; 5 Religious leaders, teacher; 6 Artisan; 7 Transport; 8 Unemployed; 9 Other (specify); 0 No Answer Secondary Occupations.

Educational Level: 1 Illiterate; 2 Three years or less; 3 Primary School; 4 Secondary School; 5 Technical School; 6 Religious School; 0 No Answer

Religion: 1 Christian (specify denomination) ; 2 Muslim ; 3 Other (specify) ; 0 No Answer

Land asset inventory for Project Affected People

Village: _____

Date: _____

Cell: _____

<i>Survey no</i>	<i>Name of Head of House hold</i>	<i>No. of Persons in house hold</i>	<i>Total land holding of Hhold (m2)</i>	<i>Land to be acquired (m2)</i>	<i>Land Use Type *</i>	<i>Loss of % total</i>	<i>Loss of assets</i>			<i>Loss of crops</i>			<i>Loss of other assets</i>	<i>Other losses</i>		
							<i>Struct ures Permanent (m2)</i>	<i>Struct ures temporary (m2)</i>	<i>Area of residential land lost (m2)</i>	<i>Fruit trees lost type and number</i>	<i>Agricultural land lost (m2)</i>	<i>Other (specify)</i>	<i>e.g. graveyards, wells, etc. (type and no.)</i>	<i>Residence (rented)</i>	<i>Business lost</i>	<i>Income loss</i>

* Land types are as follows (please fill in the types of land for Malawi)

- 1.
- 2.
- 3.
- 4.

Entitlements of Project Affected People

Location: _____

Date: _____

Village: _____

Survey no.	Name of Head of House hold	Compensation for Land			Compensation for structures			Compensation for crops and Trees			Compensation for other assets and losses (e.g., graveyards, wells, businesses, etc)			Total (MKw)
		Quantity (m2)	Unit price (MKw) per m	Entitlement (MKw)	Quantity (m2)	Unit price (MKw) per m	Entitlement (MKw)	Quantity (m2)	Unit price (MKw) per m	Entitlement (MKw)	Quantity (m2)	Unit price (MKw) per m	Entitlement (MKw)	

ANNEX 4: COMMUNITY ASSETS AND INFRASTRUCTURE

Complete one form for each community asset

1. Village/town/city					
2. Location					
3. Camera and Photograph Number					
4. Type of structure or asset					
01	School	08	Well	15	Water Supply
02	Clinic	09	Public Latrine	16	Sewerage
03	Church, Mosque or Temple	10	Public Laundry	17	Garbage Site/Dump
04	Shrine	11	RAP Playground	18	Fish Pond
05	Town Hall	12	Cemetery	20	Other
06	Meeting Hall	13	Electric	If other (Please Specify)	
07	Well	14	Public Telephone		
4. Name of structure					
5. Formal owner of the structure					
01	District Assembly				
02	Community or Voluntary Organization				
03	Private Individual				
04	Other (please Specify)				
6. Name and Address of owner					
(Please state name and address of responsible chairman or secretary if the structure is owned by a community organization or by government)					
6. Plot Number					
7. Telephone Number					
8. Number of users of structure per month					
9. Plot Dimensions			M x		
10. Plot Area					

11. Land value per m²						MKw
12. Land Value (no.s 11x12 from Above)						MKw
13. Estimate of building area						M ²
14. Building materials						
a. Floor		b. Walls		c. Roof		
1.	Earthen	1.	Earthen	1.	Iron sheets	
2	Cement-	2.	Cement-plastered earthen walls	2.	Grass thatched	
3	Tiles	3.	Straw or bamboo	3.	Tiles	
4	Other (Specify)	4.	Unbaked brick	4.	Asbestos sheets	
5		5.	Baked Brick	5	Galvanized tin	
6		6.	Cement block	6	Other (Specify)	
7		7.	Galvanized tin	7		
8		8.	Tile	8		
9		9.	Other (Specify)	9		
15. Building Value per m²						M ²
16. Building Value (no.s 14x16)						
Signature of the owner of the structure						
Print name (Block Capitals)						
Signature of Valuation Surveyor						
Print name (Block Capitals)						
Date						

ANNEX 5: SAMPLE GRIEVANCE REDRESS FORM

Grievance Form				
Grievance Number			Copies to forward to:	
Name of the Recorder			(Original)-Receiver Party	
District			(Copy)-Responsible Party	
Traditional Authority (TA)				
Village / location				
Date				
Submitting to:	First submission: RCC and TA Second submission: District Assembly Thirds submission: Magistrate court	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
INFORMATION ABOUT GRIEVANCE				
Define the Grievance:				
For second and third submission specify reasons for resubmission:				
INFORMATION ABOUT THE COMPLAINANT			Forms of Receive	
Name-Surname			<input type="checkbox"/> Cell number <input type="checkbox"/> Community/ Information Meetings <input type="checkbox"/> Mail <input type="checkbox"/> Informal <input type="checkbox"/> Other	
Cell phone Number				
Address				
Village				
Traditional Authority				
Signature of Complainant				
DETAILS OF GRIEVANCE				
1. Access to Land moreover, Resources <i>a) Forest and</i>	2. Damage to <i>a) House b) Land c) Livestock</i>	3. Damage to Infrastructure or Community Assets <i>a) Road/Railway b) Bridge/ Passageways</i>	4. Decrease or Loss of Livelihood <i>a) Agriculture b) Animal husbandry</i>	5. Traffic Accident <i>a) Injury b) Damage to property</i>

trees b) Lands c) Pasturelands d) House e) Commercial site f) Other	d) Crops e) Trees f) Other (specify)	c)Power/Telephone Lines d) Water sources, canals moreover, water infrastructure for irrigation and animals e) Drinking water f) Other	c) Trees and forest d) Small-scale trade e) Other	c) Damage to livestock d) Other
6. Incidents Regarding Expropriation and Compensation (Specify)	7. Resettlement Process (Specify)	8. Employment and Recruitment (Specify)	9. Construction Camp and Community Relations a) Nuisance from dust b) Nuisance from noise c) Vibrations due to explosions d) Misconduct of the project personal/worker e) Complaint follow up f) Other	10. Other (Specify)
Write full details of the grievances and any other measures taken to address: Solution				

ANNEX 6: DRAFT TORS FOR THE DEVELOPMENT OF RESETTLEMENT ACTION PLAN (RAP)

The scope and level of detail for the development of resettlement action plan will involve the following.

a) Description of the investment/project under MEAP, project area and area of influence:

Information presented in this section will include description of the project area showing location, sitting of plants, structures, lands, affected dwellings etc; MEAP objectives and strategy; the investment/project objectives; policy and legal framework; timeframe; geographical coverage; project strategic context and rationale.

b) Potential Impacts: Description of investment/project components or activities which would trigger resettlement; the cultural, social, economic and environmental impacts envisioned; and the alternatives considered to avoid or minimize resettlement.

c) Community Participation: This sub-section includes: -

- Description of the consultation and participation of the displaced and host communities in design and implementation of resettlement activities including a summary of the views expressed and how these views were incorporated during the preparation of the resettlement plan.
- A review of the resettlement alternatives identified, and choices made by the displaced people, including choices related to forms of compensation and resettlement assistance, relocating as individual families or as part of pre-existing families and to retaining access to cultural property (e.g. cemeteries, places of worship, etc.)
- Description of procedures for redress of grievances by affected people throughout the planning and implementation period.
- Description of measures aimed at sensitizing and educating the affected and host communities on matters of resettlement.

e) Integration with host communities

- Arrangements for consultation with host communities and procedures for prompt payment to the host for land and other assets should be provided to the resettled persons.
- Arrangements for resolving conflicts which may arise between the resettled persons.
- Arrangements for resolving conflicts which may arise between the resettled persons and host communities should be put in place.
- Appropriate measures to augment public services such as education, water, health in host communities in order to avoid disparities between resettled persons and the host communities should be put in place.
- Plan for resettled persons should be integrated economically and socially into host communities so that adverse impacts to host communities are minimized.

f) Socio-economic Studies

These will include the following: - Population census of the project area including a description of production systems, household organization, baseline information on livelihoods and standards of living of the displaced population (and host communities)

- An inventory of assets of displaced households; the magnitude of the expected loss (total or partial for individual or group assets); and extent of physical and economic displacement;
- Information on disadvantaged/vulnerable groups or persons for whom special provisions may have to be made. Such groups and persons include those living below the poverty line, the landless, the elderly, women, children, indigenous people, ethnic minorities and displaced persons who are not protected through national land compensation legislation. Resettlement involving vulnerable/disadvantaged groups/persons should be preceded by a social preparation phase to build their capacity to deal with issues of resettlement;
- Provisions for updating information on the livelihood of displaced people and their standards of living at regular intervals;
- Description of land tenure systems including common property and non-title-based land ownership, or allocation recognized locally and related issues;
- Public infrastructure and social services that will be affected; and
- Social and cultural characteristics of displaced and host communities. Appropriate patterns of social organization should be promoted and the existing social and cultural institutions of resettled persons and their host should be retained, supported and used to the extent possible.

(g) Institutional arrangement and responsibilities

This will be the same as the RPF

(h) Eligibility

Definition of displaced persons and criteria for compensation and other resettlement assistance including relevant cut off dates. The assurance should be given that lack of legal title should not bar affected persons from being compensated.

(i) Valuation and Compensation for losses

- The methodology to be employed for valuing losses in order to determine their replacement cost. This is a description of the levels of compensation under the local laws and supplementary measures aimed at determining replacement of cost for lost assets.
- A description of the packages of compensation and other resettlement measures that will ensure that each category of eligible displaced persons get their fair compensation. In conformity with the World Bank Operational Policy (OP.4.12 of Dec 2001, updated February

2011), displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them to pre-displacement levels or to levels prevailing prior to the start of project implementation whichever is higher.

(k) Identification of alternative sites, selection of resettlement site(s), site preparation and relocation

- Institutional and technical arrangements for identifying and preparing relocation sites for which a combination of productive potential, location advantages and other factors, should be at least comparable to ancillary resources.
- Procedures for physical relocation including timetable for site preparation and land title transfer and description of resettlements sites.
- Measures to prevent the influx of ineligible person (encroachers and squatters) into the selected sites such as the identification and recording of affected people at the project identification stages.
- Legal arrangements for regularizing tenure and transferring titles to resettled persons.

(l) Shelter, infrastructure and social services

This sub-section provides details regarding plans to provide or finance housing, infrastructure (e.g. roads, water supply, etc.) and social services (schools, health services) and plans aimed at ensuring that services and any necessary site development to host.

(m) Environmental protection: An assessment of possible environmental impacts of the proposed resettlement and measures to mitigate and manage the impacts.

(n) Implementation Schedules

An implementation schedule covering all resettlement activities from project preparation through implementation to monitoring and evaluation. The schedule should indicate dates for achievement of expected benefits to resettled persons and hosts and dates for terminating the various forms of assistance.

(o) Costs and Budget

The breakdown of cost estimates for all resettlement activities including allowances for inflation and other contingencies, timetable for expenditures, sources of funds and arrangements for timely disbursement of funds.

(p) Monitoring and evaluation

Under this sub-section, information regarding arrangements for monitoring of resettlement activities by the implementing agency is presented. When appropriate, independent monitors will supplement the role of the implementing agency to ensure objectivity and completeness of information. Performance indicators for measuring inputs, outputs and outcomes of resettlement activities and for evaluating impacts for a reasonable period of time after the resettlement activities have been completed are also presented. (Similar to the RPF)

(q) Commitment to follow RPF guidelines and requirement

A statement of assurance that the implementing agency will follow the guidelines and requirement of the RPF should be included in the RAP.

(r) Description of programs for improvement and restoration of livelihoods and standards of living of the affected people.

Programs aimed at improving and restoring the livelihoods and standards of living of the affected people in line with the Resettlement Policy framework

ANNEX 7: OUTLINE OF RESETTLEMENT ACTION PLAN

Introduction

- It briefly describes the project.
- Lists project components including associated facilities (if any).
- Describes project components requiring land acquisition and resettlement; give overall estimates of land acquisition and resettlement.

Minimizing Resettlement

- Describes efforts made to minimize displacement.
- Describes the results of these efforts.
- Describes mechanisms used to minimize displacement during implementation.

Census and Socio-economic Surveys

- Provides the results of the census, assets inventories, natural resource assessments, and socioeconomic surveys.
- Identifies all categories of impacts and people affected.
- Summarizes consultations on the results of the various surveys with affected people.
- Describes need for updates to census, assets inventories, resource assessments, and socio economic surveys, if necessary, as part of RAP monitoring and evaluation.

Legal Framework

- Describes all relevant local laws and customs that apply to resettlement.
- Identifies gaps between local laws and World Bank Group policies and describe project-specific mechanisms to address conflicts.
- Describes entitlement policies for each category of impact and specifies that resettlement implementation will be based on specific provisions of agreed RAP.
- Describes method of valuation used for affected structures, land, trees, and other assets.
- Prepares entitlement matrix.

Resettlement Sites

- Describes the specific process of involving affected populations in identifying potential housing sites, assessing advantages and disadvantages, and selecting sites.
- Describes the feasibility studies conducted to determine the suitability of the proposed sites, including natural resource assessments (soils and land use capability, vegetation and livestock carrying capacity, water resource surveys) and environmental and social impact assessments of the sites.
- Demonstrates that the land quality and area are adequate for allocation to all of the people eligible for allocation of agricultural land.
- Provides data on land quality and capability, productive potential, and quantity.
- Give calculations relating to site requirements and availability.
- Describes mechanisms for: 1) procuring, 2) developing and 3) allotting resettlement sites, including the awarding of title or use rights to allotted lands.

- Provides detailed description of the arrangements for site development for agriculture, including funding of development costs.
- Have the host communities been consulted about the RAP? Have they participated in the identification of likely impacts on their communities, appropriate mitigation measures, and preparation of the RAP?
- Do the host communities have a share of the resettlement benefits?

Income Restoration

- Describes if there are compensation entitlements sufficient to restore income streams for each category of impact?
- Describes additional economic rehabilitation measures are necessary?
- Briefly spells out the restoration strategies for each category of impact and describes their institutional, financial, and technical aspects.
- Describes the process of consultation with affected populations and their participation in finalizing strategies for income restoration.
- Explains if income restoration requires change in livelihoods, development of alternative farmlands or some other activities that require a substantial amount of training, time for preparation, and implementation?
- Describes how the risks of impoverishment are to be addressed?
- Describes the main institutional and other risks for the smooth implementation of the resettlement programs?
- Describes the process for monitoring the effectiveness of the income restoration measures.
- Describes any social or community development programs currently operating in or around the project area.
- If programs exist, do they meet the development priorities of their target communities? Are there opportunities for the project proponent to support new program or expand existing programs to meet the development priorities of communities in the project area?

Institutional Arrangements

- Describes the institution(s) responsible for delivery of each item/activity in the entitlement policy
- Describes the Implementation of income restoration programmes; and coordination of the activities associated with and described in the resettlement action plan.
- States how coordination issues will be addressed in cases where resettlement is spread over a number of jurisdictions or where resettlement will be implemented in stages over a long period of time.
- Identifies the agency that will coordinate all implementing agencies. Does it have the necessary mandate and resources?
- Describes the external (non-project) institutions involved in the process of income restoration (land development, land allocation, credit, and training) and the mechanisms to ensure adequate performance of these institutions.
- Discusses institutional capacity for and commitment to resettlement.

- Describes mechanisms for ensuring independent monitoring, evaluation, and financial audit of the RAP and for ensuring that corrective measures are carried out in a timely manner.

Implementation Schedule

- Lists the chronological steps in implementation of the RAP, including identification of agencies responsible for each activity and with a brief explanation of each activity.
- Prepares a month-by-month implementation schedule of activities to be undertaken as part of resettlement implementation.
- Describes the linkage between resettlement implementation and initiation of civil works for each of the project components.

Participation and Consultation

- Describes the various stakeholders.
- Describes the process of promoting consultation/participation of affected populations and stakeholders in resettlement preparation and planning.
- Describes the process of involving affected populations and other stakeholders in implementation and monitoring.
- Describes the plan for disseminating RAP information to affected populations and stakeholders, including information about compensation for lost assets, eligibility for compensation, resettlement assistance, and grievance redress.

Grievance Redress

- Describes the step-by-step process for registering and addressing grievances and provide specific details regarding a cost-free process for registering complaints, response time, and communication methods.
- Describes the mechanism for appeal.
- Describes the provisions for approaching civil courts if other options fail.

Monitoring and Evaluation

- Describes the internal/performance monitoring process.
- Defines key monitoring indicators derived from baseline survey. Provides a list of monitoring indicators that will be used for internal monitoring.
- Describes institutional (including financial) arrangements.
- Describes frequency of reporting and content for internal monitoring.
- Describes process for integrating feedback from internal monitoring into implementation.
- Defines methodology for external monitoring.
- Defines key indicators for external monitoring.
- Describes frequency of reporting and content for external monitoring.
- Describes process for integrating feedback from external monitoring into implementation.
- Describes arrangements for final external evaluation.

Costs and Budgets

- Provides a clear statement of financial responsibility and authority.
- Lists the sources of funds for resettlement and describe the flow of funds.
- Ensures that the budget for resettlement is sufficient and included in the overall project budget.
- Identifies resettlement costs, if any, to be funded by the government and the mechanisms that will be established to ensure coordination of disbursements with the RAP and the project schedule.
- Prepares an estimated budget, by cost and by item, for all resettlement costs including planning and implementation, management and administration, monitoring and evaluation, and contingencies.
- Describes the specific mechanisms to adjust cost estimates and compensation payments for inflation and currency fluctuations.
- Describes the provisions to account for physical and price contingencies.
- Describes the financial arrangements for external monitoring and evaluation including the process for awarding and maintenance of contracts for the entire duration of resettlement.

Annexes

- Copies of census and survey instruments, interview formats, and any other research tools.
- Information on all public consultation including announcements and schedules of public meetings,
- Meeting minutes and lists of attendees.

ANNEX 8: PROTOCOL FOR VOLUNTARY LAND DONATION (VLD) FOR THE MEAP

Voluntary land donation (VDL) will be allowed for installing or replacing new poles and installation of drop down transformers. MEAP will follow the Protocols for VLD. Proposals on VLD will not be submitted for approval where they would significantly harm incomes or living standards of individual owners or users. During project implementation, MEAP will consult regional and district multi-stakeholders committee to oversee the process and ensure that voluntary land donations process is followed and implemented. The process will include the following protocols:

1. Official information and initial assessment.

If potential beneficiaries approach the MEAP with the offer to donate land for project activities, MEAP will determine the appropriateness of VLD in the circumstances of the project. For the installation and replacement of new electricity poles and drop down transformers; MEAP will inform the village head and villagers (in case of a village) or ward councilors and location leader (in urban and peri-urban areas) or landowners through an official notification on where additional poles will be installed. Record and document the reasons why the donation of land is appropriate for the project. EDL will take into consideration the following details for such documentation:

- What the land will be used for;
- How much land the project will require on both a permanent and temporary basis;
- How much of the land will be donated;
- What alternatives to donation exist (e.g., right of use, right of way);
- The terms of the donation;
- The identities of the parties who intend to donate;
- The beneficiary of the donation; and
- Any details that are relevant to why donation may be appropriate.

2. Verification of voluntary donations.

The following conditions will be confirmed by the Committee including the village chief or area leaders.

- Confirmation that affected people agree to donate land or asset, based on a face to face meeting without the presence of MEAP.
- No one would lose more than 5% of the total productive assets.
- The total land holding of the affected person should be 200m² or more for agricultural land or 100m² for residential plots.
- No physical relocation is necessary.

3. Initial Village Consultation.

Under the village head leadership, a consultation process will be launched to invite different interest parties, including landowners to discuss and ratify the appropriateness of the voluntary basis of land donation. The donors of land will be requested to have proper consultations with all relatives including children to avoid future disputes on the donated land.

4. **Transferring and formalizing the land.**

MEAP process for land donation includes very clear procedures that explain the process that should be followed to transfer the land and appropriate ways to formalize the respective transfer. The process includes consideration of the legal and administrative requirements based on Malawi's legal framework. The process will describe a clear and transparent decision-making process.

5. **Verification process (surveys) to identify land ownership and use.**

MEAP will carry out specific surveys to understand the type of land rights that exist in the project area, and to identify any particular issues relating to land ownership and use. Preliminary findings indicated (for the size of the land that will be donated about 30X30 cm for each pole) that the land is under private land ownership. More land may be donated for drop down transformers. These will be 5X5 meters or more. Moreover, more specific surveys must be conducted on each parcel of land proposed for donation to identify:

- The owner or owners of the land;
- The users of the land, or any parties that occupy the land (either physically or through ownership of an asset or conduct of livelihood or business activities on the land);
- Any competing claims of ownership or use;
- Structures and assets on the land;
- Any encumbrances on the land.

It is essential to (i) identify the right that is being transferred (an ownership right, a use right, a right of way); and (ii) check whether the transferee has the right s/he claims to have. In many circumstances where careful due diligence has not been carried out, significant conflicts have arisen at a later stage when another party claims that they have the same or a competing right. In some circumstances – but not all – the transferee will have documentary evidence of such right. In cases of customary land where no official documentation is not available, village chiefs and Traditional authorities will have to endorse a notification of the donation as a separate document before the final form below is filled. Where no such evidence exists, the due diligence can establish rights by speaking with local community officials and neighbors.

6. **Public consultations and disclosure.** The decision to donate must be taken on the basis of a full understanding of the project and the consequences of agreeing to donate the land. Accordingly, the parties that will be affected by the donation (the owners and users of the land) must be provided with accurate and accessible information regarding what the land will be used for, for how long, and the impact the donation will have on them and their families. It is important that prior written notification indicating the location and amount of land that is sought to be provided and that its intended use for the project is disclosed.

Where the intention is to deprive the parties affected by the donation of the land permanently, or for a significant length of time, this must be made clear. It should be noted that in many communities the concept of alienation of land is uncommon and

difficult to understand, and care needs to be taken to ensure that the implications of this are fully understood. It is also important to decide who else should be consulted about the proposed donation; for example, spouses and older children.

There should be a clear agreement as to which party will pay the costs associated with the donated land. This could include measurement costs, documentation and notarial fees, transfer taxes, registration fees. It should also include the costs of re-measuring/re-titling the transferee's remaining land and any new documentation relating to it.

7. Establishing informed consent.

MEAP in coordination with the local committee will verify the informed consent or power of choice by the people who would donate land or asset. In particular, the following will be verified and documented in the voluntary donation report:

- What the land is going to be used for, by whom and for how long;
- That they will be deprived of the ownership or right to use the land, and what this means;
- That they have a right to refuse to donate the land;
- Whether there are alternatives to using this land;
- What they will need to do to donate the land (e.g., execute documents, get spousal consents, pay taxes);
- The effect of the donation on their family, and what they can do if they (or their family or heirs) want the land back.
- All conditions provided in the para two above.

The right to refuse must be a legitimate right, unconditional, and the potential transferee must be capable of exercising it in the local community and political context. For this reason, it is important to be sure that the decision to donate is undertaken without coercion, manipulation, or any form of pressure on the part of public or traditional authorities. For collective or communal land, the donation must be based upon the informed consent of all individuals using or occupying the land.

8. Proper documentation.

During the VLD process for new poles and drop down transformers, it is important to distinguish between: (a) the agreement to donate the land, and (b) the document that carries out and evidences the legal transfer of the land. While it is important to have evidence of an intention and agreement to donate the land, it is equally important to ensure, where required and appropriate, that the land is legally transferred. While the process relating to the legal transfer of the land is frequently complicated and time-consuming, it must be addressed. [In specific circumstances, for example, where the land is being transferred to the community, it may not be necessary to transfer the land legally. However, experience indicates that lack of formal transfer can create significant uncertainty in the future, which impacts on the sustainability of the infrastructure and services, and can have negative effects on community relations.] (see form 1 VLD, for reference)

MEAP should:

- Identify the appropriate documentation, including the agreement to make the transfer and any legal documentation that may be required;
- Ensure that the agreement:
 - Refers to the consultation has taken place;
 - Sets out the terms of the transfer;
 - Confirms that the decision to transfer was freely made, and was not subject to coercion, manipulation, or any form of pressure;
 - Attaches an accurate map of the land being transferred (boundaries, coordinates);
 - Sets out who will bear the costs of the transfer (e.g., notarial fees, taxes, title issues) and documenting the residual land rights;
- Ensure that all necessary parties sign the documents, including obtaining consent from spouses and children over a certain age;
- Ensure that the transfer and title is registered or recorded; and
- Ensure that the land remaining after the donated land is excised and properly titled, registered or recorded.
- It is also important to maintain a record of the process that has been followed. Such documents could include the following:
 - The notification indicating the location and amount of land that is sought and its intended use for the project, with a record of when and where this was made public;
 - Records of the consultations that were held and what was discussed;
 - A copy of the due diligence that was conducted;
 - Copies of each of the formal statements of donation, establishing informed consent as described above, and signed by each owner or user involved;
 - Copies of all documents, registrations or records evidencing the legal transfer of the land;
 - A map, showing each parcel of land.

The project implementing agency should maintain a record with documentation for each parcel of land donated. Such documentation must be available for World Bank review, and for review in relation to any grievances that may arise.

9. **Grievance redress arrangements.**

The MEAP will clearly provide the land donor with information regarding the project grievance redress mechanism, in the event of any complaints arising from the land donation. Land donors should also be informed of their right to seek redress under national laws

FORM for Voluntary Land Donation

Region:	
District:	
Traditional Authority (TA)	
Township:	
Village:	
Project activity requiring land:	
Sub-project ID:	

Name of land owner:	ID Number:	Beneficiary of the project: Y/N		
Sex:	Age:	Occupation:		
Address:				
Description of land that will be taken for the project:	Area affected:	Total landholding area:	The ratio of land affected to total land held:	Map code, if available:
Description of annual crops grown on the land now and project impact:				
	Details	Number/ average yield		
– Crops previous grown on the land				
– Trees that will be destroyed				
– Fruit trees				
– Trees used for other economic or household purposes				
– Mature forest trees				
– Other				
Describe any other assets that will be lost or must be moved to implement the project:				
Value of donated assets:				

By signing or providing thumb-print on this form, the land user or owner agrees to contribute assets to the project. The contribution is voluntary. If the land user or owner does not want to contribute his/ her assets to the project, he or she should refuse to sign or provide a thumbprint and ask for compensation instead.

Date:

.....

District Commissioner for Land
representative's signature

Date:

.....

Affected person(s) signature
(both husband and wife)

ANNEX 9: MINUTES FROM CONSULTATION WITH DIFFERENT STAKEHOLDERS

Institution	Date and Venue	Name and details	Remarks
Ministry of Natural Resource, Energy and Mining (MoNREM)			
Department of Energy	13 th August 2018 Department of Energy Offices Lilongwe	Mr. Khumbolawo Lungu Mr. Gift Chiwayula Mr. Thoko Malunga	<ul style="list-style-type: none"> • The Department of Energy in the Ministry will be the main implementer of component 2 in the project. • The Department will work closely with the Environmental Affairs Department and The Malawi Energy Regulatory Authority to ensure that all legal requirements are addressed regarding acquiring land and mitigating environmental and social issues arising from the implementation of the project. • The Staff in the Department are well trained in Environmental and safeguard issues. However, as a government department, they link well with EAD which is mandated to coordinate and manage environmental issues on behalf of the Malawi Government. • They Department also works well with other Governmental departments like the Department of Forestry, Department of Lands and other ministries.
Department of Forestry	18 September 2018 Nkalango House, Lilongwe	Dr Clement Chilima	<ul style="list-style-type: none"> • The Department of Forestry welcomes this project and will work closely and support the Department of Energy and ESCOM in implementing the project. • The Project will demand electricity poles, and the Department of Forestry sees this as an opportunity to increase its awareness of the profitability of planting trees as those private investors who planted trees will benefit from selling their poles. However, there is a lack of capacity in treating the poles to make them ready for use as electricity poles. This has forced ESCOM to import poles from Zimbabwe, and South Africa. • The Department of Forestry encourages ESCOM to work closely with the department when working in Forested areas. This includes installation of new lines and also clearing of wayleaves. The Department noted that ESCOM at times had gone alone to clear forest. The Department of

			<p>Forestry is mandated to cleared forest and sale the trees and timber and collect revenue for the government from the sales of forest products.</p> <ul style="list-style-type: none"> • Regarding compensation of cleared forests, the Department encourages the establishment of community reforest programs where funds would be put together, and the Department would work with the rural communities to establish village forest reserves. The funds would also be used by the Department to monitor and supervise these community forest projects. • ESCOM needs to build its capacity regarding environmental management and establish a section of the department headed by a director to address issues of environmental and social impacts. This will also help to have a senior person in ESCOM who links well with directors in the government departments like EAD or DoF and the director level.
Environmental Affairs Department	14 th August 2018 Environmental Affairs Office Lilongwe	Mrs Shamiso Banda Mr Biswick Mlaviwa Mr Christopher Manda	<ul style="list-style-type: none"> • The Environmental Affairs Department has the mandate to monitor, inspect and coordinate Environmental issues in Malawi. The department has worked with the Department of Energy and ESCOM in MAREP projects and has processed and given approved some Environmental and Social Impacts Assessment related to electricity supply. • The department is using the Guidelines to Environmental Impact Assessment and has developed several sector specific guidelines. These provide the procedures on how projects and policies that affect the environment are managed by the developers and the Government. • The Department welcomes MEAP and will help to facilitate the review of the ESMF to ensure that it complies with the countries regulations and legal framework to ensure that negative environmental and social issues are mitigated and communities and protected. • The Department has given a mandate to City and District Council to manage hazardous waste like battery cells that will likely come from solar home systems and the increase in electricity bulbs from households in MEAP. Provision and procedures to manage these are well laid out and the city and district councils should be equipped and able to handle these wastes.

Electricity Supply Corporation of Malawi (ESCOM)			
Environmental and way-leaves officer	20 th August 2018 ESCOM office Blantyre	Mrs Gertrude Malulu	<ul style="list-style-type: none"> • The section is heavily understaffed and deals with a diversity of issues from environmental management, wayleaves management and social and compensation issues. • There are no clear environmental management issues in ESCOM, e.g. management of oil and waste and some. The ESMF will be critical to help establish some guiding principles in the management of environmental issues. More so, ensuring that the capacity of the environmental section is increased will ensure timely and efficient implementation and management of environmental issues arising from MEAP. • Regarding Grievance Redressing Mechanisms, the procedure differs depending on the project. Each project comes with its redressal mechanism as such there is no written procedure. ESCOM works with District Councils staff, chiefs and village Development Committees to sort out grievances. • During operation of projects, the procedure is that the aggrieved party lodges a complaint in writing to senior Managers or CEO of ESCOM. From the written complaints, environmental issues are handled. Some non-environmental complaints are handled by customers Care Department, others by faults department and who have Call Centre which embraces all ESCOM departments. • ESCOM has used the District Councils to pay compensations to PAPs. If compensations are more than MK50,000, a bank account transfer is made to PAPs and there is a financial disclosure that is done before and after the payment. However, there have been complaining from PAPs that sometimes these payments are not done on time and sometimes not fully paid even after ESCOM had paid fully to the Districts councils.
Senior Project Management officer	20 th August 2018 ESCOM Office Blantyre	Mr. Alex Kaitane	<ul style="list-style-type: none"> • MEAP <u>is based</u> on a study called Geospatial Electricity Needs of Malawi. The study recommends that most people be closer to the National Grid and hence it will be easy to connect them to the existing Grid. Therefore, MEAP will focus more on the distribution and drop-down connections to new customers.

			<ul style="list-style-type: none"> • Environmental and compliance issues will be enforced by ESCOM through the PIU to ensure that contractors do not undertake any shortcuts or cause additional social and environmental damage. • On the use of wooden poles, ESCOM has been learning about the benefits (financial and environmental) of concrete poles. <u>This</u> can be piloted in MEAP as this will be new technology and material for ESCOM. • There is a need to increase the capacity of the Environmental and social section regarding knowledge and staff numbers to ensure that these issues are handled on time and efficiently. The current capacity is very low and MEAP could help to build this capacity for ESCOM.
Senior Procurement manager	20 th August 2018 ESCOM Office Blantyre	<u>Mr.</u> Jack Thabwa	<ul style="list-style-type: none"> • ESCOM is yet to finalise its procurement framework. However, there is a great deal of consideration when procuring materials and equipment regarding their environmental impacts both during use and disposal after use. • There will provide a framework that will be set up for procuring goods in MEAP that will factor in environmental and social issues during the bidding process. • The Materials to be used in MEAP and <u>labor</u> will be locally sourced. The <u>main</u> materials like wooden poles will be sourced and <u>labor</u> be locally sourced. <u>Labor</u> will <u>be sourced</u> with consultation with local leaders. • Cement poles are <u>a very good</u> and sustainable way to go. However, ESCOM has not fully endorsed these poles. There has been discussion and even education visit to Zimbabwe on concrete poles. There are dangers associated with wooden poles like the chemical treatment that may pollute the soil around and even the workers who handle them when installing. • MEAP will distribute energy saver bulbs too to ensure that the consumers learn about these environmentally friendly bulbs. However, the project will also include education on waste management of the bulb after use. The Project will endeavour to work closely with District Councils to construct bulb disposal bins in the location of the project. • There will be a need to train staff and the community on a safe way of

			waste disposal.
Senior Business and Marketing Manager	21 th August 2018 ESCOM Office Blantyre	Mr. Wiseman Kabwazi Mr. Clement Kana Mr. Chifundo Kameko	<ul style="list-style-type: none"> • The project will focus mostly on consumers in peri urban areas of Blantyre, Lilongwe, Mzuzu, Karonga, Salima, Kasungu Mangochi and many other rural areas. The target will be both high density and low-density areas. The target is to have at least ten ready customers per transformer and target a radius of 1 km around the transformer. • There will be a challenge in high-density areas to install additional poles, and transformers as this will demand to access land and acquiring private properties. However, with experience from other projects, MEAP will work with the communities to ensure efficient targeting and supply of electricity to all demanding customers. • Concrete poles are better than wooden poles in high-density areas as they are not easily damaged from fires and sources of danger. However, there is currently no quality supplier of concrete poles in Malawi. This may have to be seriously looked at as the concrete poles will save much money in maintenance mostly in high-density areas where accessibility with large vehicles and machinery or a problem. • On waste management, the project or the district councils should have bulb crushers in different sites to handle in the increased number of bulbs that will be a waster after use but the consumers. • Record keeping is a big problem in ESCOM. Grievances and compensations have not been well kept enabling learning and correcting issues that keep reoccurring. • There is a need to have the customer service keep records of all grievances and complaints and final compensation made. This will ensure that lessons and learnt, and future complaints well managed and eventually reduce. • There is a need to keep GPS coordinated of all installation and sources of grievances. This will ensure easy tracking of issues and help in formulating long-lasting solutions. • There is a need to increase enforcement of ESCOM team to enforce several issues like wayleaves maintenance and vandalism of electrical

			equipment.
Engineer-Mzuzu	24 th August 2018 ESCOM Office Mzuzu	Gift Banda Michael Mkandawire	<ul style="list-style-type: none"> • Main issues on transformers to be considered are the compensation where land has been acquired for transformers or consent forms to be signed on times where land has been given free to ESCOM. • A form that indicates that land has been donated to the project should be signed by the landowners and the District Council. This should also be used to ensure that such member of the community is given priority and supplied with electricity fast enough. These are selfless community members, and ESCOM should aim at reducing frustrations from such people. This will also encourage others to follow suit. • There is a need to consider fencing of some transformers and raising distribution box to at least 2.5 meters above ground to avoid children playing with it, and also deter would-be thieves to be tempted to steal • Copper earth wires on transformers are a very easy target for theft. There are a huge copper market, and some transformers earth wire is easily stolen and hence denying customers of electricity and at the same time posing dangers of electrocution to the community and the thieves themselves. Copper wires should be buried at least a meter plus and be covered with concrete. This will make stealing them very difficult. Most of the potential suspects that steal the copper wires are the casual labors who are temporally hired during constriction by the contractors. These can learn how the wires are installed and how they can bypass the high voltage and steal the equipment be it the oil or the copper wires. A proper vetting procedure at the local level should be enforced by the contractors to ensure that ESCOM equipment is kept safe after installation.
Mulanje Electricity Generation Agency (MEGA)			
	21 th August 2018 ESCOM Office Blantyre	Lusungu Kumwenda	<ul style="list-style-type: none"> • The Mini-hydroelectricity generation plant serves five villages within a radius of 20-25 kilometres with a customer base of 610. The plant has helped reduce deforestation in the areas as households have reduced the use of firewood for cooking. It also serves businesses like maize mills, barber shops and other social amenities like a hospital and school.

			<p>There are reports now that the maternal death rates have reduced because mothers do not need to bring candles to the hospital for lighting and sterilisation. The schools have also improved performance. Last year, the secondary school registered their first student who was selected to into the university. This is attributed to the electricity that has made studying and access to some laboratory equipment and experiments possible.</p> <ul style="list-style-type: none"> • The community was involved in the establishment of the mini hydro generation plant, and they provided the land for the plant and the distribution lines. Some communities were compensated for their land, and they have established social contracts with the community on the maintenance of the transmission lines. This has strengthened the relationship between MEGA and the local community.
Discussions with the communities			
	<p>✓ 20th August 2018- Bangwe Sub Station</p> <p>24th August 2018 (Luwinga)</p> <p>24th August 2018 Kavuzi</p> <p>25th August 2018</p>	<p>✓ Chiradzulu,</p> <p>✓ Mzuzu</p> <p>✓ Nkhata-bay</p> <p>✓ Nkhota-kota</p>	<ul style="list-style-type: none"> • The community is happy with the project and looking forward to accessing electricity. • However, they have experienced some issues when ESCOM is constructing distributions line <ul style="list-style-type: none"> ○ There is poor communication between the ESCOM staff and the rural community. The communities are not targeted of the projects. They saw vehicles are coming in their areas and starting to cut trees and digging pits for poles. ○ When the implementation is done during the rainy season, ESCOM vehicles will drive anywhere even in farmers' fields. Some farmers complained that their maize fields were damaged with ESCOM vehicles when they were either maintaining or installing new lines. ○ In some instances where trees were cut, when complaints were launched directly to the staff working on the ground, the farmers were referred to ESCOM head office. This made it difficult for them to launch their complaints formally. They were at times intimidated that they were in ESCOM land and had no jurisdiction over the land. In most cases, farmers were surprised as they had been no papers,

	26 th August 2018- Kauma	✓ Lilongwe	<p>or discussion to indicate that the land belonged to ESCOM.</p> <ul style="list-style-type: none"> • In cases where there were compensations to be received, the community complained that the process is not transparent and takes very long. • Where the compensations were received, the community observed that the money received and what was promised are at times different. They suspected some foul play at the District Council. • Some communities complained that ESCOM staff would enter premises without permission to install new connections. If ESCOM staff are asked why they are trespassing and asked first to seek permission, they have been cases where such customers have been denied electricity. When complaints are launched, there is no action on the ground. This is merely done by ground staff to punish customers that question the non-professional acts when dealing with owners of the premises.
	27 th August 2018 -Area 25 sector 9	✓ Lilongwe	