

Land Acquisition/Resettlement Plan

August 2014

VAN: Energy Access Project

Brenwe Hydro Power Subproject – Land Acquisition/Resettlement Plan

CURRENCY EQUIVALENTS

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ABBREVIATIONS

ADB	–	Asian Development Bank
AH	–	Affected Household
AP	–	Affected Person/People
CBO	–	community based organisation
DD	–	Due diligence
DOE	–	Department of Energy
DMS	–	Detailed Measurement Survey
EA	–	Executing agency
EAP	–	Energy Access Project
GAP	–	Gender Action Plan
GDP	–	Gross Domestic Product
GRM	–	Grievance Redress Mechanism
GWh	–	Gigawatt per hour
HH	–	Household
HIES	–	Household Income and Expenditure Survey
IR	–	Involuntary Resettlement
MWh	–	Megawatt per hour
M&E	–	Monitoring and Evaluation
MLNR	–	Ministry of Lands and Natural Resources
NGO	–	Non-government organisations
NSO	–	National Statistics Office (Vanuatu)
PMU	–	Project Management Unit
PPTA	–	Project Preparatory Technical Assistance
RP	–	Resettlement Plan
SPS	–	Safeguard Policy Statement
SPREP	–	South Pacific Renewable Energy Project
TOR	–	Terms of Reference
TA	–	Technical Assistance
USD	–	United States Dollar
VG	–	Valuer General
VT or VUV	–	Vanuatu Vatu
ZOI	–	Zone of Influence

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I. EXECUTIVE SUMMARY

1. The proposed Energy Access Project (the project) will assist the Republic of Vanuatu's (the government) efforts to reduce the country's heavy reliance on imported fossil fuels for power generation by providing a secure, sustainable and environmentally sound source of electricity for private and commercial consumers. The impact of the project will be the livelihoods of households in Malekula and Espiritu Santo have improved. The outcome of the project will be Government has increased supply of clean renewable electricity to households in Malekula and Espiritu Santos.

2. The project will have the following outputs: (i) distribution grid extension in Santo and Malekula islands, (ii) Brenwe Hydropower plant (HPP) in Malekula, (iii) capacity building, and (iv) efficient project management services. The feasibility study was undertaken under Project Preparatory Technical Assistance (PPTA) funded by the Asian Development Bank (ADB).

3. This Land Acquisition/Resettlement Plan (RP) has been prepared for the Brenwe subproject in Malekula, Malampa Province. The subproject requires about 44,100 m² (4.41 ha) of land area to construct the hydropower facilities. Seven households from three different groups have been identified during PPTA as having claims of ownership or user rights to the land required for the hydropower facilities. The transmission line will follow the existing provincial road corridor and it is not expected to require land acquisition.

Table E1. Land Requirement and Affected Persons in Brenwe¹

Parameter	Malekula
	Brenwe
Ownership/type of land	Customary land
Type of land use	Bush land and high slopes. Not used for any residential or agriculture purpose.
Land requirement m ² (ha)	44,100 m ² (4.41 ha)
Number of Identified Households having claims to the land	7
Estimated total subproject APs	36
Number of Female-Headed Households	None
Affected households losing 10% or more land	None
Other Affected Assets	Tree cutting along transmission line that can be determined only after detailed design.

Source: PPTA.

4. The Brenwe subproject is not expected to have impacts of physical displacement and/or loss of major income source. The hydropower site will require a total of 4.41 ha of bush or idle land² and it will not impact livelihoods of landowners/claimants or affected persons (APs) since the site is bush land with high slopes that is not used for any residential or agriculture purpose. The APs view the development of hydropower as an opportunity to access power supply as well as compensation for land, thus maximising their benefits out of an otherwise unproductive or unused land. Although transmission line is not expected to require land acquisition, it will require cutting of trees affecting households that can be determined only during the detailed design stage.

5. In the early 90's a foreign company had almost completed the development of a hydropower project within the same area and only failed because of the lack of financing and disputes with local communities regarding the transmission lines which would traverse across rich agricultural lands adversely affecting local people. The said project was then abandoned and the project was never operational; land was not acquired.

6. Based on this lesson, the proposed subproject will acquire and compensate for the land for the hydropower site and the transmission lines will follow the existing provincial road to avoid and

¹ Data on land are preliminary estimates based on PPTA. These are subject to confirmation during the implementation. The updated RP will provide final data on land requirement and APs, including those to be affected by tree cutting along the transmission lines.

² "Idle land" in this report means that the land is not used by APs for any purpose such as agriculture, housing, etc. Other trees are naturally grown.

minimize impacts. While the local communities had unwanted experience over the past attempt to develop hydropower, a constant dialogue by government representatives and the pressing need of power in the area as well as the assurance that the transmission line will be located alongside the existing road has resulted in the expression of a strong support by the local communities for the subproject. During interviews, all consulted APs/communities expressed strong need for the subproject and willingness to support and allow the government to acquire the land for the subproject.

7. The project will follow ADB's Safeguard Policy Statement (SPS, 2009) and Vanuatu's applicable laws on land acquisition and compensation. The table below summarises the entitlement for APs.

Table E2. Entitlement Matrix

Type of Impact	Entitled Persons	Entitlements
Loss of land	Land owners/users	Compensation at replacement cost based on current market price (most recent transaction of comparable value) will be paid for the land to be acquired.
Loss of trees, crops	All APs regardless of legal status	It will be agreed with APs that any crops on affected land will be harvested by them before site clearance. If APs are not able to harvest crops, they will be paid compensation at replacement cost based on market prices. Fruit trees including any loss of production will be compensated at replacement cost or market/comparable price.
Employment opportunities (project benefit)	APs particularly women, youth and vulnerable group	APs will be provided training and priority employment in civil works based on APs skills suitable to project needs.
Impacts on vulnerable groups (if identified)	Vulnerable groups	Necessary special assistance (identified through consultations with affected communities) to be specified in the updated RP.
Stable power supply (project benefit)	All APs	APs (as regular customers) will get stable power supply. Unconnected AP household will be provided power connections (as regular customers).
Unforeseen or unintended impacts	Concerned affected people	These will be determined as per the principles of this RP and ADB's SPS.

8. The RP has been prepared based on assessments and consultations undertaken during the PPTA. The RP will be endorsed by the EA, disclosed to APs, and posted on ADB website before the project appraisal. The RP will be updated after the detailed design during implementation.

9. The following is the implementation schedule for the project's land acquisition/ resettlement activities:

Table E3. Implementation Schedule

N°	Activities	Schedule
1	Confirmation of land requirement and consultation/information disclosure with landowners/APs	Month 1
2	Land survey and valuation	Month 2
4	Submission to Department of Lands (DOL) of land survey report and to prepare for formal negotiation with landowners/APs and budget allocation for land acquisition	Month 3-4
3	Negotiation with landowners/APs: consultation with affected landowners to negotiate for land acquisition/purchase.	Month 3-6
5	Agreement on land acquisition/purchase and approval by the government on allocation and release of fund for land compensation payment	Month 7-9

N°	Activities	Schedule
6	PMU in coordination with Department of Energy (DOE) and DOL updates the RP including agreements on compensation rates with landowners, and discloses updated RP to APs.	Month 9
7	PMU submits the updated RP to ADB for approval and posting on ADB website	Month 10
8	Execution of land acquisition and payment of compensation	Month 11-13
11	PMU submits to ADB a land acquisition and compensation completion report	Month 14
12	PMU submits safeguard monitoring report	Six-monthly

II. PROJECT DESCRIPTION

A. Background and Rationale

10. Vanuatu is a South Pacific island nation composed of more than 80 islands with a total land area of about 12,190 km² spread over an ocean area of 612,300 km² in the South Pacific stretching from Hiu Island in the north to Mathew and Hunter Islands in the south. Most (around 60%) of these islands are permanently inhabited, and around half are mountainous and densely forested with narrow strips of farming land on the coasts. Five volcanoes are still active and volcanic eruptions are not uncommon. In 2009, the country had a total population of 234,0283 in 47,373 households with almost 80 per cent of them living on the twelve largest islands. The two main cities are Port Vila (44,039 people) and Luganville (13,156 people).

11. Vanuatu's economy is primarily agriculture-based. More than three-quarters of inhabitants live in rural areas and rely on traditional subsistence farming methods. Vanuatu's economy has been unable to grow quickly enough to meet the needs of its expanding population. A significant consequence is a high rate of youth unemployment. The main exports are copra (35 per cent), coconut oil, cocoa, coffee, kava root, cattle and timber. The country's tax haven status and unspoilt natural beauty has led to a growing reliance on the finance and tourism industries. Overseas aid from Australia, New Zealand, France and Britain is also important.

12. Vanuatu has no known developable fossil fuel reserves though the country is relatively rich in renewable energy resources which include geothermal, hydro, solar, bio-energy and wind. Electricity generation and transport are still mainly based on imported fossil fuel though both electricity generation and transport have significant potential for further conversion to renewable energy in the future. Per estimate, around 65% of petroleum imports are used for transport, 30% for electricity generation and 4% for household use. About 7% of rural dwellers have access to any sort of electrical services other than portable lights and radios powered by dry cell batteries.

13. The government wants to reduce imports of fossil fuels since the cost of petroleum product imports typically exceeds 50% of the total value of Vanuatu's exports. The ADB has provided PPTA to the Government of Vanuatu for the Energy Access Project to increase energy access to households and businesses across Vanuatu through expansion of existing distribution grids and the development of low cost renewable energy generation from hydropower.

14. The impact of the project will be the livelihoods of households in Malekula and Espiritu Santo have improved. The outcome of the project will be Government has increased supply of clean renewable electricity to households in Malekula and Espiritu Santos.

B. Project Outputs

15. The project will have following outputs: (i) distribution grid extension in Santo and Malekula islands, (ii) Brenwe Hydropower plant (HPP) in Malekula, (iii) capacity building, and (iv) efficient project management services.

C. Scope of Work of Brenwe HPP Subproject

16. The Brenwe subproject is located along the Brenwe River system in the island of Malekula in Malampa Province. The main islands of Malekula, Ambrym and Paama comprise the province of Malampa. Malekula is the second largest of Vanuatu's islands. Its capital is Lakatoro but the airport is located some 5 km away in Norsup.

17. The hydropower site is located approximately 20 km from Lakatoro the provincial administrative centre and 15 km from Norsup. The subproject will harness the flow of the Brenwe River to generate hydro-electric power. The layout follows the footprint of the partially constructed Brenwe hydropower project which was abandoned in the mid-90s.

³ Source: Vanuatu National Statistical Office (2009), Port Vila. 2009 National Population and Housing Census, Vol. I & II

18. The intake of the run-of-river scheme is located at RL160 m above sea level about 5 km NNW of Unmet village and comprises a low weir with a single gated sluice on the left side. Water is diverted into a side intake and sand trap on the left bank before being conveyed along a south trending headrace canal for approximately 1 km. The headrace canal passes alongside a gorge where it is cut into a steep to sub vertical slope. Along the gorge the river drops nearly 100 m over less than 1 km. The canal discharges into a forebay (16 m x 4 m). A 150 m steel penstock conveys water from the head pond west to the powerhouse (15 m x 8 m) located on the left bank of the Brenwe River at elevation RL 80 m above sea level which will provide an output of up to 600 kilowatt (kW) with a design flow of 0.8 to 1.3 m³/s.

19. Access to the site from Lakatoro is via the existing northwest Malekula Provincial Road which crosses the Brenwe River about 400 m upstream of the intake site. Previously constructed access roads from the Provincial road to the intake, powerhouse and forebay sites will be used for this project. The access roads are dilapidated and overgrown with vegetation and will have to be cleared and rehabilitated.

20. An approximately 23 km long 20 kV transmission line⁴ will be constructed from the powerhouse to Lakatoro where it will connect to UNELCO's existing grid. The line route will be within the corridor of the powerhouse access road and the northwest Malekula Provincial public road to Lakatoro (existing 10m wide corridor).

21. Construction of the Brenwe River hydropower scheme will involve construction activities consisting of largely manual labour under the supervision of trained personnel. The site is accessible by access roads and transportation of construction material is not an issue. Civil works will require both skilled and unskilled workers. Construction of the subproject will provide the opportunity for capacity building for future maintenance. The use of prefabricated equipment, reinforced concrete and masonry, minimises the quantities of building materials. It is estimated that temporary employment of 50 to 80 workers (60% skilled) will be required for the Project over the construction period of about 24 months.

22. The existing access roads to intake, forebay and powerhouse sites will be cleared of overgrown vegetation and rehabilitated / graded as necessary. This will be followed by demolition and removal of the existing facilities, namely the abandoned weir, forebay and powerhouse structures. As much as possible waste materials (concrete, masonry, etc.) will be reused as construction materials.

23. At the head works site a temporary coffer dam and channel diversion will be constructed to allow for construction of the intake works. This will be followed by largely manual excavation of soil rock and boulders to form the head works. As much as possible excavated material will be used as backfill with surplus material disposed of as required. The intake structure will be manually constructed with reinforced concrete.

24. Vegetation clearance and excavation of the headrace canal, head pond and penstock route will be followed by construction of the stone masonry or concrete canal and forebay structures and concrete support piers and anchor blocks for the penstock.

25. Powerhouse and tailrace construction will commence with site clearance followed by excavation of discharge pit and concrete slab foundation for the powerhouse. River bank protection works adjacent to the tailrace will involve placement and filling of gabion baskets.

26. The 23 km long 20 kV transmission line will be built using insulated Aerial Bundled Cables (ABC) to minimize vegetation clearance. However, it will require i) minimum vegetation trimming in along a few sections of the road corridor; ii) transporting 12 m steel or concrete poles to the road side; iii) erection of poles; iv) stringing of cables; and v) installation of transformers. These sequential activities are primarily manual activities involving a small team with minimal use of mechanical equipment. No excavation is required other than manual or machine digging for the pole footing. Concrete foundations will be provided in some locations for the pole footings.

⁴ 20 kV is a distribution voltage and is mounted on poles and aligned along existing road corridors. It does not require a clearance corridor typical of high voltage transmission lines. However, for the purposes of this project the 20 kV line performs a transmission function and is therefore referred to throughout this report as a transmission line.

27. The executing agency (EA) will be the Ministry of Finance and Economic Management (MFEM) and the implementing agency (IA) will be the Department of Energy (DOE) assisted by the Vanuatu Project Management Unit (PMU).

28. This Land Acquisition/Resettlement Plan (RP) is based on the findings of the assessment of the selected site in Malekula in Malampa Province carried out under the PPTA. The RP has been prepared following ADB's Safeguards Policy Statement (SPS) and applicable laws of the Republic of Vanuatu. The RP follows the following outline as prescribed by SPS: (i) Executive Summary; (ii) Project Description; (iii) Scope of Land Acquisition/Resettlement; (iv) Socioeconomic Information and Profile; (v) Information Disclosure, Consultation, and Participation; (vi) Grievance Redress Mechanisms (GRM); (vii) Legal/Policy Framework; (viii) Entitlements, Assistance and Benefits; (ix) Income Restoration; (x) Budget and Financing; (xi) Institutional Arrangements; (xii) Implementation Schedule; and (xii) Monitoring and Reporting.

III. SCOPE OF LAND ACQUISITION/RESETTLEMENT

A. Scope of Land Acquisition Requirements

29. The Brenwe subproject includes the development of hydropower facilities and infrastructure (water intake, headrace, forebay, canal, power station) with a maximum total capacity of 600 kW though initially constructed for 450 kW. It will include the improvement of an access road from the power plant to the existing Provincial road and construction of a 20 kV power transmission lines to connect the power station to the existing Norsup/Lakatoro gridline. It requires about 44,100 m² (4.41 hectares) of land area to develop the hydropower facilities. The transmission line will follow the existing provincial road corridor and it is not expected to involve land acquisition but will require cutting of trees that can be determined only during the detailed design. The hydropower site of the Subproject is located within the same area where the development of hydropower was attempted by a foreign company in 1990s but never completed and later abandoned. Since no land was acquired for the past project, the present project will undertake full land acquisition and compensation for the hydropower facilities following the required ADB and GOV processes and procedures.

30. Seven households from three different groups have been identified during PPTA as having claims of ownership or user rights to the land required for the hydropower facilities. During consultations under PPTA, these landowners/claimants or APs were met and discussions on the land requirement of the subproject were held. The APs were informed of the scope of land requirement of 4.41 ha of idle and unproductive land owned/claimed by them.

31. All claimant households are currently included as APs in the RP. Determining the legal owners as well as delineating the specific areas owned by each party will require a long process that will be undertaken during implementation according to applicable laws of Vanuatu. For this, a customary land tribunal with the help of tribal chiefs will review the customary ownership claims through examination of anecdotal history of generations of users and decide who the rightful owners are. The updated RP will update the list of APs once the landowners for hydropower sites are determined and detailed design is undertaken determining the requirement of tree cutting for the transmission line along the existing Provincial road.

B. Land Acquisition Impacts and Affected Household/Persons (APs)

32. As stated above, the subproject requires 4.41 ha of land for the hydropower facilities and seven household have claimed ownership or user rights to the land. The land is located within a rugged and steep terrain with the major portion bounded by very steep ridges (almost vertical) dropping down to the river bed. No economic use of the area is undertaken within the said parcel of land.

33. Accordingly, the affected land is not a major source of subsistence or income for APs. APs will not be vulnerable to loss of homes/incomes, unemployment or food insecurity resulting from the subproject. Instead, they are likely to benefit from the subproject through access to power supply as well as potential benefits from income opportunities; e.g. employment during subproject construction. From site inspections and interviews with landowners, traditional leaders and Island Council members, it is assessed that no APs will lose 10 per cent or more of their land or income due to the subproject. Interviews with APs also confirmed availability of lands on other parts of the island that APs have access to for food and income. APs expect to benefit from the subprojects through regular power supply using renewable energy. The exact extent of need for clearing of trees and vegetation on the proposed sites particularly transmission lines will be determined after the detailed design study. **Table 1** below provides a summary of features of the subproject including estimated land requirement and numbers of APs in the subproject site:

Table 1: Subproject Features and Land Requirements⁵

Feature	Brenwe Subproject
Number of Total Households in Malekula	4,928 HH (2009 Census)

⁵ Data on land are preliminary estimates based on PPTA. These are subject to confirmation and might change during the implementation. The updated RP will provide final data during implementation.

Feature	Brenwe Subproject
Geographical Location	Northwest of Malekula Island in Malampa Province
Proposed Interventions	Construction of hydropower facilities including access road and transmission line
Location of proposed site for subproject	Upstream of Brenwe River
Ownership of proposed land	Customary
Type of land use	Bush land and high slopes. Not used for any residential or agriculture purpose.
Land requirement m (ha)	4.41 ha
Weir (10 m x 20 m)	200 m ²
Settling Basin (15 m x 30 m)	450 m ²
Head Race Canal Corridor (8 m x 900 m)	7,200 m ²
Forebay (15 m x 30 m)	450 m ²
Penstock Corridor (8 m x 100 m)	800 m ²
Switch Yard (20 m x 30 m)	600 m ²
Power House (20 m x 30 m x 3)	1,800 m ²
Accommodation (20 m x 30 m)	600 m ²
Access Roads Corridor (15 m x 2,000 m)	30,000 m ²
Storage and Site setup (40 m x 50 m)	2,000 m ²
Number of Identified AP households	7
Estimated total subproject APs (based on actual household size)	36 persons
Affected households losing 10% or more land	None
Other Affected Assets	Tree cutting along transmission line that can be determined only after detailed design.

Source: PPTA.

34. The list of landowners/claimants/APs of Brenwe Subproject is shown in **Table 2** below:

Table 2: List of Landowners/Claimants/APs

Acquisition of land for hydropower facilities	Transmission line (tree cutting)
Josaias Nato Tamat and his brothers (3 HHs) Kemuel Harry (1 HH) Walter representing 3 HHs	Some HHs in Brenwe, Uri and Unmet villages are likely to be affected (can be determined only after detailed design)

Source: PPTA.

35. The subproject tried to minimise land requirements during PPTA design. The subproject will follow appropriate engineering designs during detailed design to try to further minimise land acquisition and resettlement impacts, wherever possible, particularly along transmission lines. The measures include:

- 1) Appropriate siting of hydro facilities including use of existing locations of previous works along the river system.
- 2) Utilise existing public roads to access the project sites to minimise land acquisition requirement.
- 3) Utilise existing road right of way as site for the location of the transmission lines.
- 4) Use of insulated cables for transmission lines to minimize vegetation clearance.

36. While no APs will be physically displaced or expected to lose 10% or more of their land or income, seven households will be affected by land acquisition for hydropower facilities and additional households will be partially affected due to tree-cutting along transmission line (actual number to be determined later). The subproject is classified as Category B in terms of land acquisition/involuntary resettlement impacts.

IV. SOCIOECONOMIC INFORMATION AND PROFILE OF AFFECTED PERSONS AND SUBPROJECT COMMUNITIES

A. Subproject Communities

37. Meetings with key leaders such as the Provincial Council members including the Secretary General, and community leaders, key respondent interviews of APs and site visits as well as collection of available reports were conducted by PPTA to collect socioeconomic data of the subproject communities and APs. Several households from communities around the Brenwe river system including 7 APs were surveyed and the survey covered Unmet, Brenwe and Uri villages within the influence zone of Brenwe HP Subproject.⁶

B. Profile of Subproject Communities - Malekula Island and local villages

38. In 2009, the total population of the Malekula Island was 22,528 composed of 4,928 households. The male ratio was slightly higher than female at 51:49 while average household size was 4.3, which was much lower than the national average of 4.9. The province including its capital Lakatoro is considered primarily rural. The population is predominantly Ni Vanuatu Melanesian.

39. Lakatoro is the main provincial and government administrative centre of Malampa Province and receives visits by people from the other areas of Malekula for short periods mainly for the purpose of access to banking facilities, hospital, shops, airport, and markets to sell their produce. According to the 2009 census, the annual urban growth rate is 1.9 % compared with the national average of 3.5%.

40. Approximately 90% of households in Malekula own their houses while 80% are customary owners of the land where their houses are. The rest either are renting their houses as well as the land where the house is or they are occupying the land where their house is covered by informal agreement.

41. Per Census 2009 result, only about 10% of households in the island are reported to use the electricity grid with the majority (71%) using kerosene lamp as main source of lighting. The rest use solar, torch, candle, wood, gas or Coleman lamp as their primary source of light. A few HHs reported using small petrol generators as their source of light and power also. UNELCO, the power concessioner in the area, supplies electricity within the Lakatoro - Norsup grid where only about 526 customers (year 2012) are connected, i.e., only 21% of the potential customers within the service area of the UNELCO power plant.

42. In terms of drinking water source, about 35% of households have shared pipe system, 16% shared village tank, 13% from river/spring or lake, household tank for 10% and protected well for 9%. But some 10% reported having their own private pipe system. The rest source their drinking water either from village stand pipe, unprotected well, bottled water or other unspecified sources.

43. The following health facilities in Malampa were reported 2009: hospital (1); health centre (8); dispensaries (19); and aid post (44).

44. The educational facilities of the province are composed mainly of primary and secondary and vocational schools as shown in **Table 3** below.

⁶ The survey covered 75 households in addition to APs and this was undertaken to collect baseline socio-economic data as part of the poverty and social assessment (PSA).

Table 3: Schools in Malekula Subproject area as of 2014

School Name	School ID	Enrolment		
		M	F	Totals
Leviamp	042936	142	108	250
Brenwe	042912	65	44	109
Unmet primary	042978	104	107	211
Unmet Secondary	0429379	57	56	113
Lambubu 2013	042931	61	62	123
Lakatoro primary	042927	85	90	175
Lakatoro secondary	0329301	134	125	259
Norsup primary	042956	78	90	168
Norsup secondary	0329304	121	115	236
Tautu	042972	75	58	133
Ste Therese de Mae (Unmet)	042944	60	50	110
Lalkoko (Mae Sirbulbul)	0429317	33	22	55

Source: PPTA.

45. In 2009, of the population in Malekula 15 years and above regardless of sex, 27% was reported to have completed primary education; another 22% had some primary education; 10% had trio certificate and 7% senior secondary. Approximately 15% had no schooling at all while almost 3% and 2% had some college degree and completed bachelor's degree respectively. A few either had post graduate or vocational degrees. The literacy rate of the province was reported to be about 94.3% with the women (95.6%) having higher literacy rate than male (93%) population.

46. In terms of toilet facility, majority (68%) of Malekula households use the pit latrine (either individual or shared). Only about 16% reported the use of water sealed toilet either individual or shared while less than 1% of households use the flush type toilet. Likewise less than one percent reported having no toilet at all.

47. The 2009 Census reported that main sources of income of majority (53%) of Malekula households are sale of agriculture, fishery or handicraft products. About 15% derived their cash income from salaries and wages while 12% from operating their own business and 11% from unspecified sources. However, about 9% reported having no cash income at all.

48. Per HIES 2010 Report, the average monthly income of Malampa households was VUV 62,200 with an average per capita income of VUV 13,800. Approximately 56% of household incomes are from cash sources; on the other hand, 34% of total household expenditures is in cash. The proportion of households below BNPL in 2010 was 8.3%, slightly lower than the 9.0% reported in 2006.

49. One important village located close to Brenwe HPP site is Unmet. It is approximately 5 km from the Brenwe HPP and 23 km from Lakatoro. It is bigger than Lakatoro in terms of population size. The village has both French and English speaking population and it has both a primary and secondary schools. French and English are taught in the secondary schools.

50. The village has also its own church, dispensary, small market and most of the households in the community depend on agriculture as their means of livelihood and subsistence. Coconut, cocoa and seasonal vegetables are primary crops they cultivate and their produce is usually marketed in Lakatoro, However, for coconut and copra a ship from Luganville occasionally comes to purchase them directly from the growers.

C. Socioeconomic Profile of Affected Households/Persons

51. Seven households (comprising 36 persons) among landowners/claimants from the surrounding villages of the proposed Brenwe HPP were identified as affected persons (APs). Their socioeconomic status and profile based on selected indicators is discussed below.

1. Demographic Profile

52. Of the total (36) members of affected households in Brenwe subproject, 39% are composed of female while 61% are males. Households have an average size of 5.1 members. All are Ni Vanuatu Melanesian in ethnicity. (**Table 4**).

Table 4: Population of Affected Households of Brenwe Subproject

Indicators	N°	%
Number of affected households	7	100
Number of total persons in HH	36	100
Of which, # of female members	14	39
Of which, # of male members	22	61
Average # of persons in HH	5.1	-
HH by Ethnicity – Ni Vanuatu	7	100

53. In terms of the residency profile, all affected households have been living in the area for more than 10 years. On average the residence of the households is about 1 km away from an existing road, 1-3 km away from school and about 1-3 km away from the public health centre and about 17 km from the major market in Lakatoro. In terms of physical characteristics of their houses, majority of houses is made of light traditional materials. All households have their own toilet. All own their house and about half of HH own the land where the house stands. Energy source (for lighting) mostly comes from traditional sources. **Table 5** shows the source.

Table 5: Status of Residency of Affected Households of Brenwe Subproject

Status of Residence	No	%
<i>Length of Stay in place</i>		
Over 10 years	7 HH	100
<i>Physical characteristic of house</i>		
<i>Average distance from nearest facility (KM)</i>		
Road	< 1 km	
Market	17 km	
School	1-3 km	
Health centre	1-4 km	
<i>No of HH by house type</i>		
Traditional light material	7	100
<i>No of HH by tenure status - house</i>		
Owner w/title	7	100
<i>No of HH by tenure status –land where house is</i>		
Owner w/title	3	43
<i>No of HH by power/energy sources</i>		
Power Grid	2	29
Solar	1	14.3
Others	2	29
Not stated	2	29
<i>No of HH by having Toilet</i>		
Owned	7	100
<i>Water Source</i>		
Piped	Two-thirds	71

2. Education

54. There is a high proportion among household heads without any formal schooling (43%). Only one AP head has attained secondary level education while 3 had primary level education (**Table 6**).

Table 6: Educational Attainment of Heads of Affected Households of Brenwe Subproject

Education Level Attained	Brenwe	
	N°	%
Illiterate/ No Schooling	2	29%
No Schooling but can read and write	1	14
Primary education	3	43
Secondary education	1	14
Grand Total	7	100

3. Socio economy

a. Occupation and Income

55. The PPTA socioeconomic survey showed that majority of affected household heads' major occupation is agriculture, off farm labour, civil service, private sector employment, and business. See **Table 7** below.

Table 7: Occupation of Head of Affected Households, Malekula

Occupation	Total (multiple responses)	
	N°	%
Subsistence farmer	6	86
Business	3	43
Private Sector employ	2	29
Civil Service	1	14

Source: PPTA

56. The average annual income of affected households is reported to be VUV315,005. On monthly basis, income of households is VUV26,250; per capita monthly income is estimated to be VUV5,147.

57. The major contributors to total annual household income are agriculture (root crops; vegetable; fruit and animal husbandry) with harvest of forest product also contributing substantially. Salaries and wages from employment and trading are also major contributors to household income.

b. Household Expenditures

58. The average annual total expenditure of affected households in Brenwe subproject is about VUV424,065. The reported expenditure is more than the reported income, which may be due to unreported remittances that households receive from family members working outside their villages.

4. Assessment of Impacts

a. Extent of Loss and Impacts from Land Acquisition

59. There is no expected risk of landlessness, loss of home, and/or loss of major income source due to the subproject's land acquisition.

60. The APs on hydropower sites will lose a total of unproductive 4.41 ha of bush or idle lands. It will not impact livelihoods of affected persons (APs) since the site is bush land with high slopes. Interviews with affected villages' leaders and APs as well as visual observation during site visits revealed that affected parcels of land are not used for residential or agricultural activities. The terrain is rugged and steep and land is undulating. The area is covered by wild vegetation and invasive trees and is generally bush in appearance. Hardly any economically useful trees and vegetation were observed. The project sites are located quite far from villages and communities. People do not have their food gardens close to the site. Furthermore, there is no plan in the immediate future to use the area for any development by the village communities.

61. The transmission line is not expected to require land acquisition, but it will require cutting of trees affecting households that can be determined only during the detailed design stage.

62. The loss for APs is not expected to be more than 10% of total land and income reported by APs. The initial estimation was done through interviews and/or discussions with APs and key community leaders. APs and their representatives reported that although they are unable to provide exact amount of land they own, they said that they currently have access to adequate lands in other parts of the island for food production or income.

b. Views of APs on Impact of Loss of Land

63. Commonly all interviewed APs view the loss of their land as insignificant since the site is generally unsuitable for cultivation, this being within a steep and rugged terrain. There are other available and more accessible plots for agriculture. Majority of landowners and residents view the development of the site for hydro facilities as an opportunity to stabilise power supply thus maximising an otherwise unproductive or currently unused land. All APs expect cash compensation for affected land.

64. All consulted APs and village and provincial councils support the project and do not want to deter project realisation by withholding access to land for further investigation and development. Consistently APs and village and provincial councils expressed keen interest for the project.

c. Willingness to sell land

65. During interviews, all consulted APs expressed strong support to allow the government to acquire the proposed site for the project. Potential benefits of improved access to power and employment opportunities as well as cash compensation for land are key considerations for APs' and community leaders' support to the sub-project and willingness to sell the land. A copy of an initial memorandum of agreement (MOA) on willingness to support and allow the project access to site is in **Appendix 1**.

a. Poverty Status of Affected Households in Project Area

66. Per findings of the SES, poverty incidence among the affected households in Brenwe subproject is as follows.

67. The average monthly income of affected households as derived from the average annual income is VUV26,250. The monthly per capita income is derived by dividing average monthly income by average size of household (5.1); this is equivalent to VUV5,147. The average per capita income per week of the APs is VUV1,286. The Basic Needs Poverty Line in Vanuatu in 2110 was VUV 1,761 per capita income per week or VUV 1,900 per capita income per week adjusted for inflation in 2013.⁷ Of the 7 affected households, 4 have a weekly per capita income below the BNPL; one household did not report his income while 2 have income above the BNPL.

b. Impacts on Women and Poor

68. The women and the poor will be the major beneficiary of the Project. Improvement in access to reliable power will facilitate provision and availability of health educational services as well as improve safety condition for women and girls during night time. Power will also open up opportunities for livelihood generation which will improve the poor's (men and women) access to cash income.

69. There are no prominent gender issues among APs identified in this subproject. There are no female-headed household APs identified during PPTA consultations.

⁷ Inflation in Vanuatu from 2010 to 2013 were as follows: 2010 – 3.0; 2011 – 1.0 and 2012 – 1.4 (ADB)

70. Key priorities identified by women APs include (i) stable and cheaper power supply and (ii) access to skills and employment during construction.

71. Household activities may increase for women/girls due to availability of better lighting; gender issues are addressed in detail in the gender action plan.

c. Indigenous Peoples or Cultural Heritage

72. The local people in the project sites do not meet the ADB criteria (distinctiveness and vulnerability) of Indigenous Peoples. The APs in the project sites are part of mainstream Ni-Vanuatu Melanesian society and are not considered to have a distinct culture from the mainstream society and are not discriminated upon by any other groups due to their language, skin colour and education level thus requiring protection and special attention from the project. Although they have dialect distinct from other outer islands, as other Melanesian they communicate with one another using either Bislama, French or English as the official languages of Vanuatu.

73. There are no expected adverse impacts on cultural heritage of the APs resulting from land acquisition. During the course of the PPTA fieldwork, no sacred sites or similar areas were identified.

5. Conclusion

74. Based on the result of the household survey, access of households to grid electricity in the area is poor. Power is mainly sourced from solar and generator. However, majority of the households wants to have access and connection to grid electricity and are willing to pay for the service as long as it is affordable. It is also expected to contribute to the general improvement of the general social economic status including improvement in the availability of basic social services such as health and education. Availability of public lighting at night would minimise safety concerns especially for women and girls.

V. INFORMATION DISCLOSURE, CONSULTATIONS, AND PARTICIPATION

A. Stakeholders

75. There are several categories of project stakeholders: government and non-government. Landowners, traditional leaders, private sector, non-government organisations (NGOs) and communities groups including women and youth are non-government stakeholders as well as relevant government agencies or stakeholders.

76. The government agencies are committed to providing support in achieving government's target of increasing renewable energy source for the country; thus are willing to provide necessary support to acquire required land for the subproject. The Government is committed to develop an alternative energy source to lessen dependence on imported oil and be able to sustain viability of its investment.

77. Key stakeholders' specific interests are:

- 1) Provincial government/council - Supportive of the proposed hydropower subproject. Would like to see the subproject to start as soon as possible. Consultations have been going on for some time.
- 2) Affected landowners/claimants - Interested to benefit from access to power and compensation for affected land.
- 3) Women's groups - Inclusion in accessing power and employment/income opportunities.
- 4) Communities around the sites - Supportive of the governments' project to develop alternative sources of reliable and affordable power supply to stabilise power tariffs.
- 5) Youth groups - Access to information, skills and employment opportunities.
- 6) Business groups – Access to cheaper and reliable source of power supply.

- 7) DOE/DOL – Securing land access and acquisition as well as the support of community and landowners/APs for the power project.

B. Community Consultations Held

78. As part of social surveys and assessments during PPTA, stakeholders and community consultations were carried out during field visits over March - April 2014. Stakeholder consultations were carried out through meetings with key officers at offices of different government and non-government agencies in Lakatoro as well as at village council offices. Key respondent interviews, focus group discussions and questionnaire surveys were also used.

79. More than 10 stakeholder consultation meetings were conducted in Malekula during the PPTA involving at least 200 officials/participants from various agencies, i.e., Lands Department, Environment Authorities, Statistics Office, utility offices, landowners/claimants/APs, women groups etc. The list of officials/stakeholders consulted is presented in **Appendix 2**. The consultations included both discussions with stakeholders and discussions with community/island/provincial level authorities including APs, traditional and elected leaders and women's groups from the subproject sites.

80. During PPTA Safeguards Team site visit, the village councils in Unmet and Brenwe areas and the island (Malekula) and Malampa provincial councils confirmed general awareness of the proposed hydro subproject and general site locations. Details of consultations carried out during PPTA field visits are presented in **Table 9** following.

Table 9: Stakeholder/ Community Consultations during Visits of Subproject Sites

Date / Venue	N° of participants/ organisations	Activities/Issues discussed / remarks⁸
19 March 2014 – Malampa Provincial Office	12 officials of province	Discussion of objectives and concerns of Project; requirement for support in terms of data /site access.
19 March 2014 at open ground in Unmet village	More than 100 participants – women health/school teacher, chief, farmers, villagers	Re Brenwe HP, Environmental and Social Safeguards, scope of land acquisition and willingness to participate in the project. Concerns on benefits for the community.
April-May 2014 at provincial and community levels	Various informants: landowners/claimants, lease holders, officials, women groups, etc.	Socio economic concerns; demand/need for projects, satisfaction with power services, etc.
29 April 2014 – Malampa Provincial Office	4 officials of province including Secretary General Samuel +3, Chairman Council of Chiefs, Brenwe land owners	Brief on scope of project; clarifications with land owner and council of chiefs, emphasis on clear resolution of land issues and requirement to have formal MOA agreeing in principal to access to sites and negotiations to procure land for the Brenwe HPP
First week of May 2014- communities within Brenwe HPP	4 Focus Group Discussions composed of 10-15 people per group	Environment and social issues; concerns on land acquisition and compensation, community development issues such as livelihood and income opportunities, gender and participation concerns, access to power and willingness to participate in the project
First week of May 2014 - communities within Brenwe HPP	60-80 Sample households including APs	Socioeconomic profile of households, issues and concerns re environment and land acquisition and willingness to participate

81. Overall, the landowners/APs and village and island leaders have expressed support for the project during PPTA consultations. APs are willing to allow the Government to acquire their land to construct hydropower infrastructures. Their willingness is due to a desire to benefit collectively from access to stable power as well as an expectation to receive compensation for unproductive land. A copy of an initial memorandum of agreement (MOA) on willingness to support and allow the project's access to the site is shown in **Appendix 1**.

82. On issues raised, some stakeholders were concerned about the location of the transmission line. The aborted past project in 1990s by a foreign developer had attempted to short-cut the connection of transmission lines from the power plant to the Norsup-Lakatoro road cutting across rich agricultural lands resulting in the cutting and loss of valuable crops and trees. The resulting conflict had ended up in the stoppage of the project which resulted in the foreign developer pulling out of the area abandoning works. During consultations during PPTA communities were assured that the current design plans to locate the transmission lines alongside the existing Provincial road to avoid traversing across rich plantation areas. Given such assurance the local communities have expressed strong support for the project.

C. Consultation on RP Preparation

83. This RP has been prepared in close consultation with representatives of the affected parties. The project team has also visited the affected site. The following consultations were conducted:

⁸ Queries raised by people were answered to their satisfaction and it was assured that their concerns would be addressed in the process of project design.

- Meetings undertaken on May 2014 with provincial and villages officials as well as concerned landowners/claimants on the need for agreement (MOA) on allowing access to site and willingness to sell affected land for the project.
- Meeting with representatives of the affected landowners/claimants, villages leader, provincial council (April- May 2014) - Issues discussed are presented in Annex 3.
- Meeting with representative of Department of Lands in April 2014 in order to discuss the processes by which the Government acquires the land according to the laws of Vanuatu.
- Consultation with the Valuer General's office regarding compensation entitlements and valuations.

84. During the detailed design and updating the RP, further AP surveys and AP/community information/consultation will be carried out to ensure full stakeholder participation in project preparation. This task will be carried out by safeguard specialists engaged for updating the RP in coordination with the DOE, Department of Lands (DOL) of the Ministry of Lands and Natural Resources (MLNR), Valuer Generals Office, and other relevant authorities who are responsible for the land acquisition and compensation processes under the laws of Vanuatu.

D. Disclosure of Draft RP

85. The RP was prepared based on PPTA findings and consultations with concerned stakeholders particularly the 7 AP households. As soon as a draft had been prepared the discussion with the 7 AP households on related issues was carried out during a meeting conducted in Unmet in May 12, 2014. A formal discussion on the draft RP had been also undertaken with the provincial government and other local stakeholders during the preparation of the Memorandum of Agreement (MOA) between the provincial officials and the landowners/claimants on allowing access to the site by the project team as well as the intent on land acquisition. The MOA (see Appendix 1) was signed by all concerned on 2 June 2014.

86. The RP will be disclosed to affected parties in English, with the notices including a summary of land acquisition information translated to other two official local languages - Bislama and French as required by Vanuatu law. A copy of the RP will be made available at the DOE and DOL offices in Port Vila and provincial government offices in Malekula. If an affected party requests, the summary of the RP may also be translated into French and/or Bislama. The draft RP will be posted on ADB website as well.

87. During the updating this RP, the DOE assisted by DOL with provincial council will be responsible for the disclosure, including:

- 1) A notice of intent to acquire land will be disclosed on the site 30 days prior to the RP completion and approval;
- 2) Updated RP will be provided to APs and stakeholders;
- 3) After updated RP is approved by DOE and ADB, the land acquisition notice will be published in the newspaper, on radio and a notice placed on the site in order to comply with Vanuatu disclosure laws in full; and
- 4) The updated RP will similarly be disclosed on the ADB Website.
- 5) At each stage consideration will be given to disclosing the RP through awareness sessions in affected communities in order to ensure the illiterate community residents are kept informed.

E. Consultations and Information Disclosure during Project Implementation

88. Consultations will continue at next stages i.e. during the detailed design and updating of the RP before start of the civil works construction as well as at the implementation stage. PMU/DOE with DOL and provincial representatives will continue consultations with leaders in the Island Councils, village leaders including traditional chiefs, affected landholders/APs and all other

interested members of the community. Separate meetings will also be organised with women to continue to understand and discuss their preferences and concerns at that stage.

89. DOE in coordination with DOL and provincial government will finalise the size of affected land and the boundaries of parcels will be marked and recorded in the presence of APs. DOE and DOL will also inform affected landholders/claimants about the policies and procedures regarding land acquisition and compensation according to the RP. Specific terms of land acquisition and compensation rates as well as grievance redress procedures will be explained to APs. In addition, DOE/DOL and Councils will inform the landowners when and how compensation will be paid.

90. During project implementation, AP/public consultation and awareness will be continued through regular meetings organised by the resettlement specialists (TORs - Appendix 4). These will be used to ensure that APs are aware of the construction implementation plans, detailed design and updated RP implementation. They will also identify with the APs any RP implementation problems and will undertake timely remedial actions.

VI. GRIEVANCE REDRESS MECHANISM

91. There are traditional village level mechanisms as well as legal systems to address local issues. Council of chiefs or community leaders play key roles in resolving community or social disputes at local level. There are courts including a Customary Land Tribunal set up at the provincial level to formally hear and adjudicate on matters related to customary land. The project will use or adapt existing mechanisms to resolve local social and land ownership issues as well as set up a project level grievance redress mechanism (GRM) to resolve project specific grievances. The key functions of the GRM are to (i) receive, record and prioritize the grievances; (ii) settle the grievances in consultation with complainant(s) and other stakeholders; (iii) inform the aggrieved parties about the solutions; and (iv) forward the cases to appropriate levels.

Community Level Mechanism

92. The project will coordinate with council of chiefs to resolve matters related to internal village affairs such as distribution of compensation among family members. To support and supplement the roles of council of chiefs, a community-level Committee made up of community leaders, landowners/APs representatives and representative of provincial/island councils will be set up. The committee will elect a Chair which is expected to be a senior village chief to coordinate its matters. Any community related complaints are to be submitted to the Committee through the Chair, who will inform the PMU verbally or in writing of complaints/grievance referred to it. The committee will meet in the case a complaint is lodged.⁹ PMU staff may facilitate but will not take any side in the committee deliberation. The meeting will be chaired by the village chief; proceedings and outcome of meetings will be fully documented and PMU staff may assist in this process. The Committee will decide on a particular case within 1 month of the complaint being lodged. In the event that the Chair himself is a party to a case being reviewed, the committee meetings on this particular case will be chaired by a senior committee member.

93. In addition to resolving disputes, the PMU will also work with the community-level committee to develop community consensus and to ensure local support to the subproject.

Project-Level Mechanism

94. In order to receive and facilitate the resolution of APs' any concerns, complaints, or grievances about the project's social and environmental safeguards performance, a subproject level GRM will be established at the subproject level. The GRM will address APs' concerns and complaints promptly and transparently and this will be gender responsive and readily accessible to

⁹ A complaint may be lodged with the PMU if the complaint is to be lodged prior to a committee being set-up, which in this case, the PMU will be obligated to set up the community level committee to hear the Grievance. The PMU will set up the Community level committee immediately within 5 days of the complaint submission.

all APs at no costs. It will not however impede APs access to Vanuatu’s traditional as well as legal remedies.

95. The PMU’s subproject manager supported by its staff and consultants will be the grievance focal point to receive, review and address project-related concerns and to facilitate resolve land related disputes in coordination with the government authorities. When subproject implementation starts, a sign will be erected at all sites providing the public with updated project information and summarizing the grievance redress mechanism process including contact details of relevant person at the PMU.

96. All project-related complaint will be recorded and investigated by the PMU in coordination with relevant authorities. The PMU will inform DOE and provincial government soon after any complaint it receives. A complaints register will be maintained which will show the details and nature of the complaint, the complainant, the date and actions taken as a result of the investigation. All corrective actions and complaints responses carried out on site will be documented. The PMU will include this information in its progress reports to the ADB as well.

97. Any APs or village leader/chief can take a grievance to the PMU or its site office. On receipt of a complaint in any form (in person, telephone, written), the PMU focal officer for respective site/subproject will log the details in a complaints register. The PMU will review and find a solution to the problem within two weeks in consultation with village or traditional chief and relevant stakeholders. Then PMU will report back the outcome of the review to the village/traditional chief and APs. If the complainant is dissatisfied with the outcome at the PMU level, or have received no advice in the allotted time period, he or she can take grievance to DOE. The DOE will review the grievance and report back the outcome of the review within a month. The PMU or DOE will not impede APs access to legal system; at any time complainants can take the matter to appropriate court.

98. Table 4 below sets out the process to resolve any project related grievances.

Table 4: Grievance Redress Process

Stage	Process	Duration
1	Affected Person (AP)/village elected or traditional chief takes grievance to PMU	Any time
2	PMU reviews and finds solution to the problem in consultation with village or traditional chief and relevant agencies	Within two weeks
3	PMU reports back an outcome to village/traditional chief/AP	1 week
If unresolved or not satisfied with the outcome at PMU level		
4	AP/village or traditional chief take grievance to relevant authority	Within 1 month of receipt of decision in step 3
5	DOE reviews and find a solution	1 month
6	DOE reports back the solution/decision to AP/village or traditional chief	1 week
If unresolved or at any stage if AP is not satisfied		
AP/village or traditional chief can take the matter to appropriate court		As per judicial system

Judicial System: Customary Land Tribunal and Courts

99. If not satisfied with the Project level decision or at any time, the complainant may choose to appeal to the legal or judicial system as per the Vanuatu law. Under the law and current procedures in Vanuatu, the complaints procedure can last up to 30-days. The decision of the tribunal or court is generally final, unless the decision is appealed. Appeals may be made to the court at a higher level in the case that the customary tribunal or local court procedures were faulty in the specific case. The judicial system or the judiciary is the last level where the aggrieved party may raise his complaint.

100. The jurisdictions of courts are described in below:

- Customary land tribunals (Nakamal and Area Land Tribunal) have jurisdictions on the customary land ownership and related matters.
- The Island Court has jurisdiction over causes or matters in which all the parties are residents or within the territorial jurisdiction of the court. It cannot hear and decide civil cases relating to lands, except for appeals over tribunals' decisions.
- The Magistrate Court has jurisdiction to try and decide civil proceedings where amount or value of property involved is not more than 1 million vatu. It can also hear and decide criminal complaints.
- The Supreme Court has unlimited jurisdiction to hear and decide civil and criminal cases, but will not hear customary landownership cases according except for appeals over lower courts' decisions.
- The Court of Appeals - Decisions of the Supreme Court may be appealed to the Court of Appeals except on cases that originate from the Island court.

101. The project's land related disputes, if not resolved at community-level, will be resolved by the customary land tribunal. The government has recently set up a customary land management office including in Malekula and the PMU will coordinate with this office to arrange determination of the land ownership of the hydropower site before the RP is updated.

VII. LEGAL AND POLICY FRAMEWORK

102. The policy framework for the Project is based on the ADB's safeguard requirements on involuntary resettlement as embedded in the Safeguards Policy Statement (SPS) and the laws of Vanuatu. Where differences exist between the local laws and ADB requirements, the resettlement policy will be resolved in favour of the latter.

A. Vanuatu Laws on Land Acquisition and Resettlement

103. Land acquisition, resettlement and associated land issues are recognised in legal terms in Vanuatu by the Constitution and more than 10 laws (or Acts). This section presents a brief overview of the salient national legal instruments pertaining to land acquisition and resettlement.

1. Constitution of Vanuatu

104. The Constitution of the Republic of Vanuatu came into being on 30 July 1980. The Constitution, "as the supreme Law of Vanuatu", contains 2 relevant sections which have relation to land acquisition and resettlement.

105. Chapter 5, Articles 29 to 32, of the Constitution refers to the "National Council of Chiefs". Of relevance is the Article 30 which recognises the National Council of Chiefs membership having the competence to discuss, and may be consulted on, any issue related to customs, culture and its preservation in any matter, as required by the National Government.

106. Although a very short Chapter, considering the traditional ties between Vanuatu nationals and the land, Chapter 12 of the Constitution of the Republic of Vanuatu is devoted to land. Most discussions related to land have centred on Articles 30 (in Chapter 5) and Articles 73, 74, 75 and 76 of Chapter 12. Nine articles from 73 to 81 are relevant to land acquisition and resettlement depending upon the situation. This states that all land is owned by its traditional, customary owners; parliament prescribes the criteria for compensation payment for land; the Government may own and acquire land for State interest and may redistribute land away from traditional owners, in such cases as informal settlements and relocating of residents from other islands; and disputes in land ownership will be resolved through appropriate process.

2. Legal Acts Pertaining to Land Acquisition and Resettlement

107. As previously mentioned, there are several Acts related to Land Acquisition and Resettlement. The primary ones included herein relate to the land acquisition and land ownership/development/usage include as follows:

- 1) The Land Acquisition Act N° 5 of 1992 (Amendment Act N° 34 of 2000) is the key law directly related to Land Acquisition and Resettlement. This Act gives the Minister for Lands and Natural Resources powers to acquire land on the Government' behalf. It provides for the compensation for damages made during the process of land valuation, compensation entitlements for land and for rents and business losses, basic rights for grievance and appeals, and notice periods. This Act does recognise market value compensation for land but is vague in compensation entitlements for rents and businesses. There is well documented evidence as to how compensation is determined for land acquisition and structures. There is however no published compensation method to determine compensation for losses in income to business and for vulnerable (female headed households, poor, elderly and landless) affected people.
- 2) Land Reform Act 35 (1980 and updated 1981, 1983, 1985, 1992, 2000 & 2013) : This Act specifies that all land titles will be customary or transferred to the traditional owners, whose percentage can be traced back locally to 200 years. It outlines specifically about indigenous owners and the non-indigenous land users.
- 3) Customary Land Management Act (2014): As per the title, this Act details management of customary land including the dispute resolution through Nakamal and land Tribunals and process for affected persons to appeal the Nakamal/tribunal's decisions.
- 4) Valuation of Land Act N° 22 (2002) relates to the organisation of the "Valuer General" Office and their role. The Act does not stipulate approach to valuation of the land, structures, etc, which is more directly related to the "Land Acquisition Act".
- 5) Land Surveyors Act N° 11 (1984): This is basically a code of conduct, or a terms of reference for registered land surveyors, whom must be registered through the Land Surveyors Board.
- 6) Land Leases Act (1983): The Act details the rights and obligations of person or entities entering into an arrangement or agreement with another person and/or entity for the use of land under a lease or rent agreement.

3. Current Practices in Land Acquisition and Resettlement for Public Purposes in Vanuatu

a. Identification of areas for acquisition

108. A majority of Government's land acquisition in Vanuatu has been for smaller social services projects such as for village health facilities and educational institutions. More recently, apart from Tanna airport, in Port Vila the Government has acquired land along the river at Freswota in order to maintain a level of river protection and reduce urban encroachment issues. The Sarakata HPP land acquisition and compensation is the most significant experience in the power sector. A separate Due Diligence/Social Compliance Audit Report for Sarakata HPP provides a comprehensive documentation of the process and outcome.

109. In the year prior to an infrastructure development project, each Ministry and other Government agencies develop their work plans for the following fiscal year. This is inclusive of the other feasibility study requirements such as budgeting, environmental, engineering etc. At this time proposals for projects where land acquisition is involved should be submitted. This is subject to the approval of the Council of Ministers. There is no minimum standard that requires the projects to minimise land acquisition and impact on the community.

110. The government is in the process of customary land management offices including land tribunals in each province of the country especially to assist in settling customary land disputes. Customary lands identification is still an ongoing process since 1980 given that there are limited

records to prove the ties of people to a certain plot(s) of land that must show to go back over 200 years.

b. The process for land acquisition

111. On an annual basis, the Government allocates in its National budget 200 million Vatu for Government Land Acquisition projects. According to MLNR, if the budget is not spent the remaining amount accrues on top of the normal, annual 200 million Vatu budget. In the event that the budget is used up but finances still required, the Government and Ministry executing a project is responsible to find further finances to cover the necessary Land Acquisition budget requirement.

112. Once an area of land is selected by the Government for the government project, a notice signed by the Minister of MLNR is provided to the customary owners/title holders and a public notice is erected in full public view. The notice is made for a minimum of 30 days.

113. After this period, the land is assessed and valued. The land valuation is stipulated by Land Acquisition Act that generally involves the following:

- 1) Lease type – residential/agricultural/commercial/special industrial.
- 2) Marketability – number of properties marketed nearby in recent times and price range of those transactions
- 3) Physical characteristics – terrain, vegetation, soil type, improvements made and area.
- 4) Intangibles – interest, customary and other resource rights attached.

114. According to the MLNR, valuations include both Land and structures affected and may include value of income produced from land. However, this does not include “non-land producing” incomes such as income from shop business etc.

115. Any damage to the land, caused by valuation investigations is liable for compensation to the existing owners. Once the valuation has been made and signed by the Minister, the owners have 30 days to file objections. At the same time, the MLNR must disclose information on the valuation and proposed land acquisition over a 30-day period by Radio at least 3 times on separate occasions, in one national newspaper each week, on the main notice boards and on the land itself. Objections must be lodged within this 30 days period. On the decision by the Minister, the objector may appeal the Ministers decision through the Supreme Court of Vanuatu. However, if the issues are related to tradition and custom, then the National Council of Chiefs may be consulted if necessary.

c. Carrying out the acquisition of land/structures

116. After a 30 day notice period, and as long as all conflict claims and complaints are resolved, the actual compensation processes can then commence. The Ministry of Lands is responsible for this process, monitored by the Ministry of Finance and Economic Management (MFEM). However, this stage may include complaints about the process of valuation to compensation itself; and process of the assessment of disputes. This is generally supposed to be settled through the Customary Lands Tribunal or if unresolved through the Supreme Court system.

d. Negotiation process in land acquisition

117. The Land Acquisition Act No. 5 of 1992 (amendment) Act No.34 of 2000 stipulates the processes and procedures on negotiation for land acquisition. It involves the following:

- The Government to serve a 30-day notice of its intention to acquire land.
- The Notice would be posted in public conspicuous places near the land to be acquired in 3 languages (Bislama, English and French) as well as published in newspaper both local and national.
- The notice will include specification that if there are objections to the proposed acquisition such would have to be conveyed to the land officer not less than 30 days from the date on which such notice is given.

- Furthermore the notice will state that claims for compensation for the acquisition of that land or easement may be made to the acquiring officer;
- In case there are conflicts in terms of land ownership and claim, the issue shall be referred to the local land tribunal for review and resolution. A notice is given to the landowners/claimants to make known their claim to the local land tribunal. At the end of the specified period the land tribunal proceed to make its decision on who the rightful customary landowners are.
- The Government through the acquiring officer will request the customary landowners to propose compensation taking into consideration market value of land during the time of publication of notice, damage made to the land resulting from the activities undertaken in regard to land acquisition objective, loss of income as result of the loss of land as well as displacement or relocation as a result of land acquisition. The acquiring officer through his principals shall likewise prepare his own estimate.
- The Government would compare the requested compensation package of the customary landowners with that of the Government (Valuer General). The estimate to be provided by the Valuer General is the final valuation of the Government; if the custom owners still reject the said valuation their recourse is to appeal to the Supreme Court.
- If a determination on compensation is made and no appeal is made, the decision of the acquiring officer is final.

B. ADB's Policy on Involuntary Resettlement

118. The ADB Safeguards Policy Statement (SPS) requires ADB-assisted projects to (i) avoid resettlement impacts wherever possible; ii) minimise impacts by exploring project design alternatives; iii) enhance, or at least restore the livelihoods of all APs in real terms relative to pre-project levels; and iv) improve the standards of living of the affected poor and other vulnerable. It covers both economic and physical displacement.

119. The key principles of the ADB safeguards policy on resettlement are as follows:

- 1) Screen early the projects resettlement impacts and risks.
- 2) Carry out meaningful consultations with participation of APs, inform all APs of their entitlements and resettlement options paying particular attention to the needs of vulnerable groups.
- 3) Establish a grievance mechanism.
- 4) Improve, or at least restore the livelihoods of all APs through (i) land-based resettlement or cash compensation at replacement value as relevant, (ii) prompt replacement of assets, (iii) Prompt compensation at full replacement cost, and iv) additional revenues and services through benefit sharing schemes where possible.
- 5) Provide APs with needed assistance including: i) if there is relocation, secured tenure to relocation and better housing; ii) transitional support and development assistance; and iii) civic infrastructure and community services as required.
- 6) Improve the standards of living of the affected poor and vulnerable groups to at least national minimum standards.
- 7) Develop procedure in a transparent, consistent and equitable manner if land acquisition is through negotiated settlement.
- 8) Ensure that APs without titles are eligible for resettlement assistance and compensation for loss of non-land assets.
- 9) Prepare a RP elaborating on APs entitlements, income and livelihood restoration strategy and so on.
- 10) Disclose a RP in an accessible place and a form and languages understandable to the APs and other stakeholders.

- 11) Conceive and execute resettlement as part of a development project or program.
- 12) Provide compensation and other entitlements before physical or economic displacement.
- 13) Monitor and assess resettlement outcomes and their impacts on the standards of living of APs.

C. Policy Differences and Reconciliation

120. A comparison between ADB policies and the laws and practices of land acquisition and resettlement used by the Government of Vanuatu has been conducted and a summary follows in **Table 10**. Any differences between the laws and practices of the Government of Vanuatu and ADB SPS will be resolved in favour of the latter by adopting the gap filling measures.

Table 10 - Comparison of Land Acquisition and Resettlement in Vanuatu and ADBs SPS 2009

SN	ADB SPS 2009 Safeguards	Comparisons to Vanuatu Law	Gap filling measures
1	Avoid resettlement impacts wherever possible.	There is no minimum standard that requires the projects to avoid resettlement impacts.	The Project will ensure that resettlement and land acquisition impacts are avoided, wherever possible.
2	Minimise impacts by exploring project design alternatives	There is no minimum standard that requires the projects to minimise land acquisition and impact on the community	The Project will ensure resettlement and land acquisition and impacts are minimised wherever possible by exploring design options.
3	Enhance, or at least restore the livelihoods of all APs in real terms relative to pre-project levels.	Compensation is determined based on issues including land type, crops etc. However, this does not include "non-land producing" incomes such as income from shop business etc. It also does not necessarily require that conditions of the APs be the same or better than pre-project situation.	The project is not expected to impact any businesses. If any, they and their employees (if any) will be compensated. The RP adopts the objective that APs living standard is restored or improved.
4	Improve the standards of living of the affected poor and other vulnerable. It covers both economic and physical displacement	Laws and practices in Vanuatu do not recognise the standards of living of the poor and vulnerable, in determining compensation for land acquisition and resettlement per-se.	The RP will include assistance for vulnerable APs to improve living standards.
5	Screen early, the projects resettlement impacts and risks	Laws and practices in Vanuatu relating to Government Capital Works Projects require that the Project budget considers and includes associated resettlement and land acquisition costs. However, there are no other assessments of resettlement impacts required prior to budget approval, hence capital works commencing.	The project has screen the resettlement impacts and prepared the RP.
6	Carry out meaningful consultations with participation of APs inform all APs of their entitlements and resettlement options. Pay particular attention to the needs of vulnerable groups.	The law and current practices require the land acquisition and relocation notices to be disclosed several times over radio and in the printed media over a 1-month period, as well as display on-site. However, there is no recognition of vulnerable groups nor the consultation with or participation of APs at any part of the process, except in the case of people given opportunity to make objections	The RP includes measures on consultation and disclosure, including particular attention to vulnerable groups.
7	Establish a grievance mechanism	Vanuatu already has traditional grievance redress system for general village matters. MLNR has also recently been set up at Provincial level a Customary Land Tribunal.	The project will use the existing systems as well as establish project level grievance redress system. This will allow AP participation, relatively rapid action and results, and coordinate with existing grievance procedures.

SN	ADB SPS 2009 Safeguards	Comparisons to Vanuatu Law	Gap filling measures
8	Improve, or at least restore the livelihoods of all APs through (i) land-based resettlement or cash compensation at replacement value as relevant, (ii) prompt replacement of assets, (iii) Prompt compensation at full replacement cost, and (iv) additional revenues and services through benefit sharing schemes where possible.	In Vanuatu valuation of land is stipulated by Law and is conducted based on several factors regarding that specific plot of affected land such as lease and ownership type; location of property; amenities; market price of nearby properties; physical land characteristics; and intangibles. The law specifically points out times for disclosure prior to valuation, time for objection to valuation and acquisition of lands and assets. However, the law does not provide any clauses for compensation, income restoration and entitlements to be provided to the AP in "prompt" manner.	Land is valued by Valuer General in MLNR. The VG will be used to determine compensation requirements relating to land, land-based income losses. All compensation will be at replacement cost based on existing market rates. Compensation will be provided promptly.
9	Provide APs with needed assistance including i) if there is relocation, secured tenure to relocation and better housing; ii) transitional support and development assistance; and iii) civic infrastructure and community services as required.	In Vanuatu, land acquisition, resettlement and compensation for land-based losses are included under the law. However, impacts on business and their employees are less clear and there is no recognisable transitional support mechanism under the law.	ADB SPS 2009 will be enforced in supplementing the Law of Vanuatu by covering transition assistance, compensation for business and employees (if impacted) in the RP.
10	Develop procedure in a transparent, consistent and equitable manner if land acquisition is through negotiated settlement	Vanuatu laws provide procedures on negotiation for land acquisition, lease or purchase.	Vanuatu laws and practices as well as SPS provision on negotiations will be followed by the project.
11	Ensure that APs without titles are eligible for resettlement assistance and compensation for loss of non-land assets	Laws have no clauses that recognise encroachers in any way to be entitled or NOT entitled to compensation or rehabilitation.	ADB SPS 2009 will be enforced to recognise encroachers (if any) who are affected at the time of the census/detailed measurement survey conducted for the RP.
12	Prepare an RP elaborating on APs entitlements, income and livelihood restoration strategy and so on	Under Vanuatu Law, land acquisition and resettlement and compensation is carried out focusing on households affected and the values of the land a structures affected. However, an RP per-se is not necessarily required.	An RP is prepared and will be updated at the time of detailed design.
13	Disclose a RP in an accessible place and a form and languages understandable to the APs/DPs and other stakeholders	Although the Law does not require an actual RP to be prepared, its clauses do necessitate notices and official valuations by the MLNR to be prepared. The law and current practices also require that land acquisition and relocation notices for a specific site be disclosed several times over radio and in the printed media over a 1-month period, as well as display on-site. However, only the radio would be useful for the illiterate to become informed of any pending land acquisition and resettlement activity on a specific site.	This practice will be followed in addition to the disclosure of the RP at local level as well as posting on the ADB website. For illiterate APs, further disclosures through public meeting will be held.
14	Conceive and execute resettlement as part of a development project or programme	The MLNR does have a 200 Million Vatu budget for Land acquisition and resettlement for Capital Works Projects allocated on an annual basis. The year prior to an infrastructure development project, Government agencies will develop their work plans for the following fiscal year. At this time proposals for projects where land acquisition is involved should be submitted. This is subject to the approval of the Council of Ministers.	DOE will ensure that the RP costs are included in its annual budget and approved by the government on time.

SN	ADB SPS 2009 Safeguards	Comparisons to Vanuatu Law	Gap filling measures
15	Provide compensation and other entitlements before physical or economic displacement	Compensation is to be provided after a period of disclosure and a period for objection has finished. However, legislation does not clearly state that compensation will be provided prior to commencement of construction, which would force physical / economic displacement impacts to occur.	ADB SPS 2009 will be enforced to ensure land acquisition, resettlement and / or compensation measures are completed prior to construction commencing. The RP includes this measure.
16	Monitor and assess resettlement outcomes and their impacts on the standards of living of APs.	There is no specific clause in the law of practice in Vanuatu that required Monitoring and assessment of APs during or after land acquisition and resettlement commences	ADB SPS 2009 will be enforced to ensure that monitoring is set up for this sub-project. The RP specifies the measure on monitoring.

1. Principles and Policies for the Project

121. Given the assessment of the Vanuatu laws and practices and the ADB policy differences referred to above, some additional measures have been made on top of the provisions set out under the Vanuatu laws in order to ensure consistency with the resettlement principles of the ADB's SPS requirements on land acquisition/resettlement. In preparing and implementation of resettlement activities under the project, the following project principles and policies will apply:

- 1) Involuntary resettlement and loss of land, structures and other assets and incomes shall be avoided and minimised by exploring all viable options.
- 2) APs shall be provided with compensation for their lost assets, incomes and businesses, and provided with rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income levels and productive capacity.
- 3) Lack of legal rights to the assets lost will not preclude affected persons receiving entitlement in form of compensation for non-land assets and/or rehabilitation measures.
- 4) Affected land and assets shall be replaced or compensated at replacement cost based on their current market values.
- 5) Preparation of resettlement plans and their implementation shall be carried out with participation and consultation of affected people and the Vanuatu government and authority – Ministry of Lands and Natural Resources.
- 6) Schedule of budget for resettlement planning and implementation will be incorporated into DOE's budgetary cycle as required. This will require close consultation with MFEM, MLNR, DOE and approvals by the Council of Ministers of Vanuatu.
- 7) Payment of compensation or replacement of affected assets and any resettlement to new locations will be completed prior to civil works implementation.
- 8) Rehabilitation measures will also be in place before start of civil works, but not necessarily completed, as these may be ongoing activities.
- 9) Compensation and rehabilitation assistance for socially disadvantaged such as households headed by women, the disabled and elderly will be carried out with respect for their cultural values and specific needs.
- 10) APs whose land or assets are temporarily taken by the works under the project shall be fully compensated for their net loss of income, damaged assets, crops and trees at replacement cost. The contractor shall also ensure that all temporarily acquired land and structures are returned in its pre-project state.
- 11) If any APs lose only part of their physical assets will not be left with a proportion that will not be viable to sustain its productive use. Such a minimum size will be identified and agreed with APs.
- 12) APs will be systematically informed and consulted about the Project, the rights and options available to them and proposed mitigating measures.

- 13) Adequate budget support will be committed and made available to finalize and implement the RP. Budgets also include activities such as formal detailed physical surveys and administrative functions associated with compensation and resettlement.
- 14) Any community facilities and infrastructure damaged shall be restored or repaired as the case may be, at no cost to the community.
- 15) While the Government has the option to pursue compulsory acquisition, negotiated land purchase or lease agreement shall be attempted first in acquiring land for the Project.

VIII. ENTITLEMENTS, ASSISTANCE AND BENEFITS

A. Eligibility for Compensation

122. The initial identification of APs and affected land and the ensuing negotiation for land acquisition has started during the PPTA. IA in coordination with Department of Lands and provincial government will further consult with affected APs and undertake detailed land surveys and investigation to collect detailed information. The date of land survey and investigation will be the “cut-off date” for eligibility for compensation. Following are the procedures summarising eligibility for compensation and other assistance to APs:

- 1) Landowners and/or users that have documented claims to the affected land, trees, etc. as of the cut-off date will be eligible for compensation and/or rehabilitation assistance as per the project policy.
- 2) Any person or group that occupies or uses the land identified for the subproject construction after the cut-off date will not be eligible for any compensation and/or assistance.
- 3) APs with legal rights or claims will receive compensation for land. If any, non-titled APs will receive compensation for assets attached to land and other assistance as required.

B. Entitlements

123. **Table 11** summarises the entitlement matrix.

Table 11: Entitlement Matrix

Type of Impact	Entitled Persons	Entitlements
Loss of land	Land owners/users	Compensation at replacement cost based on current market price (most recent transaction of comparable value) will be paid for the land to be acquired.
Loss of trees, crops	All APs regardless of legal status	It will be agreed with APs that any crops on affected land will be harvested by them before site clearance. If APs are not able to harvest crops, they will be paid compensation at replacement cost based on market prices. Fruit trees including any loss of production will be compensated at replacement cost or market/comparable price.
Employment opportunities (project benefit)	APs particularly women, youth and vulnerable group	APs will be provided training and priority employment in civil works based on APs skills suitable to project needs.
Impacts on vulnerable groups (if identified)	Vulnerable groups	Necessary special assistance (identified through consultations with affected communities) to be specified in the updated RP.
Stable power supply (project benefit)	All APs	APs (as regular customers) will get stable power supply. Unconnected AP household will be provided power connections (as regular customers).
Unforeseen or	Concerned affected	These will be determined as per the principles of this

Type of Impact	Entitled Persons	Entitlements
unintended impacts	people	RP and ADB's SPS.

IX. INCOME RESTORATION AND REHABILITATION

124. While the project is not expected to impact on APs major income source or any residential or business structures, the following assistance will be provided by IA to APs and vulnerable households in the subproject area: (i) skills training suitable for project construction; and (ii) priority employment in project works such as vegetation clearance and maintenance works. There are no female-headed households out of the initial identified APs. However, if continued consultations will identify any such affected households, they will be provided priority employment in these activities. The project design will reflect this and the updated RP will describe its details including special assistance to vulnerable groups.

X. LAND ACQUISITION/RESETTLEMENT BUDGET AND FINANCING SOURCE

125. Necessary costs for the project's land compensation will be financed by the government as counterpart funds and the costs of consultants and experts to prepare and monitoring the RP will be funded under ADB grant/loan. These will include land acquisition costs, land survey, consultation costs, training and legal costs, monitoring, etc (see the table below). The costs for such activities for the subproject will be updated after the detailed design of the subproject and detailed assessments of land aspects. The government will release sufficient budget for implementation of land related activities in an appropriate and timely manner.

126. The project will adopt the principle that the compensation for affected land and other assets will be paid replacement costs based on current comparable market prices as discussed in previous section. The PMU will inform affected landowners/APs about the policies and procedures regarding payment of compensation. In addition, it will also inform the landowners when and how compensation will be paid prior to project implementation.

127. A preliminary cost estimate was made by PPTA Consultant based on available data and most recent transactions provided by the Department of Lands on a similar project particularly the Sarakata HPP. The total budget is estimated at **USD164,403** to cover land acquisition and compensation and other necessary items (e.g. surveys, consultations, skills training, etc.). However, specific compensation amounts will be determined during the RP update according once the detailed land investigation and valuation are completed and compensation rates and detailed terms of acquisition are agreed through negotiation between the government and landowners.

XI. INSTITUTIONAL FRAMEWORK

A. Institutional Arrangements

128. The MFEM will be the executing agency (EA) for overall guidance and DOE will be the Implementing Agency responsible for project implementation. The Project Management Unit (PMU) will assist DOE in project implementation including safeguards. The PMU will be supported by a team of international and national Design and Supervision Consultants (DSC). The PMU together with the DSC will provide DOE technical support and coordination during implementation if the Project is eventually financed by ADB. The PMU will also ensure compliance with assurances, including safeguards and preparing and submitting the resettlement plan update, reports, resettlement plan monitoring reports.

129. To ensure effective implementation of the land acquisition and resettlement aspects, one international and one national resettlement specialists will be recruited to assist the PMU in this regard. The PMU will submit reports on a quarterly basis to ADB and DOE.

130. The MFEM will work also together with the PMU and the MLNR on the budget approval and disbursement for the RP implementation.

B. Implementation Arrangements for the RP

131. The resettlement specialists (Annex 3 provides terms of reference) will assist the PMU to:

- 1) Update the resettlement plan, based on the detailed design of the hydropower infrastructures.
- 2) Coordinate with MLNR Valuer General Office and DOL regarding land acquisition and compensations.
- 3) Implement, monitor and prepare monitoring reports to be submitted to ADB confirming compliance with the RP.

132. When the updated RP is finalised through identification of specific impacts and detailed compensation costs, a document will be signed with APs signifying their satisfaction on the compensation. The PMU will prepare a pro-forma document to be used for the settlement of obligation in land acquisition and compensation.

133. Disbursement of cash will follow the approval of budgets for compensation. The PMU assisted by resettlement specialists will inform the APs of the schedule of fund release. They will also advise the APs to produce relevant legal documents pertaining to their identification for claiming the compensation. It is the main responsibility of PMU to ensure that all the compensations and entitlements have been paid to and settled with APs prior to clearing the construction sites. The DOE will arrange with the MFEM, as per the law of Vanuatu, for the compensation to be dispersed directly to APs on presentation of identification. APs will sign a document indicating the receipt of their compensation and entitlements. The compensation for any disputed landownership will be placed with a trust account supervised by the court until the dispute is resolved by the court.

C. Resettlement Database

134. All information concerning land acquisition including socioeconomic information, inventory of losses, compensation and entitlements, payments and relocation will be recorded by the PMU. These records will form the basis of information for implementation, monitoring and reporting purposes and facilitate efficient management and monitoring of compensation distribution.

XII. IMPLEMENTATION SCHEDULE

135. The following **Table 12** is the implementation schedule for updating the RP and implementation of land acquisition and compensation.

Table 12: Implementation Schedule

N°	Activities	Schedule
1	Confirmation of land requirement and identification of land owners/claimants	Month 1
2	Land survey and valuation	Month 2
3	Submission to DOE/DOL/Provincial council of land survey report and to prepare for formal negotiation with landowners and budget allocation for land acquisition	Month 3-4
4	Negotiation with landowners: consultation with affected landowners to discuss land acquisition through negotiated purchase or lease arrangement	Month 3-6
5	Agreement on land acquisition/negotiated purchase and necessary approvals by the Ministry of Finance and the Council of Ministers.	Month 7-9
6	IA updates the RP including agreements on compensation rates with landowners, and discloses updated RP to APs.	Month 9
7	IA submits the updated RP to ADB for approval and posting on ADB website	Month 10

N°	Activities	Schedule
8	Execution of land acquisition and payment of compensation	Month 11-13
9	IA submits to ADB an land acquisition and compensation completion report	Month 14
10	IA submits safeguard monitoring report	Six-monthly

XIII. MONITORING AND REPORTING

136. Based on the RP, EA and IA will monitor all activities associated with land acquisition and payment of compensation to APs. The scope of monitoring includes: (i) compliance with the agreed policies and procedures for land acquisition and compensation; (ii) prompt approval, allocation and disbursements of funds and payment of compensation to APs, including supplemental compensation for additional and/or unforeseen losses; and, (iii) remedial actions, as required. The monitoring will also cover whether APs are able to and restore, and preferably improve, their pre-project living standards, incomes, and productive capacity.

137. The IA will maintain proper documentation of consultation process and keep relevant records of land acquisition and transaction. The resettlement specialists at PMU will assist in documentation of the consultation, negotiation and transaction process.

138. The IA will prepare and submit semi-annual progress reports to ADB as part of project performance monitoring. IA will also submit a subproject land acquisition and compensation completion report to ADB following compensation payment before start of the civil works.

XIV. APPENDICES

Appendix 1: Copy of Memorandum of Agreement on Project Access

MALAMPA PROVINCE

SECRETARIAT OF MALAMPA
PROVINCIAL GOVERNMENT COUNCIL
LAKATORO, MALEKULA



SEVEMPIPOLBLONGMALEKULA, AMBRYMMOPALAMA

PROVINS BLONG MALAMPA

OFIS BLONG MALAMPA PROVINSSEL
KAVMAN KAONSEL
LAKATORO, MALEKULA

MEMORANDUM OF AGREEMENT (MOA)

This Agreement ("the Agreement") is made on the ...02nd of June 2014 by and between:

- (i) The Provincial Government of Malampa through its Head Office in Lakatoro, Malekula
- (ii) Customary Landowners and Land claimants; and
- (iii) Communities as represented by their chiefs within the Zone of Influence of the proposed Brenwei Hydropower project (also referred to individually as "Party and together as "Parties")

Whereas the Provincial Government and its constituents especially in areas not reached by rural electrification program recognize the need for development of alternative sources of energy

Whereas within the Brenwei River watershed there is the potential for development of hydropower scheme

Whereas there is recognition of the need for and demand for electricity especially in areas not reached by the existing power distribution system in Lakatoro/Norsup.

The Parties agreed and expressed their willingness to participate in the proposed Brenwei Hydropower project under the ADB financed PPTA 8285 – VANUATU ENERGY ACCESS PROJECT (VAN EAP). In so doing will:

- (i) Allow the project Teams including Consultants, Study and Design Teams to access the area to further explore the feasibility of developing the hydro potential of the Brenwei River
- (ii) Meet and discuss with the representatives of Government for the appropriate steps and procedures for acquisition of land required for the location of structures and facilities of the hydropower project
- (iii) Agree to meet with all interested parties and stakeholders, to understand the issues and concerns on land acquisition, premiums, compensation and payment and agree on appropriate arrangements to address them prior to construction of hydropower structures and facilities including access roads and transmission lines
- (iv) Regularly meet with all Project principals for continuing dialogue, discussion and consultations to ensure that the proposed Project will proceed smoothly.

Post Office Box 22 Tel. (678) 48491 Fax. (678) 48491 Email. malpc@vanuatu.com.vu

Appendix 2: Consultations

Documentation of Consultations Conducted in Malekula Subproject site, Malampa Province, March – May 2014 - Provincial and Community Consultation

1. Provincial and community consultations in respect of both environmental and social issues were undertaken in Lakatoro township and Unmet village on 19th March 2014. The project consultation personnel included the Consultant's international environment specialist (IES) and international and national social/resettlement specialists. Local logistical support was provided by the Malampa Provincial Assistant Planner. Key activities during the consultation visit included:

- Introductory meeting with Malampa Provincial Committee
- Consultation meeting with project affected land owners, interested stakeholders and community members at Unmet

2. The purpose of the provincial and community consultation was to disseminate basic project information and obtain the views and concerns of communities with respect to environmental issues related to the project with a view to addressing these issues in the project design and implementation. The consultations also provided the opportunity to gather relevant site specific information from the stakeholder's perspective on the physical biological and social environments of the project area.

3. **Malampa Provincial Council.** An initial meeting was held with the MPC to introduce the Safeguards team, explain the purpose of the visit and consultation process within the context of the overall TA objectives including ADB's safeguards requirements, obtain information relating to the community's readiness for the project including any issues of concern they might have, and to request the MPC's assistance in supporting the consultation process. Twelve members of the Provincial council attended the meeting. A list of the attendees is provided in Attachment 5, Table A5.2.

4. A power point presentation delivered by the IES provided the opportunity to inform the MPC of what the proposed Brenwe hydropower project entailed. The presentation included sketches of the key project components, a summary of potential environmental and social impacts and benefits arising from the project, and a preliminary assessment of the significance of such impacts and likely mitigation measures required to ensure impacts are minimised and acceptable.

5. The MPC were familiar with the key components of the hydropower project through their previous experience with the partially constructed and abandoned Brenwe hydropower project during the 1990s. The provincial council expressed overall support for the project. In respect of environmental issues one member queried the potential impact on downstream water quality in the Brenwe River and loss of water between the intake and powerhouse due to the project. These issues were clarified during discussions with the council. In particular they were advised that significant impacts on water quality downstream of the project were unlikely and any impacts associated with reduction of water between the intake and powerhouse will be investigated as part of the IEE with necessary mitigation measures proposed to ensure impacts are minimised and acceptable.

6. Other issues raised included questions on the proposed alignment of the transmission line; whether or not the transmission line will be routed to Lakatoro; whether or not the project would result in lower cost of electricity; and whether or not the partially completed and abandoned hydropower sites and facilities would be used.

7. Details regarding land acquisition issues discussed with the MPC are reported separately in the RP.

8. **Community consultation/information dissemination.** An outdoor meeting was held in Unmet Village and involved the participation of approximately one hundred community members including community leaders, affected landowners, school teachers and interested people. A significant proportion of the participants were women and youth.

9. The meeting commenced with introduction of the consultant team by the international social/resettlement specialist and outline of the teams proposed activities during the visit and the

overall purpose of the stakeholder consultation process. This was followed by a brief description of the project by the IES and identification of the potential environmental and social impacts and benefits associated with the project.

10. Following the presentation, participants were asked to express any and every concern they might have regarding the project. Most of the queries and discussion centred around the proposed alignment of the transmission line including the need to consult closely with the community regarding the alignment as well as ensuring appropriate compensation to land owners. The community was also keen to ensure that their community would benefit from the electricity generated. The community's experience of the previous Brenwe hydropower project abandoned during construction in the 1990s due to conflicts over land and the transmission line alignment was foremost in their minds.

11. When specifically asked if anyone had any concerns over environmental issues associated with the project the response was "no". The community reported that there were no tambu sites in the vicinity of the project area, no-one actually lived within or close to the project footprint and no one relied on the water resources in the stretch of river that would have reduced flows between the weir and the powerhouse.

12. The communities clearly understood the concept of hydropower and were very familiar with what the project involved due to the previous project and they expressed a strong desire for the project to go ahead. Various comments were made regarding the community's need for electricity to enhance the existing and flourishing economic activity and population growth in the area including school facilities for the growing population. It was mentioned by a retired school teacher that this area of Malekula produces the most kava and cocoa of any region in Vanuatu and that cargo ships periodically anchor offshore of Unmet to load up these commodities.

13. **Conduct of FGD/HHSES/KII** – In addition to the above consultations, the Team undertook focus group discussions, socioeconomic survey of sample households and key informant interviews (KII). Four FGD attended by 10-15 participants per FGD, 80 households within the influence zone of Brenwe HPP as well as a number of KII were conducted. Results of these information gathering and consultations have been integrated in the the social and environmental reports as well. Consulted groups and persons are included in the list of persons consulted with at the Malampa Provincial Council on 19 March is provided below.

14. **Consultation with Affected Households –and concerned local officials on Land Acquisition Issues and Concerns.** In the conduct of various consultation activities land acquisition issues were discussed with local and provincial officials as well as the affected person/households.

15. Concerns raised were as follows:

- Customary landowners/claimant – Primary concerns raised was the compensation and other benefits that APs are entitled to; willing to give up land as the area required is uncultivable and not useful for agriculture but compensation issues/concerns must be addressed and agreed first.
- Other landowners/communities – Concerns on whether the transmission line will pass through the same areas originally traversed by the aborted Chinese project which will result in substantial loss of fertile agricultural land and massive losses of fruit bearing trees like coconut, cocoa and kava; worries that the previous experience with Chinese project will have detrimental impact on getting the current project approved. Strong support for the project expressed and willingness to give up (for cutting and trimming) some fruit trees along the road where the transmission line is proposed to pass.
- Local Officials – brought up the issues of benefit that the Project will get from the Project considering that the transmission line is planned to connect to the existing Norsup-Lakatoro grid; whether the communities near the Brenwe project will be covered and provided electricity as well.
- Provincial Officials – expressed full support to the project and will work with the national agency in facilitating land acquisition

List of Attendees at Consultation Meeting with Malampa Provincial Council Lakatoro, 19 March 2014

Name	Responsibility	Summary of Comments made
Lapi Kalmet	Assistant Planner	<ul style="list-style-type: none"> MPC familiar with the key components of the hydropower project through their previous experience of Brenwe hydropower project during the 1990s. expressed support for the project. one member queried the potential impact on downstream water quality in the Brenwe River and loss of water between the intake and powerhouse due to the project. These issues were clarified. MPC were advised that significant impacts on water quality downstream of the project were unlikely and any impacts associated with reduction of water between the intake and powerhouse will be investigated as part of the IEE with necessary mitigation measures proposed to ensure impacts are minimised and acceptable. Other issues raised included questions on the proposed alignment of the transmission line; whether or not the transmission line will be routed to Lakatoro; whether or not the project would result in lower cost of electricity; and whether or not the partially completed and abandoned hydropower sites and facilities would be used.
Edna Paolo	Tourism Officer	
Melteras Salavina	Cultural Centre	
John Bongnaim	Customary Lands Tribunal	
Kevin Enrol	Malampa Province	
Toufau Kalsakau	Forestry Officer	
George Tusai	Agriculture Officer	
Samson M	Correctional Services	
Noel Nathan	Health Department	
Renjo Samuel	Education Officer	
Palen Ata	Provincial Planner	
Joanna Lingi	Women's Affairs	
<ul style="list-style-type: none"> List of Attendees of signing of MOA between Province and Landowners/Claimants – See MOA 		