



**MALAWI GOVERNMENT**

**ENERGY SECTOR SUPPORT PROJECT**

**RESETTLEMENT POLICY FRAMEWORK (RPF)**

**MAY, 2016**

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## ACRONYMS

<b>CBO</b>	Community-Based Organization
<b>DSM</b>	Demand Side Management
<b>ESCOM</b>	Electricity Supply Commission of Malawi
<b>ESSP</b>	Electricity Sector Support Project
<b>ESMF</b>	Environmental and Social Management Framework
<b>ESIA</b>	Environmental and Social Impact Assessment
<b>GoM</b>	Government of Malawi
<b>Ha</b>	Hectare
<b>HIV/AIDS</b>	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
<b>Km</b>	Kilometre
<b>Kv</b>	Kilovolt
<b>M</b>	Metre
<b>MKW</b>	Malawi kwacha (currency)
<b>NGO</b>	Non Governmental Organization
<b>OP</b>	Operational Policy
<b>PAP</b>	Project Affected Person
<b>PIU</b>	Project Implementation Unit
<b>RAP</b>	Resettlement Action Plan
<b>ROW</b>	Right-of-way
<b>RPF</b>	Resettlement Policy Framework
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>MNREE</b>	

## **1.0 PROJECT DESCRIPTION AND NEED FOR RESETTLEMENT POLICY FRAMEWORK**

This chapter explains the purpose and need for this document and describes the Malawi System Power Project to which it applies.

### **1.1 Background**

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

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

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

The project seeks to deliver these results via four components:

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

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

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

The component will be divided into two sub-components:

- **Component 1a: Distribution & Transmission Upgrading and Expansion:** Activities in this sub-component include: (i) construction of new substations, (ii) upgrading of existing substations, (iii) construction of new distribution lines, (iv) Rehabilitation of existing distribution lines, (v) rehabilitation of Underground Distribution Cables, and (vi) peri-urban network expansion. The focus of the investments is on ESCOM's distribution system rather than the higher voltage parts of the system. Specifically, the substation investments are predominantly 'interface' substations between the 66 kV transmission system and the distribution system (i.e. with 11kV or 33kV as the secondary voltages).<sup>1</sup> The one exception is the upgrading of an existing 132/66/33kV transformer, situated at Golomoti, and one new 'greenfield' 132/33kV substation at Dwangwa. These are described further below. Similarly, all the lines to be either built or rehabilitated are sub-transmission lines at either 33kV or 11kV. The project will not construct or rehabilitate electricity lines at voltages greater than 33kV.
- **Component 1b: Low Voltage Reticulation Reinforcement and Technical Implementation Support.** Activities in this sub-component include: (i) 'technical loss audits' to determine key sources of losses in the low-voltage system, (ii) reconfiguration and extension of medium voltage overhead lines (11kV and below) supplying 'consumer substations'/distribution transformers (such as pole-mounted MV/LV step-down

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

transformers), (iii) installation of approximately 200 new such ‘consumer substations’, and (iv) construction of new three phase low voltage overhead lines and conversion of single phase to three phase low voltage overhead line. These low voltage reticulation reinforcement activities will undertaken at multiple sites in the main cities (Lilongwe, Blantyre, Mzuzu and Zomba), primarily in those areas that have the oldest network or have experienced the greatest load growth. The precise locations will be determined during project implementation following detailed survey work.

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

- **Component 2: Hydroelectric Power Generation Feasibility Studies.** This component includes financing for full feasibility studies at several sites in Malawi. However, there will be no physical investments. The feasibility studies will include two sites with potential capacity of over 100MW on the major rivers in Malawi, namely Lower Fufu on the North Rukuru river and Mpatamanga on the Shire river, as well as one smaller site situated at Chingonda on the Dwambazi River. The **Lower Fufu** site study will include the full technical, environmental, social, and economic aspects. The technical aspects will be carried out to the level of full project design. The full Environmental and Social Impact Assessment (ESIA), with associated mitigation/management plans, will be carried out in parallel with, but independent of the technical study (i.e. two separate contracts). The two studies will be closely coordinated. The goal is to complete this feasibility study and the full environmental/ social assessment to the point of readiness for financing.
- The **Mpatamanga** and **Chingonda** sites will be included in the project for a technical, economic, environmental, and social assessment. The technical aspects will be carried out to the level of preliminary project design. The ESIA will be carried out at the preliminary level, rather than the full impact assessment. The studies will be carried out under one contract, and will not include full project design.

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

## **1.2 Contents of Resettlement Policy Framework**

This draft Resettlement Policy Framework (RPF) document has been prepared to describe the principles and procedures to be followed in addressing involuntary resettlement that could be required by the proposed Malawi Energy Sector Support Project, which is to be financed by the World Bank using IDA funding. Involuntary resettlement refers to the full range of possible economic or physical displacement that may occur during project

implementation, as set out in the World Bank's Operational Policy OP4.12 on Involuntary Resettlement. In practice, given the nature of the proposed project, involuntary resettlement is likely to be restricted to land acquisition without displacement and losses of agricultural production, rather than resettlement of individuals or households. However, this RPF provides a framework to manage all eventualities and discusses both land acquisition and any possible displacement required.

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

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

The document includes the following elements:

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

### **1.3 Need for Resettlement Policy Framework**

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

## **2.0 OVERARCHING PRINCIPLES FOR RPF**

The Electricity Sector Support Project (ESSP) requires the use of best international practice in resettlement. Thus ESSP will require for the Malawi Power System Project apply the World Bank's Operational Policy (OP) 4.12 on Involuntary Resettlement to all activities under a project. This chapter presents principles and objectives set forth in OP 4.12.

### **2.1 Definitions**

Resettlement (economic or physical displacement) can involve one or more of the following: land acquisition; other asset acquisition (e.g., homes or other physical structures, trees, crops); physical relocation; and loss of access to resources (e.g., grazing lands, pastures, fishing grounds or collection areas for medicinal plants, weaving materials, or similar resources).

All persons affected by resettlement are collectively referred to as “displaced persons” or as “project affected persons” (or PAPs).<sup>2</sup>

### **2.2 Objectives**

Three objectives form the basis of OP 4.12:

- Involuntary resettlement should be avoided where possible, or minimized, by considering alternative project designs.
- Where resettlement is unavoidable, resettlement activities should be planned and executed as sustainable development programs, enabling those displaced by a project to share in its benefits. Those displaced should be meaningfully consulted and afforded the opportunity to participate in planning and implementing the resettlement programs.
- Those displaced should be assisted in efforts to improve their livelihoods and standards of living, or at least to restore them to pre-displacement levels.

### **2.3 Principles**

An RPF such as this document for the overall Malawi Power System Project and project-specific Resettlement Action Plans (RAPs) must be prepared to address the impacts of Project-related and specific project-related resettlement consistently with the principles below.

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<sup>2</sup> OP 4.12 refers to persons affected by involuntary resettlement as ‘displaced persons’

### **2.3.1 Eligibility**

All PAPs, including those who have no recognizable legal right or claim to the land they are occupying, are eligible for compensation or other assistance commensurate with the nature and extent of the impact involved.<sup>3</sup>

### **2.3.2 Consultation**

PAPs are to be:

- Informed about their options and rights pertaining to resettlement;
- Consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and
- Provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.

### **2.3.3 Compensation**

A fundamental objective of resettlement activities based on OP 4.12 is to at least restore and, preferably, improve standards of living and the livelihoods of those households, families, extended families, and individuals who lose land, assets, or access to resources due to the implementation of a project. Compensation for lost assets can be monetary, in kind (e.g., new land, housing and social infrastructure, work places or other replacement for lost assets) or a combination of both. To meet the OP 4.12 objective, compensation must provide replacement assets of value equivalent to or greater than the lost assets, or monetary compensation at full replacement cost, disregarding depreciation of the asset to be replaced and considering current market values in and around a project area.

When land taken is the primary source of income and livelihood, PAPs should be provided with land (“land for land”) for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken. If the affected land consists of a small portion of a PAP’s property that is not essential for residence or economic livelihood, monetary compensation can be provided.<sup>4</sup> In some situations, moving assistance or allowances and compensation for lost income during the move and the cost of re-establishing a livelihood (e.g., at a new work place or prior to planting a new crop) will be provided. When new housing or work places are more distant from each other than prior to

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<sup>3</sup> This does not include PAPs who move onto, use, or make improvements upon project affected land after notice of the project has been duly given and a census and inventory has been completed

<sup>4</sup> For the ESSP, this would apply to land under poles and lattice towers, among other elements. Land under residences or businesses would be replaced in kind or in money, depending upon whether the structures are replaced in kind or monetary value.

resettlement, transportation allowances might be required to avoid loss of income and lack of access to the source of livelihood. When in-kind land or housing is provided to a PAP as compensation, ESSP will coordinate with the relevant chief and District Commissioner to ensure that a title, deed, or other ownership-related documentation associated with the asset is also provided and is in the name of the PAP.

### **2.3.4 Vulnerable Groups**

OP 4.12 requires particular attention to the needs of vulnerable groups among the PAPs, including these categories applicable to the Malawi situation: those below the poverty line, the landless, the elderly, women and children, indigenous groups, and others who might not be protected through national land compensation legislation. Households headed by children are a growing phenomenon in countries such as Malawi that are severely affected by HIV/AIDS—human immunodeficiency virus or acquired immune deficiency syndrome. Resettlement planning must include special efforts to identify and work with children-headed households as part of the efforts to attend to vulnerable groups. This effort goes beyond the typical concerns for children in resettlement operations.

### **2.3.5 Timing**

Resettlement activities required for project implementation must be completed before the affected land, asset, or resource is taken for construction or other project use. In particular, land and related assets may be taken only after appropriate compensation and other assistance as contemplated by the RAP has been provided to the PAP<sup>5</sup>.

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<sup>5</sup> ESSP may initiate procurement actions related to project implementation, sign contracts, and allow contractors to mobilize prior to and during the resettlement and compensation process; however, no construction or implementation activities that involve the taking or use of the asset or land in question may take place until the affected party has received appropriate compensation and other assistance contemplated by the RAP.

### **3.0 LEGAL FRAMEWORK**

This chapter presents the legal framework and principles for the Government of Malawi (Government) that applies to resettlement and compensation, specifically in the context of the energy sector. It discusses gaps between these and the principles of the World Bank Operating Principle (OP) 4.12.

#### **3.1 The Constitution**

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

#### **3.2 Energy Laws**

Malawi's energy sector is governed by four acts passed in 2004: the Energy Regulation Act, Rural Electrification Act, Electricity Act, and Liquid Fuels and Gas Act, together known as the Energy Laws. The Electricity Act establishes provisions for notifying and compensating private land owners whose lands are affected by electricity licensees. Section 39 of the Electricity Act allows easements without compensation for placement of transmission lines and distribution lines provided a 30-day notice is given and no structures are taken.<sup>6</sup> Compensation is required, however, if any structures are affected and for any resulting losses or damages.

#### **3.3 Land Laws**

Land and associated issues of tenure are currently governed by three acts: the 1965 Land Act (Cap 57: 01), the Registered Land Act (Cap 58:01), to cite the related chapters and the Customary Land Development Act(Cap 59). These Land Laws provide for the Government to acquire land under customary title through a prescribed process (Sections 25–30 of Cap 57). Land in Malawi can be privately owned, publicly owned, or owned by the Government. Private land can be held by individuals under "freehold tenure" (ownership) or by Traditional Authorities, communities, families, and individuals under customary law. Public land can be held in trust and managed by the Government or by Traditional Authorities, but must be openly

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<sup>6</sup> (ESCOM) personnel state that, if an objection is received within the 30-day period, the utility seeks to come to an agreement with the objector. They speculate that if agreement cannot be reached, the utility would have to divert the line around the contested area. They are unaware of any past case when agreement was not reached. They speculate that an objector could petition the court and, in such a case, estimated that six months to one year would be required for resolution (presumably this is why ESCOM expects that the utility would simply divert the line). Past ESCOM practice has been to compensate for affected structures and crops, not land, except where land is acquired outright and not by easement.

used or accessible to the public at large. Government land is typically used for a specific purpose such as schools, hospitals, or Government buildings. According to the 1965 Land Act, land “shall not be assured to or for the benefit of, or acquired by or on behalf of anybody corporate, unless such body corporate is authorized by a license issued by the President to hold lands in Malawi” (Part II, Article 4). The Government may expropriate land for Government use or redevelopment, but must pay a fair compensation to the land holder. The Town and Country Planning Act (Cap. 23:01) requires that any development within a planning area should be approved by a town planning committee before commencement. ESCOM will have to apply for a way leave before installation of their power lines and substations in all planning areas. The Land policy of 2002 states that the whole country is to be a planning area and subjected to development control. This implies that ESCOM will have to seek development permission for the installation all of their power lines once the Physical Planning Act is in place.

### **3.4 Local Government Act 1998**

Although not explicitly concerned with involuntary resettlement issues, the Local Government Act of 1998 aspires to devolve certain powers to local-level government, and to make local government more transparent and accessible. As such, local government would have a central role in the planning for resettlement within its area of jurisdiction, and would have the capacity available to effect implementation of resettlement planning. The 1998 Act provides for a constitution for and an election of a District Council, comprising elected members of each Ward of the District. The Chairperson is selected from the councillors. The District Council also includes chiefs of the various Traditional Authority Areas in the District. A Chief Executive Officer/District Commissioner heads the Council Secretariat and is supported by professional heads of government departments. The District Council is mandated to pass by-laws to govern its operations and to raise funds for carrying out its development work. The District council is assisted by a District Executive Committee, which is a technical advisory committee comprising all heads of the local government departments and non-governmental organization partners. With regard to compensation for loss of land and resources, representatives of the Departments of Forestry, Environmental Affairs, Agriculture and Lands, and Valuations would be consulted through this Committee. The planning for resettlement and the implementation of the resettlement plan would fall within the powers of the District Assembly. In theory, the chiefs, who are acknowledged as leaders of their respective communities and custodians of customary lands and traditional values, head Area Development Committees, which represent all Group Village Development Committees or individual

Village Development Committees in their areas. The Area Development Committees are charged with the mobilization of community resources and the determination of development interventions in the area. Chiefs, in their capacity as leaders of the Area Development Committees, would be consulted in the resettlement process.

The proposed Malawi National Land Policy of 2002 states that customary land tenure was treated in the past as a subset of public land and that customary land was taken by the state without adequate compensation. Despite attempts in 1967 to improve land legislation through the Registered Land Act and the Customary Land Development Act, inadequate compensation prevailed due to weak land administration. The Malawi National Land Policy calls for a new comprehensive land law that will make local and district governments the principal agents for land administration and will recognize customary land as being under the jurisdiction of Traditional Authorities and governed by customary law. The Policy also calls for fair compensation for use of customary lands and gender sensitivity in the provision of access to land.

### **3.5 Gap Analysis**

Some resettlement and compensation practices in Malawi are similar to the objectives and principles of OP 4.12 reviewed in Chapter 2 and some differ, largely because of the laws and procedures that Electricity Supply Corporation of Malawi (ESCOM) follows. For the ESSP addressed in this Resettlement Policy Framework (RPF), in cases where there is inconsistency between Government requirements and OP 4.12 requirements, the more stringent requirement will govern.

#### **Current ESCOM Practice Compared with OP 4.12 Requirements**

- ESCOM compensates for land or arranges land-for-land replacement and compensates for all immovable assets on land it acquires outright for substations. This practice is *consistent* with OP 4.12 requirements.
- Easements are established for transmission lines and distribution lines, as allowed by the Energy Act. Use of easements minimizes economic displacement. This practice is *consistent* with OP 4.12 requirements.
- Compensation along easements applies to affected structures and cut trees and for damage to standing crops. This practice is *consistent* with OP 4.12 requirements.
- No payments are made for the affected land along easements, although owners are prohibited from building structures or growing trees on the affected land, thus

substantially reducing the full potential of the land. This practice is *inconsistent* with OP 4.12 requirements.

- In acquiring right-of-way, ESCOM has been committed to minimizing effects on structures, and has not been concerned specifically with impacts on cultivable land and trees. This practice is *partially consistent* with OP 4.12 requirements.
- Land-for-land arrangements are made but equivalency in the respective values of affected and replacement assets is not sought; discretion is left to the Traditional Authority. This practice is *inconsistent* with OP 4.12 requirements.
- Although gazettement informs project affected persons (PAPs) of upcoming projects, displaced persons are not meaningfully consulted and do not participate in the planning and implementation of resettlement programs. Instead, representatives of ESCOM, the Ministry of Land, and the District Commissioners and the chiefs/headmen collectively meet with PAPs to inform them of acquisition of their assets and the valuation already made. This practice is *inconsistent* with OP 4.12 requirements.
- The Electricity Act allows a utility to go forward 30 days after gazettement if no objection is received. This practice is *inconsistent* with OP 4.12 requirements to provide for meaningful consultation with affected parties.
- Renters and tenant farmers are not compensated for land. This practice is *inconsistent* with OP 4.12 requirements.

### **3.6 Resolving Gaps**

None of the measures required to bring current ESCOM practice into line with OP 4.12 requirements would be prohibited by Malawi law. Some would set precedents that might affect public expectations on future ESCOM projects. Development and implementation of RAPs according to this RPF would resolve the gaps. Hence, implementation of the ESSP would require the following changes in ESCOM practice:

- During design of selected projects, attempt to minimize displacement of crops and trees as well as structures.
- Offer in-kind replacement of affected structures as an alternative to monetary compensation.
- Provide new structures or full replacement cost for affected structures, without consideration of depreciation.
- Consider individual characteristics of land, structures, trees, and crops in valuation.

- Consider loss of future income in valuation of land, trees, and crops.
- Compensate for land accessed through easement agreements.
- Register replacement land and easement agreements in the owners' names.
- Involve PAPs in review of valuations and discussion of options for resettlement and compensation.
- Allow for disputes and concerns from PAPs later than 30 days after gazetting.
- Complete delivery of replacement assets and monetary compensation before construction begins.
- Provide transport or transportation allowances for goods from displaced structures.
- Compensate renters for time lost in finding new accommodations.
- Compensate tenant farmers for lost crops.

## **4.0 SOCIAL SCREENING OF PROJECTS**

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

### **4.1 Screening Process: Land Acquisition Assessment (LAA)**

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

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

### **4.2 LAA Form**

The LAA form to be used is attached below:

## MALAWI ENERGY SECTOR SUPPORT PROJECT

### LAND ACQUISITION ASSESSMENT FORM

[SITE NAME]

#### General

##### Site Location

##### Site GIS co-ordinates

##### Size of site

*Give total area in square metres, as well as the approximate dimensions. If necessary, include a sketch on a separate page*

#### Land Status

##### Ownership

*Indicate legal ownership (e.g. state / private / traditional)*

##### Usage

*Describe current use of land (e.g. farming / fallow etc.). If farming, describe crops. Indicate if land use is year-round / seasonal / occasional.*

##### Land use status

*Describe legal status of land use (e.g. used by owner / community / tenants / unofficial or illegal use)*

##### Users

*Describe who uses the land and the number of people (e.g. family / local farmer / community). Provide this information even if the users have no legal right to be there.*

<b>Land Characteristics</b>	
<b>Physical Characteristics</b> <i>Describe any pertinent physical features (e.g. houses, other structures, large trees, water features)</i>	
<b>Adjacent Features</b> <i>Describe any pertinent adjacent features (e.g. houses / village / public facilities) and indicate proximity</i>	
<b>Other</b>	
<b>Other aspects</b> <i>Describe any other salient issues</i>	
<b>Conclusion</b>	
<i>In this section, provide a short summary assessing whether issues of land acquisition and displacement exist</i>	

## 5.0 PROCESS FOR DEVELOPING FULL OR ABBREVIATED RAPs

### 5.1 Overview

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

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

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

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

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

- **Detailed inventory of all assets** to be lost by all homesteads and individuals affected by having to move their place of residence or business to allow for the development of the power line or any other associated infrastructure. This must be made up of a baseline survey against which the future well-being of the household can be measured. An action plan is required for the resettlement of the homesteads. This **must** take place at the same time as the survey of the sites is being undertaken. ESCOM will review its capacity to undertake the full or abbreviated RAP survey and if required will contract an outside party to undertake the work on its behalf.
- **Inventory of people** who will lose land over which they have established ownership or rights of usufruct (either in a permanent or temporary fashion) to allow for the construction of a distribution line or any other associated infrastructure. This must be made up of a baseline survey against which the future well-being of the homesteads can be measured. An action plan is required for the replacement of the homesteads' lost resource base. This will detail how compensation for crops will be paid (see the Compensation Practices section

below), where replacement land will be found (if necessary), and which steps will be followed to ensure that the homesteads productive base is re-established. ESCOM will review its capacity to undertake this work, and if required will contract an outside party to undertake the work on its behalf.

- An **action plan** is required to ensure that the communally held resource base is replaced/re-established to ensure that no one is worse off after project implementation. Within the framework of a process of public consultation and disclosure, the full or abbreviated RAP will be subject to scrutiny by relevant stakeholders. As such ESCOM will ensure that the document is made available to the following parties, for comment, in good time:
  - Financiers
  - Relevant Government Department as well as local government and the relevant district assemblies.
  - Project Affected People (PAPs) and their representatives.

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

## **5.2 Full and Abbreviated RAP Process Steps**

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

### **5.2.1 Gazetting and Dissemination of Alignment Information**

The process of resettlement planning could start with the publication of the overall *Electricity Sector Support Project* (ESSP) as being “in the public interest” in the Official Gazette. Although publication of information on the overall Project is not required, this approach would inform the public about the Project and provide initial notice of forthcoming notices for specific

projects. Individual RAPs shall be initiated only after specific information for each project that requires new ROW is gazetted. Gazetting is required under Malawi law and is consistent with public consultation principles of OP 4.12 to disclose the Project's need for acquiring immovable assets for public interest. Gazetting is a standard procedure ESCOM follows in all projects. As indicated above, the implementing agency is responsible for gazetting. Gazetting may take place over time, as designs are finalized for individual projects. Under the Electricity Act, gazetting initiates a 30-day period after which a utility can proceed with a project if no objections are received. For this ESSP projects, time beyond 30 days after gazetting a project will be allowed for concerns, suggestions, requests, and objections to be heard and factored into resettlement planning. This deviation from Government practice is required for consistency with OP 4.12 principles for participation of PAPs in resettlement planning and implementation. As each project is gazetted, the Implementing Entity will notify OPC and will send specific alignment information to the affected Regional Commissioner(s) of Land, District Commissioner(s), and the associated Traditional Authorities, requesting that they identify PAPs and undertake a census of affected assets. The Implementing Entity will also request support of the Traditional Authorities for public information meetings at affected villages where RAP preparers shall explain the project and the upcoming RAP activities.

### **5.2.2 Preparation of the Census of Affected Assets**

Once designs are finalized and alignment margins are pegged, local headmen, in the company of staff from District Commissioners and outside facilitators provided by the implementing agency, will undertake a census (inventory) of affected immovable assets, producing a list of PAPs and assets of each. A census team will visit each site and alignment slated for new construction or rehabilitation where new ROW will be needed. The team will identify each PAP, whether owner, user, or occupant of property on a site or along an alignment. The team will record the size and nature of affected land and assets upon it, in the company of the PAP or someone who represents him or her. The team and the PAP will sign the inventory form to indicate agreement on the findings of the census. Participating staff of District Commissioners will provide the lists of PAPs and affected assets to the District Commissioner's office. The implementing agency will request that the District Commissioner and Traditional Authorities disseminate local lists by posting in suitable places so that individual PAPs can review the inventory assigned to them. District Commissioners and Traditional Authorities will ask headmen to encourage questions and to make corrections needed; the implementing agency will make outside facilitators available to support this process. Following a review period as specified in OP 4.12, headmen will resubmit lists to the District Commissioner, who will keep

a copy for the valuation process and transmit a copy to the implementing agency. The census will be considered as a crucial step in the process of preparing a full or abbreviated RAP.

### **5.2.3 Declaration of Cut-off Date**

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

### **5.2.4 Preparation of Screening Process**

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

The socio-economic survey could cover the following aspects:

<b>Issue</b>	<b>Indicators</b>
Household Demography	Number of household members, gender of the household head
Household Assets	Total land owned, total number of timber and fruit trees, size of dwelling house, size of home garden, number of livestock and poultry
Household Income	Income from land and trees; income from domestic animals; cash income from agricultural, horticultural, livestock, and other agricultural activities; non-agricultural income
Household Consumption	Food and non-food expenditure breakdowns, income in kind versus cash income
Project Impacts on Immovable Assets	Structures affected, number and type of trees affected, land affected by type of crop
Attitudes Toward Project	Expectations concerning the level of compensation, intentions for use of compensation
Preference for Form of Compensation	In kind or, where unavoidable, monetary for all or part of affected assets

### **5.2.5 Valuation of Affected Assets**

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

The implementing agency will arrange for these external and Government experts to join the headman of each affected area to walk through the ROW, meet with each PAP, confirm the ownership status of the affected assets and the accuracy of the inventory, and assign a

replacement value to each asset. The valuation team will use the methods described below, which set out the overall approach for compensation for different types of assets. These methods will have been provided in Terms of Reference to each District Commissioner and Regional Commissioner of Lands. As required by the specified methods, the valuation team will consider the individual characteristics of the affected assets when using Government gazetted rates where applicable as a basis for values, and the valuation specialist present will apply the deviations from Government practice required by this ESSP RPF. PAPs will be able to discuss the proposed values as they are developed, and express a preference for in-kind or monetary compensation, or a mix of the two.

Currently, affected structures, land, crops and trees are assessed; monthly price data from Ministry of Agriculture or gazetted forest tree rates are used for valuation. The process of valuation will aim to restore income generated through lost immovable assets by considering the individual characteristic of these assets.

#### **5.2.6 Development of Compensation Packages**

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

#### **5.2.7 Second Consultation with PAPs**

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

- To provide for PAP review of compensation agreements and to document PAP acceptance or objections.
- To confirm PAP preference for in-kind or monetary compensation.
- To communicate grievance procedures.
- To explain how compensation will be disbursed or delivered.

- To explain time requirements for PAPs to demolish or abandon assets or to cease use of way leaves for certain activities.

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

### **5.2.8 Attention to Vulnerable Groups**

Vulnerable groups could include female-headed households, households headed by children, households headed by the elderly and households of the disabled living alone. Among the vulnerable groups, as compared to non vulnerable groups, the following issues might arise:

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

- Vulnerable households could be at a disadvantage in making contractual arrangements with local builders.

These potential impacts related to gender and other sources of vulnerability require the development of appropriate RAPs that include locally appropriate replacement cost values, careful research of title or customary ownership of assets to be displaced, and that offer in-kind replacement as a realistic alternative to cash compensation. RAP preparers shall collaborate with external facilitators in identifying needs and potential solutions. RAP preparers shall be responsible for meeting the cost of consultative workshops, stakeholder meetings among others for preparing the census, assessing affected assets, or conducting the socioeconomic surveys, and for considering these in the implementation schedule.

### **5.3 Preparation of full or abbreviated RAP Document**

For any project activity that involves involuntary resettlement or displacement, the RAP preparers shall write a full or abbreviated RAP. Refer to Annex A for the required sections.

### **5.4 Approval of full or abbreviated RAPs**

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

- **Implementing agency Approval of full or abbreviated RAPs.** Preparers shall submit Initial Draft RAPs to the implementing agency for review while draft compensation schedules are under review, with the understanding that the detailed cost estimate is provisional. The implementing agency will provide comments to be addressed in revisions; depending upon the changes required, the implementing agency can require submittal of a Revised Draft RAP prior to completion of a Draft Final RAP. Following approval of draft compensation schedules, completion of second consultations with PAPs, and finalization of compensation schedules, preparers shall submit Draft Final RAPs to the implementing agency. Once satisfied with the Draft Final RAPs, the implementing agency will provide them to the Commissioner of Lands for review and agreement, and then to WB for approval. The implementing agency shall provide advance notice of at least one week to the Commissioner of Lands and WB so they are prepared to complete review of each Draft Final RAP within one week of receipt.
- **WB's role in Overseeing Resettlement Activities.** Given the nature and scope of the proposed project, the WB team will not evaluate resettlement on a case-by-case basis. However the various reports generated, particularly the resulting of the screening process, will be reviewed to ensure that the outcomes of the resettlement are consistent with OP 4.12 and compliant with other relevant WB policies and procedures, including

WB's Program Procurement Guidelines, applicable financial management policies, and Gender Policy. In the event of any full or abbreviated RAPs, the WB team will approve the document before ESCOM can proceed with implementation of compensation and resettlement assistance efforts.

## 6.0 OVERVIEW OF POSSIBLE SOCIAL IMPACTS

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

### 6.1 New Substations

Four new substations are included in the proposed project, as set out below. Only one of these, New Dwangwa, incorporates a transmission-system level voltage; all the others will be operating at distribution level voltages. Based on site visits made to the sites<sup>7</sup>, none of the proposed new sites would affect structures or tree crops, only agricultural land or bush. It is estimated that, in total, the land area affected will be less than 2 hectares. Refer to annex

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

Source: ICF/CORE feasibility studies, WB engineering assessment

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

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

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<sup>7</sup> As part of the preparation of this draft RPF, all project sites have been visited by the ICF/CORE feasibility study team, including preliminary environmental and social safeguards assessments. In addition, the New Dwangwa, Kauma and Bangwe sites were inspected in person by the WB team.

## 6.2 33kV/11kV Distribution Lines

The table below shows the new 33/11kV distribution lines to be constructed via the project. The lines are 33kV in rural areas or 11 kV in urban/peri-urban areas, and are normally mounted on single poles, requiring a 15m way leave. These distribution lines would be supported on wooden poles, which have smaller footprints than the steel lattice towers used for transmission lines. While the start and end points of the lines are known, line routing will not be determined until the preliminary design phase of project implementation.

Region	Name	Estimated Length (km)
North	Karonga - Mzuzu road OHL	5
	Luwinga - T/hill - Mzuzu OHL	15
	Luwinga - Choma Poultry OHL	6
	FMB - Kaning'ina (New) OHL	5
South	Bangwe 205 - Nguludi Turn off OHL	5
	Mapanga - Chiladzulu 33 kV OHL	1.4
		<b>~ 50</b>

Approximately 37 ha<sup>8</sup> of land would be affected by these distribution line projects. This estimate does not include the low-voltage lines from the distribution substations, where no way leave is required. Much of this land is non-arable as distribution lines tend to be located in more settled areas; as such, this land will not have been allocated for use and thus will require no compensation. Compensation for assets and land would apply wherever the distribution line projects would displace users or residents or their assets. Estimating the number of PAPs along the approximately 50 km of new 33kV/11kV distribution lines where new ROWs would be needed is difficult. The number depends on conditions along the routes. The new distribution routes will be selected to minimize impacts on communities. Nevertheless, land is allotted or owned in small plots among many owners, the plots are smaller near settlements than in more rural areas, and a linear ROW can cut across many plots. Assuming 10–50 plots per km, between 500 and 2,500 PAPs might need to be compensated for land acquisition or displacement for the distribution line projects. However, this initial estimate will need to be developed further in future iterations of this RFP.

The project also envisages rehabilitation of existing distribution lines. This will include replacement of existing poles with new poles at the same pole sites and re-stringing of conductors.

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<sup>8</sup> Approximately 50km of 11/33 kV lines with a 15m way leave.

As such, these rehabilitation activities have no associated displacement or land acquisition issues and are not considered further in this draft RFP.

#### **6.4 Low Voltage Distribution Lines**

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

#### **6.5 Underground Cables**

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

## **7.0 PROPOSED COMPENSATION PRACTICES**

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

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

All land for the four new substations will be acquired outright. There are no existing structures at any of these sites. Easement agreements will be used where possible for way leaves for the 33 and 11 kV distribution lines; these easements would allow cultivation of low annual crops under the lines but no tree crops or residential or business structures. Up-rating lines will require construction of new support structures. Where rehabilitation or up-rating cannot be done without additional ROWs to permit safe construction next to live lines, a strip of ROW 15 metres wide will be acquired parallel to existing ROW. Where structures occur next to the current ROW, full new ROW will be acquired. Compensation values used to estimate resettlement costs are explained below:

### **7.1 Land: general approach**

In some isolated cases, land will need to be acquired outright and this will be replaced in kind or compensated at full replacement value. Land to be acquired through easement agreements will be compensated at 50 percent of full replacement value. Land will be valued either by market value (if a local market for comparable land can be demonstrated to exist by documentation of three or more sales in the previous year) or by net present value of the income potential of the land calculated at eight percent discount over a 10 year life. An average price of U.S. \$6,500 per hectare should be used, based on market prices and quotes obtained during field visits by the feasibility study team in all three regions of Malawi from January–April 2010.

## **7.2 Land under new substations**

Land under new substations will be acquired outright and compensated in kind on a land-for-land basis, with an allowance of \$200 per hectare to cover preparation of new land for cultivation.

## **7.3 Land under residential or business structures**

In the rare cases where land under residential or business structures may need to be acquired outright, it would be replaced in kind or compensated at full replacement value. The unit cost reflects an allowance of 300 square meters per structure, compensated at the same price per hectare indicated for land. In addition, residential or business structures that must be relocated will be replaced in kind or compensated at full replacement value.

## **7.4 Land under sites for distribution transformers**

New distribution transformers in the low-voltage network necessitate the acquisition of a very small site (4 square meters up to 6 square meters). For safety reasons, the sites are systematically fenced and maintained. The sites are chosen on the basis of technical criteria and can be located on public land, private land or customary land. To minimize losses and avoid access and production disturbances and inconvenience, the sites should wherever possible be conveniently located in a corner of the property. In terms of compensation, OP/BP 4.12 requires that compensation is done on the basis of land for land. No financial compensation should be done for agricultural land, especially when it is known that the land is public and people have been given usufruct rights. In such a situation, compensation for such small spots will become extremely difficult to achieve.

## **7.5 Land under distribution poles**

Land under new poles will **not** be acquired outright. The maximum voltage in this project is 33KV, which will in some cases use a double-pole 'H' configuration where distribution transformers are mounted. In most cases, however, distribution lines will use a single pole configuration. Poles are estimated to occupy only square meter (two square meters for a double-pole 'H' configuration). Like in the rest of the world, distribution lines, kicker-poles and household connections should not generate any displacement or land acquisition, and no compensation should be expected or paid. Regarding the siting of 'kicker' poles for drop-down connections, these poles need to be located close to the drop-down connection location for technical reasons, particularly for houses that are not constructed from solid materials. In most cases, this means that the kicker pole will be located within the private compound immediately surrounding the house. Compensation is not required in these cases, given that (i) the pole is

an integral part of the delivery of the service to the household, and (ii) the small diameter of the pole means that there is no economic damage.

## **7.6 Land under distribution lines**

Land under distribution lines and transmission lines will be accessed through easement agreements and will be compensated at 50 percent of full replacement value. The estimate assumes that 70 percent of land along transmission lines and 80 percent of land along distribution lines is arable; non-arable land will not require easement agreements or compensation.

## **7.7 Structures under distribution lines**

As described in the sections above, the construction of 11 and 33KV lines will be done in such a way that populated areas are avoided. In the rare cases where houses or structures are close to or partially in the way-leave, it is of prime importance to carefully assess how significantly they face technical or safety hazard before opting for displacement of the household. In some cases, the location of structures will not impede site access or installation work. Hence, from a safeguards perspective, payment of compensation may not be necessary as long as the line does not cause damage or nuisance to the houses and their occupants, either during construction or afterwards, or pose any non-negligible safety risks. In general, unnecessary disturbances of people's livelihoods should be avoided -- as long as no harm is being done, displacement and/or relocation should be avoided to the extent feasible.

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

## **7.8 Tree compensation**

Following the marking of the individual 33/11 kV distribution line pole sites along the way-leave, owners of trees with productive capacity (i.e. crop & timber trees) in the way-leave will need to be consulted, and the trees individually recorded & compensated in full before the poles

are installed, in conformity with OP/BP 4.12. An average value of \$50 per cubic metre should be used, based on a 2010 government schedule for the Central Region, consideration of maturation periods for typical crops, and the mix of high value and low value crops on compensation schedules from four ESCOM distribution lines built in 2007 and 2008. The estimates should assume 24 trees per hectare of distribution line and transmission line, also based on these ESCOM data. Regarding tree trimming and branch cutting, common sense and consultation with the owners should be used to determine whether there is a need for compensation. In the case where a substantial amount of a productive tree's branches need to be cut, compensation should be paid for the whole tree as recovery might take several years.

## **7.9 Crop compensation**

Unlike trees with productive capacity, crops situated in the way-leave do not need to be removed for technical or line safety reasons. However, those crops may be damaged by the vehicles used to access the pole-sites and, therefore, must be compensated. OP/BP 4.12 stipulates that compensation should take place before infrastructure works start. In practice, however, this can in some cases be impossible to effect. For example, the precise route of the vehicle along the line-route to access the pole-sites is not known in advance of pole delivery and installation at the pole-sites. Nor can it be known which crops will be damaged before installation works are completed. (For example, small cassava plants situated in the space between the tire tracks of high-clearance vehicles may not be damaged by the passage of the vehicle). Accordingly, it is in this particular situation to compensate farmers for damaged crops after the installation work is completed. Nonetheless, compensation must remain fair and be done without delay, i.e. immediately after the infrastructure work is completed. Two further issues are relevant with regard to crop compensation:

- Compensation for crops would be recorded and paid on a 'per-package' basis, not a per-plant basis using market prices and potential yields.
- Moreover, to avoid any confusion or undue claims, it is important that all parties agree on the principle that compensation is only paid for productive assets damaged. Hence:
  - Non-productive shrubs or trees are not compensated;
  - For non-perennial crops, in the event that (i) the harvest has already occurred by the time of works commencement, and (ii) the planting or growing season is not disturbed or otherwise delayed or compromised, no compensation is due, as no damage will have been caused. In the case of perennial crops or shrubs, compensation would still be due.
  - For parts of the line route where vehicles are not used to access the pole-sites - for example, being manually carried and installed instead – no compensation is due, as long as no crop damage occurs.

- **Registration of land titles, easement agreements, and titles to residential or business structures** — The cost estimates include the cost required to register titles of new land and structures and to register easement agreements, at \$50 per registration. The estimate assumes one title per residential or business structure, one title per  $\frac{3}{4}$  hectare of substation sites, six titles per kilometre of the cable right-of-way that is acquired, six easement agreements per kilometre of arable land along distribution lines and nine easement agreements per kilometre of arable land along transmission lines.

## **8.0 ORGANIZATIONAL PROCEDURES FOR DELIVERY OF ENTITLEMENTS**

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

### **8.1 Cash Compensation**

This section describes the process if cash compensation is required. Once the compensation amounts have been agreed with the PAPs, in line with the previous section, ESCOM will transfer the compensation sums to the District Commissioner's office. Once the cheque of this sum is cleared by banks the DC shall prepare cheques payable to individual PAPs.

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

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

### **8.2 Land-for-land compensation**

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

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

## **9.0 IMPLEMENTATION PROCESS**

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

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

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

The RAP preparer would finalize compensation packages for approval by ESCOM. Once the full or abbreviated RAP is approved, ESCOM would arrange for delivery of monetary compensation and replacement land. Six months is allotted for PAPs to vacate premises after delivery of monetary or in-kind compensation. Monitoring of resettlement implementation

would begin immediately after the first compensation is delivered. Monitors would verify that all monetary and in-kind compensation have been completed and that PAPs have vacated their premises and/or land within the required period. Following this verification, the PIU would authorize the initiation of project construction. Monitoring would continue for a full agricultural season after construction begins, to assess whether PAPs have been able to maintain or improve their living standard and livelihood.

## 10.0 METHODS FOR VALUING AFFECTED ASSETS

The principles and objectives set forth in Chapter 2 apply to the valuation of assets. Most directly applicable is the World Bank Operating Principle (OP) 4.12 objective that resettlement shall at least restore and, preferably, improve standards of living and the livelihoods of those households, families, extended families, and individuals who lose land, assets, or access to resources due to the implementation of a project. These principles shall be applied to valuation as follows.

- Land for which specified future uses are prohibited would be acquired through easements; this applies to land along way leaves and underground cables.
- Compensation for easement agreements shall address land value lost because of prohibited future uses.
- Land to be permanently removed from all non-project uses would be acquired outright; this applies to new substation sites and land under new towers and new poles and under structures to be displaced.
- When land is to be acquired outright, land-for-land replacement is preferred. This applies except for very small plots, such as land under towers, poles, or dwellings.
- Replacement land shall be of equal or greater value than land lost to the project.
- Replacement land shall be located sufficiently close to other project affected person (PAP) assets that it can be easily used. If a new requirement for travel to use the land results from the project, transportation costs shall be considered in compensation

As part of the valuation process, the Project Implementation Unit will ask headmen and chiefs to identify replacement land that meets these requirements and to determine the costs for PAPs or the project to obtain this land. Where replacement land cannot be found locally, a value for monetary compensation shall be developed. Regardless of whether land is replaced in kind or with monetary compensation, valuation shall include the cost to prepare the land to a level similar to that of the affected land, plus the cost of land registration, including any applicable taxes. Replacement in kind, and not just monetary compensation, shall be offered for structures to be displaced. Valuation of structures shall consider size and construction materials used. In determining replacement cost or design of replacement structures, depreciation of the asset and the value of salvageable materials shall not be taken into account.

## **10.1 Valuation Methods**

Valuation of land and assets shall consider the following:

- Applicable current regional schedules for land values obtained from Regional Land Commissioners

Applicable current schedules for valuing structures, crops, and trees from District Commissioners (

- Applicable current market prices
- Loss of future income or value.

### **10.1.1 Structures**

Value of residential dwellings, commercial structures, and other affected structures (such as barns, fences, and outdoor cooking facilities) shall be calculated based on the cost of building new replacement structures. This cost shall include market price of required construction material and labour. Valuation of replacement dwellings shall include the cost of sanitation facilities. Valuation also shall include the cost of access to water supply if the displaced structure had access or if the replacement location does not provide access. Estimated costs shall be sought from PAPs and other local residents and from contractors and suppliers in the affected areas.

- Values for dwellings are expected to range from U.S.\$3,000 for small, simple dwellings to \$6,000 or more for larger dwellings with more amenities. These estimates do not include the cost of land. Incomplete dwelling units or units that have collapsed shall be valued based on replacement cost of materials. Monetary compensation only, not in-kind replacement, shall be offered for such units.

### **10.1.2 Land**

For agricultural land, if a demonstrable local market for land exists (that is, sales of multiple parcels within the year previous to valuation have been recorded), valuation shall be based on market value of land having equal productive potential that is located in the vicinity of the affected land. Valuers shall include documentation of prior sales in the valuation record.

Values based on market value are expected to be \$6,000 per hectare at a minimum, varying according to location and agricultural potential of each plot.

If there is no current market for land, which would likely be the case along many of the lines that traverse customary land, valuation shall be based on the net present value of potential income from land, calculated at the discount rate of 8 percent and assuming a 10-year economic life for the land. Values of net present value are expected to be \$8,000 per hectare at a minimum, but must be calculated based on the agricultural potential of each affected plot. Land valuation for easement agreements shall use market value or net present value as explained above. Because easement agreements would allow future use of land for cultivation of low crops, the calculated value shall be reduced by one-half when determining the monetary compensation to be offered. This compensation value is distinct from compensation for any trees or other crops that would be destroyed by initial Electricity Supply Commission of Malawi (ESCOM) use of an easement for construction. These crops would be compensated at full value.

For **land in urban and peri-urban areas**, valuation shall consider market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land. Values are expected to range from \$6,500 per hectare to \$9,000 per hectare, varying by region and specific aspects of the land.

### **10.1.3 Crops**

- Valuation of tree crops and perennial crops shall be based on net present value of income over the period required for newly planted trees and crops to reach production. The Government schedules provide base values for common crop species. Valuers shall modify and apply these net present values according to local market values, age and size of individual affected trees, and quality of crops.
- Valuation of trees used for timber shall use market value of the timber.
- Valuation of annual crops shall be based on the market value of income from one season's production.

## **11.0 ORGANIZATIONAL PROCEDURES FOR DELIVERY OF ENTITLEMENTS**

The fundamental responsibility for delivery of entitlements rests with the Project Implementation Unit (PIU). The PIU will rely on organizational arrangements that build on those used in the past. To implement delivery, the PIU will work closely with District Commissioner staff and the Traditional Authorities, including local headmen. These local institutions will be crucial links between the project affected persons (PAPs) and the PIU and its agents.

The PIU will also introduce new elements, relying on a contracted assistant <sup>9</sup>and an external facilitator who has participated in the planning process to assist with implementation and to provide an external liaison with PAPs. For monetary compensation, the PIU will make arrangements with local banks to receive funds in existing or newly established accounts for PAPs to be compensated more than MKW 100,000 (approximately US \$660). For in-kind replacement, the PIU will make arrangements with local contractors or Governmental, nongovernmental, or community-based organizations to build replacement structures. The PIU will provide registered titles for replacement land and registered easement agreements for land acquired through easements. The PIU will establish a Resettlement Working Group for purposes of broad monitoring and to extract “lessons learned” from resettlement implementation at the project level. PIU staff, representatives of District Commissioners and Traditional Authorities in each project area, and the external facilitators will comprise the group. External facilitators will provide records of all grievances not resolved by headmen so that the group can disseminate examples of potential problems and lessons learned to valuation teams and participants in implementation on other projects where resettlement is still in process.

### **11.1 Delivery of Monetary Compensation and Land Titles and Registration**

The general approach is presented here. Specific details shall be provided in project-specific Resettlement Action Plans (RAPs). For each project, once the PAPs have agreed to compensation packages and the finalized RAPs are approved by ESSP or its fiscal representative will transfer the larger compensation sums to the banks and prepare notices of bank deposit and checks for the smaller sums. The District Commissioner will determine who will accompany the ESSP fiscal representative during delivery of checks and notices of bank payments, typically using the Traditional Authorities in this role. Following advance notice to

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<sup>9</sup> The PIU may add this additional work to the contract for the RAP preparer or hire additional support.

headmen and PAPs, payments will be made at one or more public meetings, depending on length of project area, to be attended by the ESSP fiscal agent, PAPs, designated representatives from the District Commissioner and Traditional Authority, and the external facilitator and contracted assistant engaged by the PIU.

The officials and the PIU representatives will verify that the amount deposited or to be paid is the amount agreed to by the PAP and that the party named in the compensation agreement or a verified designee is present to receive the compensation. The ESSP fiscal agent will then deliver the payment to the PAP, who will sign a receipt acknowledging payment in full as agreed to in the accepted compensation package. The PIU will arrange for delivery of registered land titles and easement agreements in subsequent meetings with the same participants.

### **11.2 Delivery of in-kind compensation**

For each project, once the PAPs have agreed to compensation packages and the finalized RAPs are approved by ESSP, the PIU will make arrangements for construction. Contractors will begin work once PAPs have abandoned the affected structures, typically 3 to 6 months after signing the compensation agreement. ESSP will authorize payments to contractors as required by payment schedules. Upon receipt of notice from the contracted assistant that construction is complete, the PIU will request the District Commissioner to set up a meeting to be attended by designated representatives from the District Commissioner and Traditional Authority and the external facilitator and contracted assistant engaged by the PIU. At this meeting, the structure and a written title will be handed over to the PAP. The contracted assistant will arrange for transport of belongings shortly thereafter.

## 12.0 IMPLEMENTATION PROCESS

Resettlement planning and implementation would follow the same process for each project. Time required for implementation would vary for each project, depending on the nature and scale of resettlement required. Exhibit 7 lays out the process with estimated time frames for a project extending along 20 kilometres. This example demonstrates that 22 months would be required after the alignment is finalized and pegged before project construction could be authorized. This estimate assumes minimal delays in execution of each step by the participating parties. Completing the process within this 22-month period would require attentive monitoring by the Project Implementation Unit (PIU) and its contractors to ensure responsiveness on the part of the local government participants, but this goal is attainable. Multiple efforts in parallel along segments of longer projects could be used to complete the planning and implementation process within the same period of time. Substations and short lines and cable projects could be moved through the process much more quickly because of the limited number of PAPs. As indicated in the exhibit and discussed further in other chapters of this Resettlement Policy Framework, the PIU would initiate the process by procuring several experts, preparing for workshops, and, once the alignment is finalized, notifying District Commissioners and Traditional Authorities and conducting capacity-building workshops. Following these steps, multiple parties would begin work—headmen would conduct censuses and asset inventories; the valuation team would develop values for assets; the Resettlement Action Plan (RAP) preparer would undertake a socioeconomic survey, prepare a draft RAP, and prepare draft compensation packages for PIU approval. The RAP preparer and external facilitator would return for second consultations with project affected persons (PAPs) to obtain signed acceptances and to verify the availability of replacement land. The RAP preparer would finalize compensation packages for approval by the PIU and ESSP. During this time, the PIU would prepare for delivery of entitlements by procuring contractors for replacement structures, hiring a contracted assistant for implementation, and making arrangements with banks to open accounts for PAPs and receive funds. Once the Final RAP is approved, the PIU would arrange for delivery of monetary compensation and replacement land, authorize building contractors to begin, and initiate preparation and registration of land titles and easement agreements. Six months is allotted for PAPs to vacate premises after delivery of monetary compensation. During this time replacement structures would be completed and the PIU would arrange for delivery of the structures and associated titles and, when registered, the titles to replacement land and the easement agreements. Monitoring of resettlement implementation would begin immediately after the first compensation is delivered. Monitors would verify that all monetary

and in-kind compensation has been completed, including delivery of registered titles and agreements, and that PAPs have vacated their premises within the required period. Following this verification, the PIU would authorize the initiation of project construction. Monitoring would continue for a full agricultural season after construction begins, to assess whether PAPs have been able to maintain or improve their living standard and livelihood.

### Implementation Process Timeline

Activity/ Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
Hire or identify and train trainers																									
Hire external valuation expert, external facilitator, RAP preparer																									
Complete final design and pegged alignment																									
Notify District Commissioners about forthcoming process																									
Hold capacity-building workshop																									
Identify replacement land																									





Activity/Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
Arrange for new bank accounts and disbursement process																									
Procure contracted assistant for implementation																									
Deliver monetary compensation and replacement land																									
Deliver registered easement agreements and titles for land																									
Construct replacement structures																									



## **13.0 GRIEVANCE REDRESS MECHANISMS**

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

### **13.1 Participants**

Key players in the grievance redress process will include headmen, the external facilitator, members of the valuation team, Resettlement Action Plan (RAP) preparers during the second consultation, and the Project Implementation Unit (PIU). The Resettlement Working Group will review grievances to understand what should be applied across multiple projects, but it will have no role in resolving individual grievances. Headmen, valuation team members, RAP preparers, and PIU audit team members all will be expected to communicate the grievance procedures to PAPs in the course of project-related consultations.

### **13.2 Process**

The general process is that a PAP should raise a grievance with the headman for immediate review and solution. If the headman cannot resolve a grievance related to inventory or valuation, he will notify the external facilitator, who will bring it to the valuation team, which includes both Government and non-Government members. If the valuation team cannot resolve the issue, the headman or valuation team, through the external facilitator, will refer the grievance to the PIU for a hearing and a decision. In the case of compensation grievances, headmen will refer to either the District Commissioner staff or the PIU, according to the nature of the grievance. Generally, a three-week period is allowed for resolution at each level. The external facilitator will maintain a record of grievances and resolutions. All grievances that are not resolved by the headman will be reported to the Resettlement Working Group. The specific process for each type of grievance is presented below.

#### **13.2.1 Inventory Grievance**

The District Commissioner and Traditional Authorities will post inventories and ask headmen to solicit comments and corrections from PAPs, and to include these in revised inventories to be used for valuation and the socioeconomic survey. PAPs will have a second opportunity to identify inventory discrepancies when the valuation team visits. Because the valuation team includes others besides the headman, with at least one external non-Government person (the

external facilitator), the valuation team visit offers an opportunity for an additional hearing for a PAP whose complaint to the headman who recorded the initial inventory did not result in a change. The valuation team has the authority to resolve an inventory issue, based on inspection and on discussions with the PAP, headman, and other community members. If the issue is not resolved during the valuation visit, the team—through the external facilitator—will ask the headman and PAP to seek the needed information (e.g., inheritance or ownership issues) and come to a resolution within three weeks. If there is no resolution, the external facilitator will bring the grievance to the PIU, which will issue a decision within three weeks

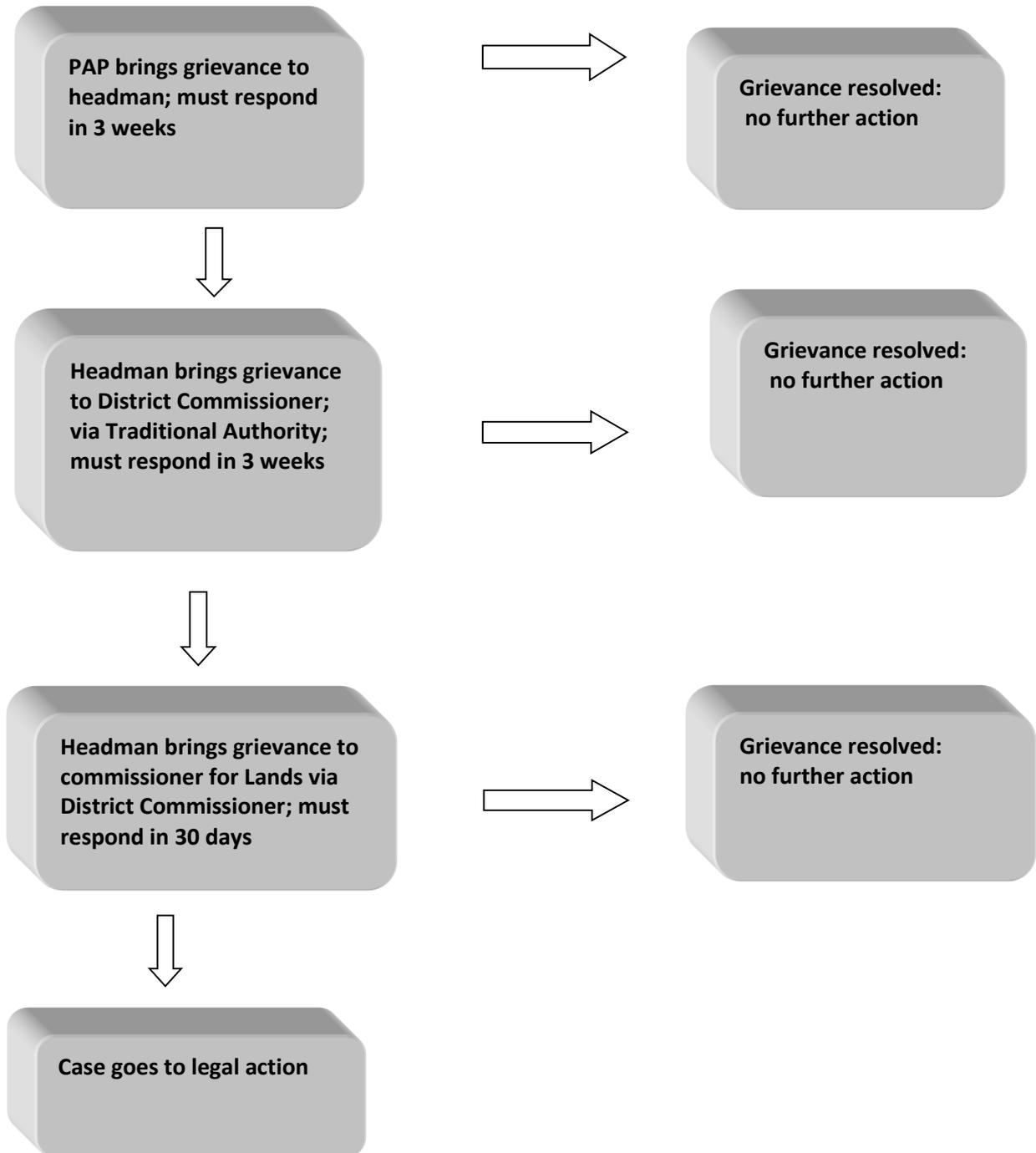
### **13.2.2 Valuation Grievance**

To minimize grievances and provide for rapid resolution, PAPs will be encouraged to participate in the valuation process of their assets and to discuss conclusions of the team for each asset. The valuation team will explain the basis for the values assigned. The external facilitator shall document a disagreement that is not resolved during the valuation event or within three weeks thereafter and bring it to the attention of the Resettlement Working Group. PAPs may also raise grievances to RAP preparers during the socioeconomic survey or to audit team members during field visits of a PIU audit of draft compensation schedules. In these cases, RAP preparers and auditors shall provide pertinent observations through the external facilitator to the valuation team and request a response to the PAP through the headman within three weeks. PAPs may also raise grievances to RAP preparers and the external valuation expert during the second consultation. The valuation expert shall attempt to resolve the issue on the spot, or within three weeks thereafter. If the PAP is not satisfied, the external facilitator shall refer the dispute to the PIU, which will issue a decision within three weeks.

### **13.2.3 Compensation Grievance**

PAPs will raise grievances with the headman, who will validate discrepancies in delivery of compensation and communicate through the external facilitator with the District Commissioner staff or PIU, as appropriate to the grievance. The staff or PIU will provide an explanation or deliver the appropriate compensation within three weeks.

## GRIEVANCE REDRESS PROCEDURE



## **14.0 ARRANGEMENTS FOR FUNDING**

The ESSP is the funding agency for resettlement. It will provide funds for planning and implementing resettlement as part of the project. ESSP has final review and approval authority for contracts procured by ESSP for the planning and implementation of resettlement. ESSP has final approval authority for Resettlement Action Plans and the compensation schedules incorporated in them. ESSP will disburse funds to ESSP only after required approvals of contracts and RAPs.

ESSP through the Project Implementation Unit, will actively review asset inventories, valuation schedules, proposed compensation packages, and the resulting estimates of resettlement costs.

## **15.0 CONSULTATION WITH DISPLACED PERSONS IN PLANNING, IMPLEMENTATION, AND MONITORING**

The acquisition of immovable assets will require the active participation of project affected persons (PAPs) in determining the alignment of power lines, valuing of lost assets, selecting resettlement sites, designing and constructing replacement structures, designing and implementing any economic rehabilitation programs, and monitoring the implementation of resettlement measures. Relocating or compensating people also implies close dialog with other stakeholders, especially the local authorities in the vicinity of a project.

### **15.1 Participants**

The ESSP and the Project Implementation Unit (PIU) will rely on many agents for the completion of public consultation and the disclosure of resettlement plans and implementation activities. These agents include external or internal Resettlement Action Plan (RAP) preparers, the external facilitator, the external valuation expert, and the contracted assistant for implementation. In addition, District Commissioner staff, Traditional Authorities, and local headmen will play active roles through participation in asset inventory, valuation, witnessing acceptance of compensation agreements, and delivery of entitlements. The PIU will arrange for capacity-building workshops as an additional element of the consultation process.

### **15.2 Consultation Efforts and Timing**

Electricity Supply Commission of Malawi initiated consultations with headmen around some of the proposed substation sites in and the proposed new transmission lines in 2010 before in connection with efforts to identify new rights of way.

#### **15.2.1 Design Phase**

The next phase of consultation will be carried out during the design phase, when design consultants work with their internal social staff and PIU representatives (internal staff or the external facilitator, if available) to ensure that design engineers minimize the need for resettlement to the extent feasible. This step in the process will require that local headmen be invited to participate in route surveys to help identify land status and the potential effects of alternative designs.

#### **15.2.2 Capacity-Building Workshops**

As designs are finalized for one or more projects in a District or adjacent Districts, the PIU will hold capacity-building workshops to disseminate the requirements for resettlement planning

and valuation for the ESSP. Attendees will include District Commissioner staff (especially those expected to participate on valuation teams), staff of Legal Authorities, local headmen as available, PIU staff, external valuation experts, and external facilitators. Training, delivered by PIU staff or consultants, will focus on the content of this Resettlement Policy Framework, especially the following topics:

- The Operational Policy 4.12 principles and objectives governing resettlement preparation and implementation
- Process of preparing resettlement plans and the role of participants in this process
- Likely categories of PAPs
- Eligibility criteria and entitlements
- Methods of valuing affected assets, with emphasis on differences from current Government practice
- Grievances redress mechanisms

### **15.2.3 Census and Inventory of Assets**

Headmen will disclose proposed new alignment and plans for compensation during the process of preparing a census and inventory of assets. The inventories will be posted for PAP review. Headmen will collect comments, make modifications as necessary, and inform PAPs of the process by which unresolved grievances will be carried forward to the valuation team.

### **15.2.4 Public Meetings**

Once the asset inventory is complete, the PIU will request that headmen convene public meetings to introduce external facilitators and RAP preparers to PAPs and other community members and to inform them of plans for socioeconomic surveys and visits by the valuation team. During these meetings, RAP preparers shall provide information about the planning schedule, expected valuation visits, follow-up visits, time requirements for abandoning affected assets after compensation, and grievance redress mechanisms.

### **15.2.5 Valuation Process**

The full valuation team, including the external valuation expert, the external facilitator, and Government valuation experts, will consult with individual PAPs at their properties during the valuation effort. The team will provide tentative values to PAPs, explain the bases for these values, and encourage discussion of differences in an effort to come to resolution on the spot so that future grievances can be avoided. The team will disclose the options of in-kind replacement and monetary compensation and discuss with headmen and PAPs the availability

of suitable replacement land for structures or economic activity. They will disclose the expected schedule for second consultations during which PAPs will be asked to review and approve compensation packages. The team will inform PAPs of grievance mechanisms, including disposition of identified grievances that cannot be resolved in the field.

#### **15.2.6 Socioeconomic Surveys**

The RAP preparers shall provide the same information about the project, resettlement planning process, and schedule that was offered in initial public meetings. They shall cross check their data with the asset inventory. They shall receive PAP questions and comments about the inventory and about valuation efforts and communicate these to the external facilitator and valuation team as appropriate.

#### **15.2.7 Second Consultations**

During second consultations with individual PAPs, RAP preparers, external facilitators, and external valuation experts will explain the full compensation package, options for in-kind versus monetary compensation, time frames for abandoning assets, and grievance procedures. They will verify location and availability of replacement land. They will hear questions and objections and attempt to resolve disagreements on the spot (with changed compensation subject to PIU approval). If PAP agreement is not obtained, the RAP preparers and external facilitators and valuation experts will provide information about the grievance process and expected timeframe for resolution.

#### **15.2.8 Distribution of Compensation**

At these meetings, PAPs will have access to staff from District Commissioners and Traditional Authorities and to headmen, the external facilitator, and the contracted assistant, to raise questions and make complaints. The external facilitator will provide information about the grievance process and expected timeframe for resolution of issues that cannot be resolved at these meetings.

#### **15.2.9 Post-Resettlement Monitoring**

During monitoring, internal PIU staff and external monitors will work through headmen to hear comments and questions from PAPs and to raise issues with the contracted assistant and PIU as appropriate.

## 16.0 ARRANGEMENTS FOR MONITORING

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

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

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

- ***Independent Audit***

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

***Budget***

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

## ANNEX 1: LIST OF POSSIBLE SITES

### onent 1a: Distribution & Transmission Uprating And Expansion

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

<b>Rehabilitate 33 and 11kV Lines (South)</b>	
7018	Chichiri 105 - Customs 205 OHL
7022	Chileka 305 - Mapanga 505 OHL

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

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

## Component 1b: Low Voltage Reticulation Reinforcement

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

### Annex A: Proposed content for the RAP

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

- Organizational Responsibilities (“Organizational Procedures for Delivery of Entitlements” section copied from this RPF, with project-specific information added)
- Implementation schedule
- Cost and budget (project-specific cost estimate)
- Monitoring and evaluation