

GOVERNMENT OF THE REPUBLIC OF ZAMBIA

**MINISTRY OF ENERGY  
DEPARTMENT OF ENERGY**

**RESETTLEMENT POLICY FRAMEWORK**

**Zambia Electricity Service Access Project**

**Project ID: No. P162760**

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## LIST OF ACRONYMS AND ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
DBZ	Development Bank of Zambia
DESCO	Distributed Energy Services Company
DMMU	Disaster Management and Mitigation Unit
EIA	Environmental Impact Assessment
EMA	Environmental Management Act
EPB	Environmental Project Brief
ESAP	Zambia Electricity Supply Access Project
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
IAES	Increased Access To Energy And ICT Services
ESMP	Environmental and Social Management Plan
GBV	Gender Based Violence
GPOBA	Global Partnership on Output Based Aid
GRZ	Government of the Republic of Zambia
HIV	Human Immunodeficiency Virus
IAES	Increased Access to Electricity Project
IDA	International Development Association
M&E	Monitoring and Evaluation
MOE	Ministry of Energy
MSME	Micro – Small and Medium Enterprises
NGO	Non-Governmental Organisation
OBA	Output Based Aid
OP/BP	World Bank Operational Policy
PAP	Project Affected Person
PfR	Program for Results
PIU	Project Implementing Unit
PMC	Project Management Consultants
PPP	Public Private Partnership
PSC	Project Steering Committee
PV	Photo Voltaic
RAP	Resettlement Action Plan
RE	Renewable Energy
REA	Rural Electrification Authority
RPF	Resettlement Policy Framework
SE4ALL	Sustainable Energy for All
SME	Small And Medium Enterprise
TA	Technical Assistance
TOR	Terms Of Reference
ZEMA	Zambia Environmental Management Agency
ZESCO	ZESCO Limited

## DEFINITIONS

Census	A complete and accurate count of the population that will be affected by land acquisition and related impacts. When properly conducted, the population census provides the basic information necessary for determining eligibility for compensation and for preparing and implementing a Resettlement Action Plan (RAP).
Compensation	Payment in cash or in kind for an asset or a resource that is acquired or affected by a project at the time the asset needs to be replaced <sup>1</sup> .
Cut-off Date	Date by which PAPs and their affected assets have been identified and new entrants to the site cannot make claims to compensation or resettlement assistance. Persons whose ownership, use of occupancy prior to the cut-off date can be demonstrated remain eligible for assistance, regardless of their identification in the census.
Displaced Persons	The people or entities directly affected by a project through the loss of land and the resulting loss of residences, other structures, businesses, or other assets <sup>2</sup> .
Eligibility	The criteria for qualification to receive benefits under a resettlement programme <sup>2</sup> .
Grievance Redress Mechanism	Complaint mechanism is a locally based formalized way through which project affected people and communities may raise their concern directly with the project when they believe the project has caused or may cause them harm. The Grievance Redress Mechanism ensures that complaints are being promptly received, assessed and resolved by those the responsible for the project.
Host Community	A host community is any community of people living in or around areas to which people physically displaced by a project will be resettled.
Household	The term household refers to a group of people who reside together and share in the functions of production and consumption. It is also the smallest unit of consumption, and sometimes production.
Household Head	For purposes of a census, the household head is considered to be that person among the household members who is acknowledged by other members of the household as the head and who is often the one who makes most decisions concerning the welfare of the members of the household.
Involuntary resettlement	Direct economic and social impacts that both result from investment projects, and are caused by:  (a) The involuntary taking of land resulting in (i) relocation or loss of shelter;

<sup>1</sup> IFC Handbook for Preparing a Resettlement Action Plan, IFC. Undated.

<sup>2</sup> Operational Policies (OP 4.12) World Bank.

	<p>(ii) loss of assets or access to assets; or</p> <p>(iii) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or</p> <p>(b) The involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons<sup>2</sup>.</p>
Involuntary	Means actions that may be taken without the displaced person's informed consent or power of choice <sup>2</sup> .
Land Acquisition	The process of acquiring land under the legally mandated procedures of eminent domain.
Livelihood Restoration	Livelihood Restoration means the measures required to ensure that Project Affected Persons (PAPs) have the resources to at least restore, if not improve, their livelihoods. It requires that people are given the means and assistance necessary for them to improve, or at least restore, their livelihood and living conditions to pre-project levels. Inventory of Losses means the pre-appraisal inventory of assets as a preliminary record of affected or lost assets.
Replacement Cost	<p>Full market value for replacing lost assets, plus transaction costs.</p> <p>For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes.</p> <p>For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes.</p> <p>For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes.</p> <p>In determining replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where [GRZ] law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard.<sup>3</sup></p>
Project Affected Persons (PAP)	Project Affected Persons are persons on whom the project has a direct economic and social impact. The impact may be caused by the involuntary taking of land resulting in;

<sup>3</sup> Involuntary Resettlement Sourcebook, Planning and Implementing in Development Projects. 2004 World Bank



	<p>a) relocation or loss of shelter;</p> <p>b) loss of assets or access to assets;</p> <p>c) loss of income sources or means of livelihood whether or not the person should move to another location; or</p> <p>d) by the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons<sup>4</sup>.</p>
Resettlement	Resettlement covers all direct economic and social losses resulting from land taking and restriction of access, together with the consequent compensatory and remedial measures <sup>2</sup> .
Resettlement Action Plan	A resettlement action plan [RAP] is the planning document that describes what will be done to address the direct social and economic impacts associated with involuntary taking of land <sup>2</sup> .
Resettlement Entitlements	Resettlement entitlements with respect to a particular eligibility category are the sum total of compensation and other forms of assistance provided to displaced persons in the respective eligibility category.

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<sup>4</sup> Involuntary Resettlement Sourcebook, Planning and Implementing in Development Projects. 2004 World Bank

## EXECUTIVE SUMMARY

### Project Description

The Government of Republic of Zambia (GRZ) has requested World Bank financing for the Electricity Supply Access Project (ESAP). The objective of the project is to increase electricity access in targeted rural and peri-urban areas and enhance the enabling environment for accelerated electrification in Zambia. The project will comprise three components namely; on-grid electricity access expansion, off-grid electricity access expansion and technical assistance. The Project is consistent with the long-term development objectives of the GRZ, as articulated in the Vision 2030 and the recently approved Seventh National Development Plan (7<sup>th</sup> NDP).

The ESAP is aimed at increasing electricity access in targeted rural and peri-urban areas and support enhancing the enabling environment for accelerated electricity access in Zambia. The project will consist of the following three components:

- (i) **Component A** will provide output based aid subsidies for consumer connections and finance critically needed network reinforcements for the GRZ's *on-grid electrification efforts*
- (ii) **Component B** will pilot financial mechanisms supporting GRZ's *off-grid electrification efforts* through renewable energy (RE) Mini-grid and standalone solar systems, complemented with upstream activities to enhance the enabling environment for public private partnerships (PPPs), and
- (iii) **Component C** will help technical assistance to fund upstream work to enhance the enabling environment and timely and efficient project implementation.

### Potential Resettlement Impacts

Component A will include on-grid last mile connections to about 22,000 low-income households<sup>5</sup> and 1,000 MSEs (about 115,000 beneficiaries) in rural areas outside the 18 designated city and municipal councils. It will also include construction of 33/11 kV distribution lines, installation of distribution transformers, and construction of MV/LV distribution lines (400/230V) and testing low cost technologies. Some small portions of land may need to be acquired by ZESCO for substations. However most installations are expected to be situated in existing Zesco wayleaves, on public lands under the jurisdiction of other government agencies, or on customary land allocated by traditional authorities. Some temporary relocation and compensation for lost assets and income of PAPs located where construction works will occur may be necessary.

Component B is expected to include off-grid energy access provided by solar minigrids and individual household solar installations. Resettlement impacts from these subprojects are

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<sup>5</sup> As rural areas in Zambia are by and large poor, the Project makes the implicit assumption that households reached are low income; however, this assumption will be aligned with and confirmed by poverty mapping work.

expected to be minimal or nonexistent in most cases. Minigrids will most likely be situated on public lands (e.g. schools or clinics which will be recipients for the electricity produced by the solar arrays), or on customary land allocated by traditional community leaders. The installations are not expected to cause any resettlement, and may at best require a minimal loss of assets (e.g. trees, other crops) needing to be cleared to install solar arrays, only if other open land cannot be found in the rural and sparsely populated communities targeted by the project.

Consultations with affected communities will be held to ensure the relatively small footprints of both Component A and B installations will be sited so as to minimize or eliminate the need for any significant temporary or permanent resettlement or loss of assets or income. Government will be responsible any compensation (if required) for any land acquired for subprojects, or any other compensation for lost assets or income, from its own resources, independent of project funds.

Project implementation will be similar to the recently closed Increased Access to Electricity Services Project (IAES). The overall project coordination will be undertaken by the Ministry of Energy (MoE) through a Project Steering Committee with the Rural Electrification Authority (REA) and ZESCO Limited as the implementing agencies. It is envisaged that REA will be serving as the Fund Manager for all the project funds while ZESCO will be implementing activities under the Component A for on-grid electricity access expansion. Implementation for the Component B, off-grid electricity access expansion subprojects are to be undertaken by REA through a grant facility and the Development Bank of Zambia (DBZ) through a loan facility.

### **Rationale and Objectives of the Resettlement Policy Framework (RPF)**

Because the specific sites where subprojects will be carried out have not yet been selected, the proper safeguard instrument to be prepared for compliance with World Bank Safeguard policies is a Resettlement Policy Framework (RPF). While any resettlement activities are expected to be minimal, this RPF defines the process by which potential subproject resettlement impacts leading to the need for a RAP will be screened, and impact assessment and compensation measures developed and implemented.

This Resettlement Policy Framework (RPF) has been developed to address matters that relate to involuntary resettlement. The overall objective of this RPF is to provide guidance on how to deal with issues relating to land acquisition, compensation and resettlement during the implementation of the ESAP.

The specific objectives of the RPF are as follows:

- to minimize, as much as possible, acquisition of land for implementation of project sub-components, where such acquisition or project related activities will result in adverse social impacts;
- to ensure that where land acquisition is necessary, this is executed as sustainable programs to enable people share in the project benefits,
- to ensure meaningful consultation with people to be affected or displaced; and

- to provide assistance that will mitigate or restore the negative impacts of ESAP implementation on the livelihoods of people affected in order to improve their livelihoods or at least restore to pre-project levels.

## **Eligibility Criteria**

Impacted persons according to the relevant Zambian national legislation and the World Bank's OP 4.12 are:

- (a) An individual who loses assets or investments, property and land, access to economic and natural resources due to the project activities,
- (b) Household(s), if one or more of its/their members are affected by the sub project activities through either loss of land, property, access etc. by the activities of the project; and
- (c) Local community, if the project activities will affect the communities' socioeconomic conditions or the cohesion of its social fabric.
- (d) Vulnerable Households – Vulnerable households may have different land needs from most households or need unrelated to the amount of land available to them.

Potential Project Affected Persons (PAPs) who may face physical or economic dislocation could include:

- (a) land owners who lose some or all of their land, temporarily or permanently,
- (b) home owners who lose their residences,
- (c) businesses that lose their structures,
- (d) owners of property who lose physical assets (fences, latrines, verandas. etc.)
- (e) residential and business renters who lose access to their leased space
- (f) cultivators losing annual or perennial crops, fruits trees, etc.
- (g) those who have no recognizable legal right or claim to the land they are occupying (i.e. squatters).

## **Implementation and Monitoring System**

The Project will use similar implementation arrangements to those of the previous IAES project with ZESCO and the REA as the implementing agencies, and the MoE being responsible for overall coordination that would be carried out through a Project Steering Committee. It is anticipated that REA will be serving as the Fund Manager for all the project funds. ZESCO will be implementing activities under the Component A On-grid Electricity Access Expansion. Implementation arrangements for the Component B Off-grid Electricity Access Expansion are to be finalized depending on the design options being currently discussed, but will involve REA for the grant facility and DBZ for the loan facility. The implementation arrangements and fund flows will be finalized during appraisal. Implementation of Component C Technical Assistance will be carried out by REA, ZESCO, and DBZ, depending on the activity. The three institutions will assign dedicated project coordinators and teams to manage the implementation of this project. A project steering committee will be set up, comprising MoE, REA, ZESCO, DBZ, and any other relevant

institutions to provide policy guidance and overall coordination.

The PIUs will be responsible for undertaking compliance monitoring and impacts mitigation measures. The PIUs must ensure that the project implementers submit reports on work progress and any challenges in observing the Environmental and Social Safeguards. The monitoring results should form a major part of the reports to be submitted to MoE, the World Bank and shared with ZEMA where applicable.

## I INTRODUCTION

### Project Description

The Government of the Republic of Zambia (GRZ) has requested World Bank financing for the Electricity Supply Access Project (ESAP). The objectives of the project is to increase electricity access in targeted rural and peri-urban areas of Zambia and the project will comprise three components namely; on-grid electricity access expansion, off-grid electricity access expansion and technical assistance. The Project is consistent with the long-term development objectives of the GRZ, as articulated in the Vision 2030 and the recently approved Seventh National Development Plan (7<sup>th</sup> NDP). Project implementation will be similar to the recently closed Increased Access to Electricity Services Project (IAES). The overall project coordination will be undertaken by the Ministry of Energy (MoE) through a Project Steering Committee with the Rural Electrification Authority (REA) and ZESCO Limited as the implementing agencies. It is envisaged that REA will be serving as the Fund Manager for all the project funds while ZESCO will be implementing activities under the Component A for on-grid electricity access expansion. Implementation for the Component B, off-grid electricity access expansion is to be undertaken by REA.

GRZ, through the Ministry of Energy, recognises the need for increasing the rural and peri-urban access to electricity as a strategy for poverty reduction in these areas and support economic growth. The overall national electricity access rate stood at 31 percent, as at 2015. Approximately 47 percent of the population in urban and peri-urban areas, and only four percent in rural areas, have access to electricity. As part of the national strategy document, Vision 2030 and Sustainable Development Goal (SDG) number 7 on access to affordable, reliable and sustainable modern energy by 2030, GRZ has set electrification targets: 90 percent for urban and peri-urban areas and 51 percent for rural areas by 2030. As part of the implementation strategy, the Government is preparing the Electricity Service Access Project (ESAP) for financing by the World Bank, European Union, KfW, SIDA, and other donors.

In implementing the ESAP, the Government recognises the need to take into account the socio-economic impacts of the different interventions under the project. This Resettlement Policy Framework (RPF) provides the necessary background to ensure that any subprojects that might involve land acquisition and/or resettlement and loss of livelihoods of any people will comply with both Zambian law and the Bank's Operational Policy.

The RPF will prescribe the process from the preparation, through review and approval to implementation of the sub-projects that will ensure that the substantive concerns of all World Bank (WB) safeguard policies and relevant Zambian policy and legal frameworks will be adequately addressed.

Further, in line with the World Bank's Involuntary Resettlement Policy OP 4.12, the Zambian Government is required to prepare the Resettlement Policy Framework (RPF) to be disclosed before project appraisal.

The guidelines contained in this RPF are based on relevant Zambian legislation and World Bank Policy on involuntary resettlement and land acquisition, which recognizes compensation for loss of assets or income as a fundamental right of all project affected persons.

Site specific Resettlement Action Plans (RAPs), where applicable, consistent with guidelines in this RPF, will be submitted to the World Bank and the Zambia Environmental Management Agency (ZEMA) for approval once specific information about land expropriation becomes available. The Framework describes the general context for the Project, the objectives and principles of any resettlement to be caused by the project, design criteria for the resettlement of affected persons in the course of implementation of the ESAP, the legal context, the process for the preparation of a RAP, the content of a Plan, the process for its execution, the required institutional organization and, finally, the financing of the Plan.

## **I.1 Resettlement Policy Framework Purpose**

The involuntary resettlement of development projects, if unmitigated, often gives rise to severe economic, social, and environmental risks: production systems are dismantled; people face impoverishment when their productive assets or income sources are lost; people are relocated to environments where their productive skills may be less applicable and the competition for resources greater; community institutions and social networks are weakened; kin groups are dispersed; and cultural identity, traditional authority, and the potential for mutual help are diminished or lost.

The implementation of the ESAP may trigger the involuntary resettlement policy because land may be acquired for sub-project activity purposes and affected persons will need to be compensated for loss of land, crops, dwellings and other structures, and livelihoods.

This Resettlement Policy Framework (RPF) has therefore been prepared to appropriately deal with matters such as the necessity for land acquisition, compensation and resettlement of people affected by the implementation of the sub-projects. When this occurs, the provisions of the National Resettlement Policy, other relevant policies and laws such as the Lands Act Cap 184 and Land Acquisition Act of Cap 189, as well as the World Bank Operational Policy, OP 4.12 on Involuntary Resettlement laws will be triggered.

## **I.2 Objectives of the Resettlement Policy Framework**

The overall objective of the RPF is to provide guidance on how to deal with issues relating to land acquisition, compensation and resettlement during the implementation of the ESAP. This will ensure that displaced and resettled persons are compensated for their loss at replacement cost, given opportunities to share in project created benefits, and assisted with the move and during the transition period at the resettlement site. Focus should be on restoring the income earning capacity of resettlers and those displaced beneficiaries of the project. The aim of the resettlement policy is not only to improve or at least sustain

living conditions but also to facilitate project implementation by helping ensure that project activities are compatible with local interests and concerns.

The Resettlement Policy Framework (RPF) has been developed as a separate document to address matters that relate to involuntary resettlement. The overall objective of this RPF is to provide guidance on how to deal with issues relating to land acquisition, compensation and resettlement during the implementation of the ESAP.

The specific objectives of the RPF are as follows:

- to minimize, as much as possible, acquisition of land for implementation of project sub-components, where such acquisition or project related activities will result in adverse social impacts;
- to ensure that where land acquisition is necessary, this is executed as sustainable programs to enable people share in the project benefits,
- to ensure meaningful consultation with people to be affected or displaced; and
- to provide assistance that will mitigate or restore the negative impacts of ESAP implementation on the livelihoods of people affected in order to improve their livelihoods or at least restore to pre-project levels.
- outline roles and responsibilities by various stakeholders in the planning, implementation, monitoring and evaluation of resettlement activities.

It further seeks to:

- Allow redress among communities affected by project activities; and
- Reduce stress on project affected communities/households.

The operational objective of the framework is to provide guidance to stakeholders participating in the mitigation of adverse social impacts of the project, including rehabilitation/resettlement operations, in order to ensure that project affected persons (PAPs) will not be impoverished by the adverse social impacts of the project.

The target groups for the RPF are ZESCO Limited, Rural Electrification Authority (REA), Development Bank of Zambia (DBZ), other Government departments relevant to the implementation of the ESAP, Distributed Energy Service Companies (DESCOs) implementing off-grid subprojects, and the ZEMA. Other institutions include Local Authorities and relevant Non-Governmental Organizations (NGOs). It is expected that public discussion of the RPF will not only result in better planning and implementation but also, reduce litigation and poverty where resettlement cannot be avoided.

### **1.3 The RPF Methodology**

The preparation of this RPF has largely been undertaken on the basis of secondary data from within the Zambian Government and the World Bank to gain insight into the World Bank and Zambian policy and legal framework on resettlement related issues. Reference has also been made to similar frameworks prepared for projects supported by the Bank in



Zambia.

Relevant stakeholders have been consulted during the World Bank Missions undertaken in preparation of the ESAP (see Annex I for list of people consulted for the ESAP project, including RPF preparation). The RPF will be disclosed prior to appraisal through the World Bank's InfoShop and in Zambia by ZESCO and REA, on their websites, and will be disseminated to key stakeholder institutions that may play a role in resettlement activities, including local government officials and traditional authorities should such cases arise during implementation of the project. Any RAPs or ARAPs required when specific subcomponent projects are known will be consulted with affected communities and disclosed at national and local levels through ZESCO and REA websites and by ZEMA..

## **2 PROJECT DESCRIPTION**

### **2.1 Background**

The country's low rate of electrification despite the progress achieved under the recently closed IAES project that electrified more than 90,000 households suggests that addressing electrification will require a much more comprehensive approach addressing both rural and urban areas and utilizing both on-grid and off-grid technologies. Furthermore, given the limited fiscal space of public finances, there is a need for - attracting investment by the private sector. This will require significant efforts from the GRZ in creating a proper enabling environment, including building up the existing capacity of sector institutions, deepening the financial sector, and supporting the nascent private sector. There is also a need for applying sector wide approaches that utilize country-based systems and the Bank could ultimately apply instruments such as the Program-for-Results to provide scaled-up support in the future. However, the current access program requires support in order that capacity is built to a level that would allow the use of such instruments. Therefore, the project would aim to fill the capacity gaps to be identified during the project preparation and implementation and serve as a bridge towards such approaches. The investment in assisting the GRZ to strengthen the institutional and private sector capacity, develop the enabling environment, and to pilot approaches for attracting private sector involvement is intended to lay the foundation for a scaled-up effort going forward.

The project will scale up access to electricity in rural and peri-urban areas using the well-established effort under the Connection Fee Subsidy Program of the on-going Electricity Access for low-income households project financed by a grant from the Global Partnership on Output -Based Aid (GPOBA) (P146636) and the now closed IDA-financed Increased Access to Electricity Services Project (IAES) Project (P077452). In addition, the project will include critical network reinforcements, as parts of the distribution network require capacity enhancements. Hence further investment is needed to enable ZESCO add new connections to the grid. The project will also include a pilot program in support of private sector-led off-grid electrification efforts and other preparatory, analytical, and capacity building work. It also includes the development of a geospatial-based electrification

planning framework/platform, and preparation of a National Electrification Strategy/Implementation Roadmap/ Investments Prospectus, building upon the existing Rural Electrification Master Plan (REMP). Primary beneficiaries of the project shall be low-income households and micro and small enterprises (MSEs) in rural and peri-urban areas outside of Lusaka area. The project shall enable MSEs to access affordable electricity and modern energy services, which otherwise would not be possible.

## 2.2 Project Components

The ESAP is aimed at increasing electricity access in targeted rural and peri-urban areas and support enhancing the enabling environment for accelerated electricity access in Zambia. The project will consist of the following three components:

- (i) **Component A** will provide output based aid subsidies for consumer connections and finance critically needed network reinforcements for the GRZ's *on-grid electrification* efforts,
- (ii) **Component B** will pilot financial mechanisms supporting GRZ's *off-grid electrification efforts* through renewable energy (RE) Mini-grid and standalone solar systems, complemented with upstream activities to enhance the enabling environment for public private partnerships (PPPs), and
- (iii) **Component C** will help fund upstream work with technical assistance to enhance the enabling environment and timely and efficient project implementation.

**Component A: On-grid Electricity Access Expansion.** This component will provide financing for on-grid connections in rural areas utilizing the approaches under the OBA/Connection Fee Subsidy Program.<sup>6</sup> To support the “last mile” connections, the Project will also finance critical distribution network reinforcements and extensions through low cost technologies that will enable ZESCO to add new connections to the grid, complementing ongoing access expansion efforts by CPs in other parts of the country. The component will be implemented through two sub-components:

**Sub-Component A.1: Expanding New Electricity Connections for Low-income Households through OBA financing.** This sub-component will support last mile connections to about 22,000 low-income households<sup>7</sup> and 1,000 MSEs (about 115,000 beneficiaries) in rural areas outside the 18 designated city and municipal councils.<sup>8</sup> It will

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<sup>6</sup> The World Bank has been supporting improved electricity access in low-income areas using results-based approaches through the Increased Access to Electricity Services Project and the grant from the Global Partnership on OBA (GPOBA). The GPOBA grant to ZESCO is financed with funding from the Government of Sweden [through Swedish International Development Cooperation Agency \(SIDA\)](#). The projects have enabled ZESCO to connect over 120,000 households over the last eight years.

<sup>7</sup> As rural areas in Zambia are by and large poor, the Project will make the implicit assumption that households reached are low-income; however, these assumptions will be aligned with and confirmed by the recently completed poverty mapping work

<sup>8</sup> Areas excluded under the project are: the city councils of Lusaka Urban, Ndola Urban, Kitwe and Livingstone, and the municipal councils of Chingola, Mufulira Mufulira, Luanshya, Kalulushi, Kabwe, Chililabombwe, Kasama, Chipata, Mongu, Solwezi, Mansa, Choma,

use the ongoing OBA approach, with results based financing partially subsidizing the cost of new connections for low-income households and MSEs. Payments will be linked to attainment of results based on pre-agreed targets, which will be verified by an Independent Verification Agent (IVA). The progress of this sub-component will be subject to the grid being able to handle new connections further to the investments being made under sub-component A.2. Areas that do not require network reinforcements or MV grid extension will be prioritized for connections during project implementation. The sub-component grant will finance two types of connections:

- *Standard Connection* will include the drop-wire from a supply line (up to 30 meters) to the meter box, a single-phase pre-payment meter and three energy saving Light-Emitting Diode (LED) bulbs. The cost of the lightning arrester and circuit breaker will be borne by the consumer.
- *Enhanced Connection: primarily for grass thatched structures which cannot safely be wired* will include the drop-wire from a supply line (up to 30 meters) to the meter box, a single-phase pre-payment meter, a ready board and one energy saving LED bulb. The lightning arrester and circuit breaker come as part of the ready board.

These installations should not require any resettlement, and are not expected to require much in the way of land acquisition or relocation/replacement of PAP assets. Some wayleave authorizations may be required by ZESCO for overhead wires, but these are not expected to restrict household or commercial use of land or existing structures or land.

### **Sub-Component A.2. - Extension and Strengthening of the Grid Network to handle New Connections.**

This sub-component will include construction of 33/11 kV distribution lines, installation of distribution transformers, and construction of medium/low voltage distribution lines (400/230V). REA and ZESCO will jointly agree on target areas where investments are to be made using the agreed criteria, including rural areas with higher population density and projects with positive economic rate of return. About 36 potential rural areas have been identified in a broad geographical scope covering most of the country's provinces (Northern, North Western, Luapula, Muchinga, Copperbelt (Ndola), Eastern, Western, Southern and Central).<sup>9</sup> In several parts, REA has already extended infrastructure to serve public facilities. Implementation will start with these areas, for which minimal extension works are required, and progressively move to those areas that will require more works. Detailed technical assessments, feasibility studies and scoping, as well as economic and financial analyses will be carried out as needed, especially for those areas requiring more investment in extension and grid strengthening. The electrification of rural areas currently supported by other development partners (e.g. Lusaka division supported by the European Union (EU)-funded project and parts of Southern division supported by the KfW-funded project) will be excluded from this Project. REA and ZESCO contribution of US\$2.4

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Mazabuka, and Mbala. Any sub-areas within these excluded councils that are determined as rural by REA and ZESCO may be eligible for funding subject to endorsement of the Steering Committee.

<sup>9</sup> For these 163 target areas, initial estimates show that 410 km of lines (400V-33kV) and 234 distribution transformers are required.

million has been assessed in terms of the staff time and internal resources needed to implement the project.

Infrastructure to be installed under this sub-component will largely be placed on Zesco-controlled or other public lands, or customary lands, so little or no land acquisition is anticipated. In some areas ZESCO may already have wayleave access rights. If new lines are to be installed across land without such existing, ZESCO acquires overhead wayleave access rights, allowing farming or other activities that occur on that land to continue (perhaps with height restrictions on crops grown there for safety reasons).

### **Component B: Off-grid Electricity Access Expansion.**

This component will initially fund required upstream activities to enable the private sector participation in rural off-grid electrification, including identifying and scoping off-grid sites, helping GRZ address the existing regulatory impediments, building the needed capacity at key institutions and designing financial mechanisms. Subject to successful completion of the upstream activities, the Component will fund the piloting of two financial mechanisms<sup>10</sup>: (i) a Smart Grant Subsidy Facility and (ii) a Loan Facility, to support private sector-led electrification of rural communities through renewable energy mini-grids and stand-alone solar systems and structured to leverage financing and participation from the private sector. The design of the financial mechanisms and upstream activities is based on lessons from earlier off-grid efforts in Zambia and in line with the recommendations of the World Bank's Africa Off-Grid Solar Strategic Directions paper based on regional experience in supporting the off-grid solar sector.

**Sub-component B.1: Off-Grid Electrification Smart Subsidy Program.** This sub-component will fund upstream work to create an enabling environment to support private sector-led off-grid electrification and activities aimed at designing, establishing, and piloting an Off-Grid Electrification Smart Subsidy Program (OGESSP). The OGESSP will provide partial grant subsidies to support the development of private sector led mini-grids that may be complemented with stand-alone solar systems. Locations will be selected in accordance with the geospatial plans to be developed under the NES.

This sub-component will be implemented in two phases. The first phase will include : (i) identifying potential sites through the use of the geospatial planning platform;<sup>11</sup> (ii) preparing market assessments<sup>12</sup> for the potential sites; (iii) reviewing the regulatory framework and supporting relevant institutions in streamlining requirements in support of private sector-led, off-grid electrification; (iv) design the OGESSP including types and levels of subsidy to be provided and developing operational procedures for the OGESSP; and (v) developing standard legal documents including drafts of tendering documents and agreements. These activities have been identified through consultations with private sector and is based on the experience so far in Zambia, including the initial stage of implementation of the SIDA-supported Power Africa: Beyond the Grid Fund for Zambia

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10 Several financing mechanism options were considered during the design stage including loan facility, equity fund, guarantee mechanism and different type of grants.

11 The geospatial-based electrification planning platform developed by IFC and the World Bank available through the World Bank's <http://electrification.energydata.info/> project will be further refined, detailed and utilized

12 Including demand estimates, willingness to pay / ability to pay assessments, customer segmentation, etc.

(BGFZ)<sup>13</sup> confirming the private sector's interest in off-grid energy electrification. REA will undertake this upstream work<sup>14</sup> in close consultation and collaboration with both public sector agencies, such as ERB, and private sector developers. The upstream phase will result in REA's adoption of the OGEESP operational procedures and standard legal documents, following World Bank appraisal and no-objection, by Project mid-term or earlier, after which the second phase (operational phase) will commence.

**Sub-Component B.2: Off-Grid Loan Facility.** The sub-component will fund upstream capacity building work and further aims at setting up and piloting a loan/credit line facility for eligible borrowers, including companies importing and selling solar equipment, developers of mini grids, and end-user of solar equipment such as agribusinesses. It will aim to address the existing constraint of lack of access to finance, which is a key barrier to growth of the solar energy market. DBZ will act as a financial intermediary for the credit line and would either lend directly to eligible borrowers or act as wholesale lender to one or more commercial banks who would then lend to eligible borrowers.

This sub-component will also be implemented in two phases. The first, upstream phase will include: (i) developing and implementing an Institutional Development Plan (IDP) for DBZ to raise its capability and skillset in key areas, (ii) designing the Loan Facility structure and loan terms, (iii) developing the Operational Manual, (iv) developing standards legal agreements and operating policies/ procedures for the Loan Facility, including criteria for selecting eligible borrowers, exposure limits, permitted loan products, currencies, tenors, amortization and interest rate terms, and standard loan covenants. Completion of this phase will be signaled by IDA's appraisal and no-objection on all necessary arrangements including Operational Manual, standard legal agreement, and meeting the criteria set out in World Bank's Operational Policy 10.00 in regard to Financial Intermediary Lending. This is expected to be completed by Project mid-term or earlier, at which point the second phase (operational phase) will commence.

The second phase will pilot the Loan Facility and operationalize the credit line. DBZ will offer short, medium, and long-term loans in US\$ and ZMW either directly to eligible borrowers or through participating financial intermediaries, depending on the role selected for DBZ in phase one. Under the Project, there will be two main types of credit offered to eligible borrowers: (i) short and medium term loans in US\$ and ZMW to provide working capital to eligible borrowers, including locally registered solar system importers, wholesalers, distributors, and retailers with ongoing liquidity access to finance inventories and medium and long-term loans in ZMW to finance eligible borrowers, including solar PayGo companies and mini-grid developers.

Two main types of installations are envisaged for this sub-component, none of which are expected to require resettlement or relocation or loss of assets. Solar mini-grids are expected to be located on public lands (e.g. schools, clinics, etc.) or customary lands,

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<sup>13</sup> BGFZ focuses on lower Tiers (Tier 1-2). OGEESP will complement BGFZ and initially focus on rural locations requiring higher tiers 3-4. Further, OGEESP focuses on developing local institutional arrangements and capacity to implement the program.

<sup>14</sup> With potential support from IFC, subject to mobilization of funding from other sources.

through consultations with local government, traditional leaders, and affected communities. Solar home systems are small, typically moveable equipment packages which will not require any loss of land or assets by the individual households which choose to adopt this solution.

**Component C - Capacity Building and Project Implementation Support.** This component will finance technical assistance (TA) to GRZ institutions (including ZESCO, REA and DBZ) to (i) ensure the Project reaches its objective of enhancing and improving the enabling environment needed for a substantially scaled up electrification effort; and (ii) to support effective project implementation. Technical assistance will include support for (i) diagnostic and analytical activities that shall lead to the development of the NES and the geospatial planning tool. The NES will be developed through extensive consultation with all relevant stakeholders, including local government, communities and private sector; (ii) outreach and consumer education activities aimed at informing and assisting consumers (focusing on women and vulnerable groups) in regard to the connection fee subsidy application process, informing of the benefits of solar lighting products, and educating on the characteristics of good quality products; (iii) services of a Project Management Consultant (PMC) and IVA; and (iv) capacity building to key government institutions (MoE's DoE, ZESCO, REA), solar companies, and participating financing intermediaries to assist them to fulfill efficiently their functions under the Project.

### 2.3 Potential Resettlement Impacts and Safeguards Approach

The project includes a number of activities for which screening may be required leading to preparation of ESIA's, ESMPs and RAPs where applicable. Although impacts are expected to be minimal, infrastructure and construction related activities for both on-grid and off-grid power connectivity may require some land acquisition or the temporary or permanent displacement of crops, structures or persons. The project will broadly involve grid extension and intensification, subsidized connections to low-income rural and peri-urban customers under a similar results-based approach as used under the IAES and GPOBA funded.

As noted above, Component A will include on-grid last mile connections to about 22,000 low-income households and 1,000 MSEs (about 115,000 beneficiaries) in rural areas outside the 18 designated city and municipal councils. It will also include construction of 33/11 kV distribution lines, installation of distribution transformers, and construction of MV/LV distribution lines (400/230V) and testing low cost technologies. Some small portions of land may need to be acquired by ZESCO for substations. However most installations are expected to be situated in existing Zesco wayleaves, on public lands under the jurisdiction of other government agencies, or on customary land allocated by traditional authorities. Some temporary relocation and compensation for lost assets and income of PAPs located where construction works will occur may be necessary.

Component B is expected to include off-grid energy access provided by solar minigrids and individual household solar installations. Resettlement impacts from these subprojects are expected to be minimal or nonexistent in most cases. Minigrids will most likely be situated

on public lands (e.g. schools or clinics which will be recipients for the electricity produced by the solar arrays), or on customary land allocated by traditional community leaders. The installations are not expected to cause any resettlement, and may at best require a minimal loss of assets (e.g. trees, other crops) needing to be cleared to install solar arrays, only if other open land cannot be found in the rural and sparsely populated communities targeted by the project.

Consultations with affected communities will be held to ensure the relatively small footprints of both Component A and B installations will be sited so as to minimize or eliminate the need for any significant temporary or permanent resettlement or loss of assets or income. Government will be responsible any compensation (if required) for any land acquired for subprojects, or any other compensation for lost assets or income, from its own resources, independent of project funds.

The RPF provides the procedures to address potential resettlement impacts. However, specific sub-project details such as the site locations and designs are not expected to be available during the course of project implementation. Table I highlights the anticipated subprojects, activities and investments envisaged under the project.

Table I; Anticipated Sub Projects/Investments

Project Component	Project Category	Anticipated Activities/Subprojects	Potential Land Acquisition Impacts
Infrastructure/ Construction related	Component 1: On-grid Electricity Access	<ul style="list-style-type: none"> <li>• Grid extension and intensification;</li> <li>• Connection fee subsidy to low-income rural and peri-urban customers under a similar results-based approach as used under the IAES and GPOBA funded projects; and</li> <li>• Construction of substations</li> </ul>	Expected to be minimal to none as most installations will be located on existing energy company property or wayleaves, or on other public lands, or customary lands through consultations with traditional authorities
	Component 2: Off-grid Electricity Access Expansion	<ul style="list-style-type: none"> <li>• A subsidy scheme; and</li> <li>• A loan facility to support electrification of rural communities through private sector led mini-grid developments and commercial sale of stand-alone system.</li> </ul>	Expected to be minimal to none as solar minigrids will likely be placed in public facilities (e.g. clinics, schools, etc.) or on customary lands through consultations with traditional authorities, Home solar systems will not require any land acquisition.

## 2.4 Institutional Arrangements

The Project will be implemented over five years. The roles and responsibilities of the various institutions in Project implementation have been defined. Given the country's slower pace of increasing access in rural areas to date, GRZ requested to focus the Project investment components on rural areas. Therefore, given the institutional mandate of REA, the overall fiduciary responsibility for the Project will be vested in REA. The overall policy guidance and regular oversight and coordination over Project implementation will be carried out by the Project Steering Committee chaired by Ministry of Energy (MoE) and comprising representatives of REA, ZESCO, DBZ, and other relevant ministries and government institutions, such as the Ministries of Finance, National Planning, and Local Government and the ERB, as deemed appropriate by GRZ. DoE within MoE will serve as the Secretariat of the Steering Committee and will be staffed with an Electrification Coordinator reporting to the Director of DoE and funded from the Project.

The IDA credit will be to GRZ, through the Ministry of Finance, which will, through a subsidiary grant agreement, on-grant the funds to REA. REA, as the Project Implementation Agency (PIA), will manage the Project on behalf of GRZ and, in this regard, and will be responsible for Project fiduciary responsibilities. It will account for the deposits and withdrawals and perform the audits and provide financial reports in accordance with the World Bank rules and guidelines. REA will monitor the utilization of the Project resources by each beneficiary, including itself, and provide expenditure projections. It will be responsible for tracking the Project results framework, providing regular progress reports, as well as the Mid-Term Review Report and the Implementation Completion and Results Report. It will coordinate overall procurement under the Project, and prepare and revise Procurement Plans as needed. Implementation of specific activities under the Project components will need close involvement of ZESCO and DBZ and, therefore, these institutions will be co-executing entities for specific component activities and correspondingly assign dedicated Project Coordinators and Project implementation units (PIUs) to implement respective on-grid and off-grid component activities. REA will liaise closely with the two co-executing agencies to provide procurement guidance where necessary and to ensure adherence to the procurement guidelines. A Project Agreement between REA and IDA will capture these obligations and responsibilities. The role of each agency is described below. Further detail, including funds flow arrangements, is provided in Annex 2.

**REA.** REA was established per the Rural Electrification Act No. 20 of 2003 enacted by the Parliament of the Republic of Zambia. The Act mandated REA, among others, to administer and manage the REF, develop plans for grid and off-grid rural electrification, and monitor their implementation; mobilize funds to support rural electrification, encourage private sector participation in rural electrification through provision of subsidies, competitive bidding, and community mobilization; finance project preparation studies for rural electrification; and recommend to GRZ suitable policies. REA has experience managing World Bank-funded projects, having previously managed the IDA credit for the Increased Access to Electricity Services Project. The recent assessment concluded that the financial management (FM) arrangements are in place to meet the World Bank's minimum requirements under OP/BP 10.00, Investment Project Financing, and are adequate to



provide, with reasonable assurance, accurate and timely information on the status of the Project. However, the overall FM risk rating is Substantial and requires addressing deficiencies related to REA's internal controls. Correspondingly, an FM Action Plan will be developed and adopted by REA as a condition to the Project's effectiveness. To further mitigate fiduciary risks, REA will engage a consulting firm in a role of PMC to support it in project management, including carrying out supervision of contracts due to REA's capacity constraints. Over the longer run, this capacity will be gradually transferred to REA.

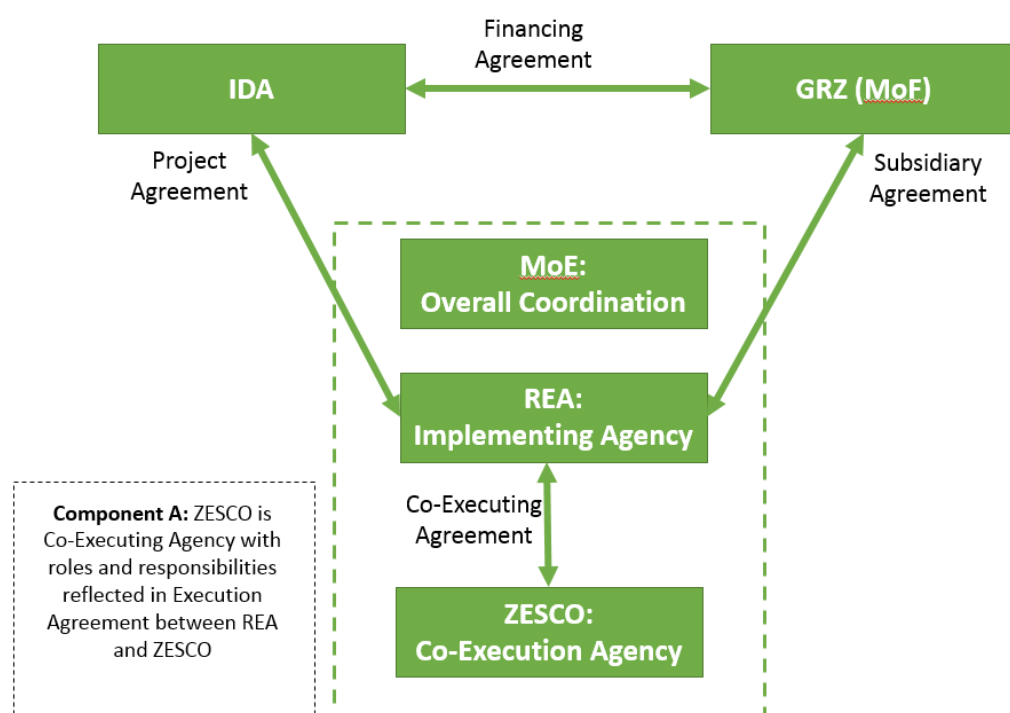
REA will establish a PIU, headed by REA Technical Director and supported by a Project Manager, and comprising Rural Electrification Engineer, Electrification PPP Specialist, Safeguards Specialist, Accountant, and Procurement Specialist. The Project Manager, Accountant, and Procurement Specialist will be funded by the Project while the Rural Electrification Engineer, Electrification PPP Specialist, Safeguards Specialist will be selected from the pool of existing REA staff and assigned to be working solely on the Project activities. As mentioned above, REA's PIU will be responsible for overseeing the overall Project implementation, including the on-grid, off-grid, and technical assistance components.

**MoE/DoE.** DoE, as a Secretariat of the Project Steering Committee (PSC) and through its Electrification Coordinator, funded by the Project, will be responsible for coordination of Project implementation; liaising with other government institutions; monitoring of the performance of all actors; and enforcing adherence to the Project implementation schedule. PSC will need to be established prior to the start of Project implementation. DoE will also provide quality assurance on the technical assistance activities related to upstream policy (e.g., NES) and regulatory work and outputs under Components B and C, while REA will carry out fiduciary functions, such as procurement and financial management, as well as oversee implementation and monitoring of environmental and social safeguards. DoE will form a joint Project coordination team with regularly scheduled meetings to ensure smooth and timely implementation progress and to address any issues that may cause delays in Project implementation or disbursements.

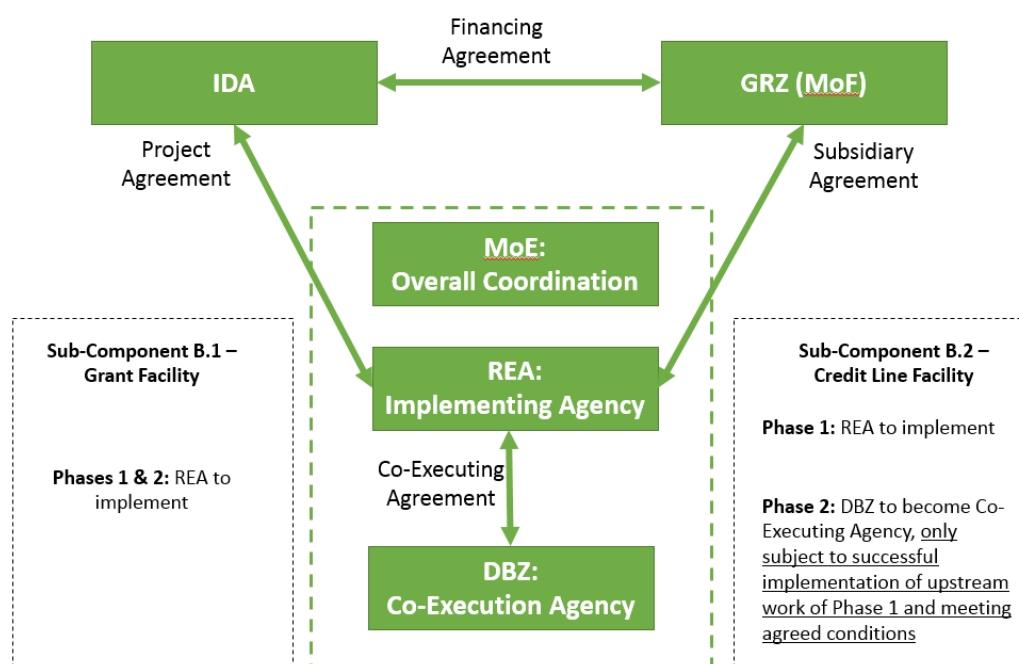
**ZESCO.** ZESCO will be a co-executing entity of activities under Component A and will lead Component A activities through a dedicated PIU. REA will enter into a Co-Execution Agreement with ZESCO, which will specify respective commitments, roles, and responsibilities of REA and ZESCO. Component sub-projects will be identified jointly by REA and ZESCO, with REA providing grant financing for ZESCO to implement the identified projects. The activities under sub-component A.I. will be implemented using a results based approach, with payments linked to attainment of results based on pre-agreed targets and indicators (e.g., number of connections), which will be verified by an IVA. It is expected that some input activities, such as electrification goods and equipment and minor works, will be procured. ZESCO will follow the approved procurement procedures and report back to REA. REA will be responsible for verifying the works carried out by ZESCO (through PCM for on-grid works and IVA for off-grid results) and will provide funding to ZESCO per the terms of the Co-Execution Agreement, including advances to commence works and subsequent payments against verification by REA that the works have been carried out to the required standards. REA's funding will be deposited to ZESCO's operating account and will be replenished monthly based on the budget estimates and documentation submitted by ZESCO.

**Development Bank of Zambia (DBZ).** The Government of Zambia established the Development Bank of Zambia (DBZ) in 1972 under the DBZ Act, in partnership with public sector financial institutions, the local private sector, and foreign institutions. DBZ's mandate is to provide development finance and technical assistance on a financially sustainable basis to promote development in Zambia, largely in line with the priorities of the Sixth National Development Plan. REA will have overall responsibility for the implementation of Component B activities; however, sub-component B.2. Loan Facility phase 2 activities (i.e., managing an operationalized credit line) will be delegated to DBZ, once the conditions for implementation of the second phase are met. To enable it, REA will enter into a Co-Execution Agreement with DBZ for implementing the sub-component activities. As a potential Financial Intermediary for phase 2 off-grid activities, DBZ will also have safeguard oversight responsibilities, for which it will receive appropriate capacity building under the technical assistance activities planned for phase 1. However DBZ phase 2 participation can only be initiated after a proper assessment is carried out which ensures that the arrangement and capacity meet the World Bank's minimum requirements under OP/BP10.00 as well as the requirements of the applicable Safeguard Policies and Instruments (i.e. RPF, ESMF). Any safeguard responsibilities delegated from REA to DBZ will be outlined in the Project Operations Manual. Similarly to the on-grid implementation arrangements, the implementation of the off-grid component will support the evolution of REA's role towards becoming a facilitator for electrification efforts in rural areas.

**Figure 1: Project Implementation Agreements Structure: Component A - On Grid**



**Figure 2: Project Implementation Agreements Structure: Component B - Off Grid**



## 2.4.1 Project Steering Committee

In order to ensure efficient oversight of the Project, there shall be a Project Steering Committee, with a mandate, composition and requisite resources. The Project Steering Committee shall be chaired by the Permanent Secretary from the MoE and comprised of representatives from different public and private institutions (table 2). In order to ensure that a quorum is met at all steering committee sitting, the representatives of the various organization will be asked to officially delegate a representative to represent them should they be unable to attend.

Table 2: Composition of Steering Committee

Organization	Representative on Steering Committee
Ministry of Energy	Permanent Secretary
Rural Electrification Authority	Chief Executive Officer
ZESCO	Chief Executive Officer
Ministry of Finance	Permanent Secretary
Ministry of National Planning	Permanent Secretary
Ministry of Local Government	Permanent Secretary
Development Bank of Zambia	Chief Executive Officer

The Steering Committee shall be responsible, among other things, for overseeing overall Project implementation, providing policy guidance to the project, ensuring inter-agency coordination of the Project, reviewing the annual work plans, and approving Budgets. The Committee will also consider issues to do with resettlement during the course of the project if they arise. In such cases, other relevant government departments will be coopted into the steering committee since it is envisaged that such cases are unlikely to arise.

## **2.5 Monitoring and Evaluation**

In addition, the project will be designed in such a way that it would be possible to carry out an impact evaluation in order to assess the additionality of the project. The continuous M&E of the implementation of policies and key programs will be a critical role of the PIU and therefore a strong emphasis will be put on capacity building.

### **3 POLICY AND LEGAL FRAMEWORK GOVERNING RESETTLEMENT**

This section of the RPF reviews the policy framework that is relevant to ESAP activities, and assesses the adequacy of national legislation in terms of the policy principles of this RPF. The legal framework relating to resettlement issues consists of the various pieces of Zambian legislation and World Bank safeguard policy. This section presents both aspects and identifies overlaps and gaps between the two.

#### **3.1 The Zambian Legal Framework Affecting Resettlement**

Zambia's legal framework for matters related to the compulsory acquisition of property, in particular land and the alienation of land is provided for in the Constitution, Land Act, and the Land Acquisition Act. While these three Acts provide the basis for land acquisition, various other national laws of Zambia define the authority and responsibility of specific sectoral agencies. Suffice to mention that while there is currently no specific law or policy pertaining to involuntary resettlement in Zambia, the Zambian Government, in 2015 adopted the National Resettlement Policy. This is the first Resettlement Policy since the independence of the country.

Further, there exists a Lands Tribunal that was set up to speedily settle or prevent land disputes.

This section summarises the policy and legal framework for land administration including the institutions involved in each case. These legal provisions invariably have a bearing on resettlement in Zambia.

##### **3.1.1 Constitution of Zambia**

Zambia's legal framework regulating the taking of land and other assets by the State has its basis in the Constitution of Zambia, Chapter 1, Article 16 of the Laws of Zambia provides for the fundamental right to property and protects persons from the deprivation of property. It states that a person cannot be deprived of property compulsorily except under the authority of an Act of Parliament, which provides for adequate payment of compensation. The Article further provides that the Act of Parliament under reference shall provide that, in default of agreement on the amount of compensation payable, a court of competent jurisdiction shall determine the amount of compensation.

The constitution further provides that nothing contained in or done under the authority of any law shall be held to be inconsistent with or in contravention of the clause which requires that authority be obtained under an Act of Parliament which provides for payment of adequate compensation to the extent that it is shown that such law provides for the taking possession or acquisition of any property or interest on the land or right over the land.

### 3.1.2 National Resettlement Policy

The National Resettlement Policy was adopted in October 2015 with the overall objective of establishing and protecting resettlement schemes that are economically productive, socially secure and environmentally sustainable for persons settled voluntarily or involuntarily.

The Policy provides the following guidelines or guiding principles to be considered in ensuring the development of sustainable resettlement schemes include the following:

- All persons, groups and the communities have the right to suitable resettlement which include right to alternative land, which is safe, secure, accessible, affordable and habitable;
- The choice of location for resettlement scheme should take into account elements such as topography, soil, climate, among other and be weighed against the requirements of the proposed land use;
- Government shall ensure that guidelines and procedures regarding settler selection criteria are clearly spelt out;
- There is need to provide basic public services in resettlement schemes if settlers are to be attracted and encouraged to settle there;
- The Government will as much as practicable encourage the use of the already existing Ministries/institutions to carry out activities relevant to their respective mandates in the resettlement schemes. This include forging partnerships with all interested stakeholders, including cooperating partners, the private sector and NGOs;
- Involuntary resettlement should be in line with the international human rights and humanitarian law as set out in the 1998 United Nations Guiding Principles on Internal Displacement, which are recognised as an important international framework for the protection of internally displaced persons;
- Involuntary resettlement should be avoided where feasible. Where population displacement is unavoidable, it should be minimised by exploring all viable options;
- People unavoidably displaced should be compensated and assisted so that their economic and social future would be generally as favourable as it would have been in the absence of the project or better;
- Involuntary resettlement should be conceived and executed as part of the project. The full cost of resettlement and compensation should be included in the presentation of project costs and benefits.

To facilitate implementation of the Policy, the Department of Resettlement, falling under the office of the Vice President, is responsible for the actual resettlement process, with the following functions in line with the policy:

- Identification and acquisition of land for resettlement.
- Demarcation of resettlement plots.
- Processing applications for resettlement.
- Allocation of settlement plots to suitable applicants.

- Recommending deserving settlers to acquire certificate of titles to their farm plots from the Ministry of Lands.
- Co-coordinating provision of infrastructure in resettlement programme schemes and resettlement schemes.

Apart from the Ministry responsible for Lands, the Department of Resettlement may be among the institutions consulted in the identification of land for resettlement and in issues relating to its functions as highlighted above.

### **3.1.3 Land Tenure and Delivery System in Zambia**

Land tenure refers to the way in which rights in land are held. Because the implementation of ESAP may in a rare number of cases result in acquisition of small portions of land not already under control of the state or traditional authorities, it is useful to outline the Zambian land tenure system in order to appreciate the alternative ways in which land can be accessed for ESAP project purposes.

In Zambia, tenure is categorised into two tenure systems namely, statutory tenure and customary.

#### **(a) Statutory Tenure**

This refers to state Land which is administered by the Lands Commissioner through local authorities on behalf of the President since all land in the country is vested in the Republican President on behalf of the people.

The President of Zambia holds the country's land in perpetuity on behalf of the Zambian people. The President has delegated his powers to make and execute grants and disposition of land to the Commissioner of Lands. The Commissioner has agents who plan the land into plots and thereafter select and recommend suitable candidates to the Commissioner of Lands for issuance of certificate of title. The Commissioner's agents in this regard, are the District, Municipal, and City Councils. These agents use the Town and Country Planning Act to plan the land in their areas in their capacities as planning authorities under the Act.

In terms of delivery, or the system to acquire state land, the District, Municipal or City Council identifies an area for which a layout plan is made, subdividing the identified land into several plots. For agricultural land, the relevant departments in the Ministry of Agriculture and the Resettlement Department under the Vice President's office are responsible.

The layout plan is endorsed and stamped by the appropriate planning authority that later transmits the endorsed plan to the Lands Department for scrutiny and verification of the planned land's availability.

If the planned land is available, the plan is approved and transmitted to the Survey



Department for surveying and numbering as per the Land Survey Act. Upon receipt of numbered and surveyed plots, the relevant authorities advertise them to the public after which applicants are interviewed.

Selected applicants are recommended for further consideration and approval by the office of the Commissioner of Lands, who is the final authority to grant title to land as leaseholds, typically of 14 or 99 year duration.

In cases where ZESCO or REA do not already have rights to statutory land required by the project, they will seek to locate facilities on other private and public land, making “willing seller/willing buyer” negotiations, wherever possible.

### **(b) The Customary Tenure**

This system applies in areas under the jurisdiction of traditional authorities (chiefs/chieftainesses). The traditional system of tenure is the most prevalent among the majority Zambians who live in rural areas, which is where ESAP sub-projects will be located

Approximately 94% of the country is officially designated as customary Area. It is occupied by 73 tribes, headed by 240 chiefs, 8 senior chiefs and 4 paramount chiefs.

With regard to land delivery, the prospective developer approaches the Chief or Chieftainess of the area for consent to hold land on leasehold tenure and obtain certificate of title. Where the Chief or Chieftainess is satisfied that the land being requested for is available (unoccupied), he/she writes a consent letter to the office of the Council Secretary of the respective local government (town or district), with the land's location site plan, drawn by the local planning authority attached.

The Chief's consent letter and attached site plan are taken to the relevant Council Secretary who endorses and stamps the document(s). The Council Secretary arranges for the land in question to be inspected by a committee which deals with land matters in the area. The committee also interviews the applicant.

If the applicant is successful, the Council Secretary brings the application to the full council for consideration.

If the council approves the application, they will recommend to the Commissioner of Lands the allocation of the unnumbered plot to the applicant. The application forms, site plans and council minutes are attached to the recommendation letter which certifies that the recommended plot is free of settlement by other subjects in the jurisdiction of the Chief/ Chieftainess.

If satisfied, the Commissioner of Lands approves the application. For land in excess of 250 hectares, the Commissioner of Lands is required to seek clearance from the Minister of Lands before approval.

Traditionally, most allocations of customary lands do not involve monetary transactions, but may involve consultations with traditional authorities and their communities to ensure there is common agreement on land being allocated for community uses. In some cases where ZESCO or REA will require customary land for certain sub-project facilities (e.g. permanent substations) this land may need to be transferred to state authority.

#### **3.1.4 Specific Legislation on Land**

The Laws of Zambia include various legislation and regulations with provisions covering different aspects related to land. These are contained in this sub-section.

##### **(i) The Electricity Act of 1995**

An Act to regulate the generation, transmission, distribution and supply of electricity; and to provide for matters connected with or incidental to the foregoing. ZESCO and REA will be involved in the generation, transmission, distribution and supply of electricity on the project. This will require that both on and off grid activities are guided by the provisions of the Electricity Act.

##### **(i) The Land Act, Chapter 184**

The Act controls the alienation of land and shall govern the acquisition of land for the ESAP subprojects. It shall also give guidance in procedures for the conversion of land from customary tenure to statutory.

The Act empowers the President of the Republic to compulsorily acquire property. The principles of compensation are pivoted on the basis that the value of property for the purpose of compensation shall be the value of the amount which the property might be expected to realize if sold on the open market by a willing seller at the time of the publication of notice to yield possession of the property.

##### **(ii) Lands Acquisition Act Chapter 189**

Section three of the Lands Acquisition Act empowers the President of the Republic to compulsorily acquire property. Sections 5 to 7 of the Act provides for the issuing of notices to show the intention to acquire, notice to yield up property and to take up possession.

Section 10 of the Act provides for compensation as consisting of such moneys as may be agreed from moneys appropriated for the purpose by Parliament. Furthermore, this section provides that where the property to be compulsorily acquired is land, the President, with the consent of the person entitled to compensation shall in lieu or in addition to any compensation payable under the section, grant other land not exceeding the value of the land acquired.

Under the Lands Acquisition Act, the value of the property for purposes of compensation is the amount which the property might be expected to realize if sold on the open market by a willing seller at the time of the publication of the notice to yield up possession of the property. Section 11 of the Lands Acquisition Act provides for the settlement of the disputes relating to the amount of compensation in the High Court.

Part VI of the Lands Acquisition Act (Cap. 189) provides for the establishment of Compensation Advisory Board to advise and assist the Minister in the assessment of any compensation payable under the Act. Other functions of the board, its operations and constitution are also prescribed.

### **(iii) The Local Government Act Chapter 281**

The Act provides for the system of local government administration in Zambia at city, municipality and district council levels. Each level has delegated statutory functions with respect to development planning and participatory democracy. Therefore the Act shall guide in the distinguishing of the project site with regard to their location. The laid procedure in the acquisition of land for subprojects shall be determined by the provisions of both this Act and the Lands Act.

### **(iv) The Town & Country Planning Act Chapter 283**

The Act provides for Ministerial powers to appoint planning authorities to prepare structural, regional, integrated development, and layout plans to guide physical urban and rural development in Zambia.

### **(v) The Public Roads Act of 2002**

Section 18(3) gives authority to the Road Development Agency (RDA) to enter upon any land for the purpose of extraction of material for road function. It further provides for compensation to be paid to the affected if such land owner / occupier of such land is on title. Further, the RDA in 2003 developed an “Involuntary Resettlement Framework and Road Sector”. This guideline elaborates the institutional framework for responding to involuntary resettlement in Zambia. It specifies that the leading role of the RDA in the District roads, carrying out social surveys and related assessments and ensuring the participation of other stakeholders such as the project affected communities, individuals and nongovernmental organizations. The Agency is also responsible for overseeing the implementation process and ensuring the compensation and rehabilitation mechanism is implemented adequately.

### **(vi) The Agricultural Lands Act**

This Act provides for the establishment of the Agricultural Lands Board and for tenant farming schemes. The act empowers the Minister, by statutory notice, to declare any state land and, with the consent of the registered owner, any freehold land, and to alienate any

declared land by state grant, the lease of holdings, or any other state lease or tenancy.

Section 21 provides that a lessee shall use his holding primarily for agricultural purposes, for purposes ancillary thereto and for the personal residence of himself and his family and necessary staff and for no other purpose.

Section 40 permits a tenant who obtains approval from the Agricultural Lands Board to make improvements to a holding at his own expense. Improvements which are permitted are those which are reasonably required for the management, improvement or development of the holding. Only improvements which are approved by the Agricultural Lands Board qualify for compensation.

Section 43 provides that if any dispute shall arise relating to the amount of any compensation, not being an ex gratia payment; any valuation for an option to purchase a holding; and any valuation for a state grant; such dispute may be referred to arbitration under the provisions of the Arbitration Act.

#### **(vii) Arbitration Act No. 19 of 2000**

This Act provides for arbitration in cases where the land owner/occupier does not agree with the amount of compensation being offered. Under section 12 (2) of the Act, the parties to arbitration are free to determine the procedure for appointing the arbitrator or arbitrators. Section 12 (3) (b) states that if the parties are unable to agree on the arbitration, another arbitrator shall be appointed, upon request of a party, by an arbitral institution.

#### **(viii) Environmental Management Act No. 12 of 2011**

This Act provides for integrated environmental management and protection and conservation of the environment and sustainable management and use of natural resources. The law is further executed through regulations requiring the undertaking of environmental impact assessments of projects and requiring public consultation by the developer should seek the views of the people in the communities which will be affected by the project before submitting the environmental impact statement to the Agency. The developer should publicise the intended project, its effects and benefits in the mass media in a language understood by the community for a period of not less than fifteen days and, thereafter, at regular intervals throughout the project implementation schedule.

Environmental Impact Assessments should include the:

- Social and economic impact of the project, such as resettlement of affected people;
- Socio-economic and cultural considerations such as effects on generation or reduction of employment in the area, social cohesion or resettlement and local economic impacts; and
- Effect on land uses and land potential in the project area and surrounding areas.

#### **ix) Rural Electrification Act No. 20 of 2003**

This Act provides for the establishment of the Rural Electrification Authority (REA) to help increase electricity access the rural Zambia. REA is mandated with the tasks of Administering and managing the Rural Electrification Fund (REF); developing and implementing the REMP, mobilizing funds to support rural electrification, encouraging private sector participation in rural electrification through provision of smart subsidies, competitive bidding and community mobilisation, financing project preparation studies for rural electrification and recommending to government suitable policies. The rural electrification projects being implemented by the Authority (for ESAP and other projects) involve the extension of the national grid, mini-hydro power generation projects, installation of Photo Voltaic (PV) systems, construction of off-grid solar mini grid plants and other renewable energy projects such as Biomass.

#### **(x) The Zambia Wildlife Act No. 12 of 2015**

The Zambia Wildlife Act provides that any activity or plan which is likely to have an adverse effect on any wildlife species or community in a National Park, Game Management Area or Open Area should be subjected to a wildlife impact assessment as required by the Department of National Parks and Wildlife in the Ministry responsible for tourism. Where resettlement would have or is likely to have an impact on wildlife, a wildlife impact assessment would be required under this Act.

#### **(xi) Land Survey Act**

The Land Survey Act provides for the surveying of lands and properties before they are numbered, allocated and registered.

#### **(xii) Land Conversion of Title Act**

This Act provides for the alienation, transfer, disposition, and change of use of land. The Act also provides for compulsory acquisition of land by the President wherever he is of the opinion that it is desirable or expedient to do so in the public's interest.

#### **(xiii) The Forests Act of 2015**

This Act provides for the establishment and management of national and local forests, conservation and protection of forests and trees; and licensing and sale forest products. The act also provides for the involvement of local communities and the private sector in the planning, management and utilization of forest resources and the sharing of costs and benefits obtained from the open and forest reserves.

#### **(xiv) The Valuation Surveyors Act Cap 207**

This Act provides guidance for the valuation practice in Zambia and the requirement that

for one to practice as a Valuer he is supposed to be registered under the provisions of this Act by the Valuation Registration Board.

#### **(xv) Arbitration Act No. 19 of 2000**

Provides for arbitration in cases where the land owner/occupier does not agree with the amount of compensation being offered. Under section 12 (2) of the Act, the parties to arbitration are free to determine the procedure for appointing the arbitrator or arbitrators. Under section 12 (3) (b), if the parties are unable to agree on the arbitration, the arbitrator shall be appointed, upon request of a party, by an arbitral institution.

### **3.2 World Bank Safeguard Policy on Involuntary Resettlement**

The World Bank Safeguard Policy OP 4.12 relates to the administration of resettlement issues in the event of project activities inducing displacement of people and disrupting their livelihoods. The policy may apply to the ESAP in cases where implementation of interventions results in involuntary resettlement of people.

According to the policy, particular attention should be given to the needs of vulnerable groups such as the poverty stricken, the landless, the elderly, widows, child-headed households and other disadvantaged persons. It is also a requirement of the policy that provision of compensation and other assistance be effected prior to people's displacement. This implies that acquisition of land for ESAP activities can only take place after those affected have been compensated.

In this regard, resettlement sites, new homes and related public infrastructure, public services and moving allowances will be provided to the affected persons and incorporated in all resettlement action plans in accordance with the OP 4.12 provisions. In addition, the World Bank policy offers the impacted persons an opportunity to improve their livelihoods and living standards through the participation in the planning preparation and implementation of RAPs.

The safeguard policies emphasise that:

- Resettlement should be avoided wherever possible or minimized. All viable alternative project designs should be considered;
- Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share the project benefits. Displaced persons' should be meaningfully consulted and have opportunities to participate in planning and implementing resettlement programs.
- Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least restore them, in real terms to pre-displacement levels or to those prevailing prior to the beginning of project implementation

whichever is higher.

The OP 4.12 also stipulates that the RPF and RAPs should include measures to ensure that the displaced persons are safeguarded as follows:

- They should be informed about their options and rights pertaining to resettlement.
- They should be consulted on, offered choices among and provided with technically and economically feasible resettlement alternatives.
- They should be provided with prompt and effective compensation at full replacement cost for loss assets attributed directly to the project. The resettlement plan or resettlement policy framework should include measures to assure that the displaced persons are:
  - a. Provided with assistance, such as transport and other allowances during relocation.
  - b. Provided with residential housing or housing sites or as required agricultural sites for which a combination of productive potential, location advantages and other factors are at least equivalent to the advantages of the old site.
  - c. Offered support after displacement, for a transition period, based on a reasonable estimate of time likely to be needed to restore their livelihood and standards of living.
  - d. Provided with development assistance in addition to compensation measures such as land preparation, credit facilities or job opportunities.

### 3.2.1 Scope of Policy

This Policy covers direct economic and social impacts that both result from World Bank assisted investment projects and result in resettlement of people affected by the implementation of the project. According to World Bank Policy, 'affected people' refers to the people who are directly affected socially and economically by Bank assisted investment projects where such projects cause involuntary alienation of land and other assets resulting in:

- The involuntary taking of land resulting in:
  - relocation or loss of shelter;
  - loss of assets or access to assets; or
  - loss of income sources or means of livelihood, whether or not the affected persons must move to another location.
- The involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons.

This policy applies to all components of projects resulting in involuntary resettlement regardless of the source of financing. It also applies to other activities resulting in

involuntary resettlement, which, in the judgement of the Bank are:

- Directly and significantly related to the Bank-assisted project;
- Necessary to achieve its objectives as set forth in the project documents; and
- Carried out, or planned to be carried out contemporaneously with the project.

This RPF will establish resettlement and compensation guidelines and design criteria to be applied to the sub-projects which will be prepared during project implementation in compliance with the Zambian law and the World Bank's policy on involuntary resettlements.

### **3.2.2 Policy Requirements**

To address the impacts covered under this policy, the borrower prepares a resettlement plan or a resettlement policy framework that covers the following:

(a) The resettlement plan or resettlement policy framework which includes measures to ensure that the displaced persons are:

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

(b) If the impacts include physical relocation, the resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are:

- Provided assistance (such as moving allowances) during relocation; and
- Provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages and other factors is at least equivalent to the advantages of the old site.

(c) Where necessary to achieve the objectives of the policy, the resettlement plan or resettlement policy framework may also include measures to ensure that displaced persons are:

- Offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be taken to restore their livelihood and standards of living. Such support shall be commensurate to the needs identified and agreed with the PAP, and could take the form of short-term jobs, subsistence support, salary maintenance or similar arrangements; and
- Provided with development assistance in addition to compensation measures described above, such as land preparation, credit facilities, training, or job opportunities.



### **3.3 Overlaps and Gaps between the Zambian Legislation and World Bank OP 4.12**

#### **3.3.1 Overlaps**

There are many similarities between Zambian law and the World Bank's OP 4.12. These overlaps include:

- (a) the requirement to pay compensation in advance where land is compulsorily acquired compensation based on replacement cost or through grant of another plot of land or building of equal quality, size and value; and
- (b) avoidance wherever possible impacts on forest reserves, national parks and other fragile ecosystems, the requirement to compensate for losses whether temporary or permanent in production or damage to productive assets and crops; and provision for the rights of appeal and other judicial avenues for resolution of disputes.

#### **3.3.2 Gaps**

The following gaps exist between the World Bank OP 4.12 provisions and Zambian policy/legislation:

##### **(a) Compensation Eligibility in Zambia**

Under the Zambian law, only people and entities with title deeds are entitled to compensation e.g. those with registered third party rights or those who have legally obtained the right to register but have not yet completed registration. Typically people are compensated for the value of assets on the land, as the land itself remains held by the state or customary authorities under leasehold agreements. Under World Bank's OP 4.12, illegal land users without title to the land also are entitled to compensation for land use and affected structures on it (but not compensated for land). This is to ensure that anyone who is involuntarily resettled from a subproject site receiving World Bank funding receives some form of compensation regardless of whether they were legally occupying the land or not.

##### **(b) Compensation and resettlement assistance**

The current Zambian law provides for the payment of compensation at market value for losses of land, buildings, crops and other damages arising from the acquisition of land for project activities.

Under the Zambian law, moving costs or rehabilitation support to restore previous level of livelihood or living standard are not recognized, and there is no government agency

charged with that responsibility.

#### (c) Property Measurement

Under the Zambian law, compensation is equal to the market value of the property without reference to depreciation. Under the World Bank Safeguard policies, compensation for lost properties will be calculated on the basis of full replacement cost i.e. equal to what enables the project affected people (PAP) to restore their livelihoods at the level prior to resettlement.

#### (d) Income Restoration.

The current Zambian law does not recognize compensation for lost income while the World Bank's OP 4.12 provisions require that lost income due to project activity should be compensated.

### **3.3.3 Measures to Close the Gaps**

Implementation of the ESAP will deliberately seek to minimise displacement and resettlement of people.

Compensation needs to be fair and of a standard practice. Therefore, whenever the two standards, the World Bank and Zambian national legislation, are at variance, the higher of the two standards will apply because, ipso facto, the lesser standard is consequently already met.

The Project Implementation Unit should facilitate the preparation of valuation and compensation procedures in line with principles highlighted in this RPF.

## **4 PRINCIPLES AND STRATEGIES GUIDING RESETTLEMENT IN THE ESAP**

The overarching objective regarding resettlement in the implementation of the ESAP is to minimize as fully as possible the extent of land acquisition and land-use change and to mitigate to as fully as possible the adverse impacts of all unavoidably necessary land acquisition and involuntary resettlement.

Minimization of resettlement and mitigation of its unavoidable consequences requires careful planning and conscientious implementation. When the details of land acquisition and involuntary resettlement are fully known, a Resettlement Action Plan (RAP) can be defined to provide an implementation guide for the operation. When, however, the details of land acquisition and involuntary resettlement are not fully known, the Resettlement Policy Framework will provide the policy principles for the development of specific RAPs

and will be available for public information and discussion. When, subsequently, the outline of each initiative is known and there is sufficient detail, a RAP can and will be developed for that operation, given the framework agreed upon in this RPF. This section highlights the principles and strategies to guide resettlement under this RPF.

#### **4.1 Principles to Guide Resettlement**

The following are the principles that should guide the implementation of this RPF and the Resettlement Action Plans:

- The RPF applies to all components under the project, whether or not they are funded in whole or part by the Bank;
- The policy applies to displaced or impacted persons regardless of the total number involved, severity of the impact, ethnicity, race or colour, whether or not they have legal right or claim to the land they are occupying, and those who may not be protected through the Zambian compensation legislation;
- Where feasible, involuntary resettlement and land acquisition should be avoided or minimized by exploring all viable alternatives;
- Where relocation or loss of shelter occurs, measures to assist displaced persons should be implemented in accordance with a plan of action for resettlement and compensation;
- The planning and implementation of the resettlement process should be conducted in a consultative manner with those to be displaced.
- Absence of legal title to land should not be a basis for denying compensation and Resettlement assistance.
- Displacement or restriction to access should not occur before necessary measures for resettlement and compensation are in place. Apart from compensation, these measures should include provision of other assistance required for relocation, prior to displacement, and preparation and provision of settlement sites with adequate basic facilities.
- The displaced must be relocated to areas with basic amenities like schools, potable water, health facilities, etc.
- All affected persons and entrepreneurs or institutions should be assisted to restore their incomes and livelihood sources to at least pre-resettlement levels. Particular attention will be paid to the needs of the elderly, women and children, the handicapped, and the landless, among other vulnerable groups.
- Wherever possible, those impacted by involuntary resettlement should be considered for employment in various project activities including construction works and provision of other services.
- Vulnerable groups such as the elderly and women-headed households should be entitled to a special benefit package in addition to compensation entitlement.

#### **4.1 RPF Strategies**

The following RPF strategies will be adopted:

- Resettlement activities will be a participatory process guided by informed participation.
- Resettlement Action Plans (RAPs) will be produced and adequately consulted on and disseminated. The RAPs will be made available to those involved and upon request, by the project developer.
- RAPs will describe all measures for restoration of the livelihoods of affected persons and will include an annual budget for implementation of resettlement and other related activities.
- All affected people will be entitled to compensation for lost assets. They will be paid a replacement cost agreed between themselves and the developer in consultation with relevant Government Agencies. The compensation will be based on the valuation done by either the Government Valuator or Private Valuation Firm engaged by the developer, and will either be the market value or other value dependent on negotiations between the two parties and witnessed by a third party.
- Whenever possible, land for land, as close as possible to the homestead should be provided as part of compensation.
- Ownership of the compensated land/or property will be transferred to the state or sub-project beneficiaries by agreement.
- If the affected land is under tenancy, both the landowners and tenants as affected persons will be eligible for compensation and entitlements.
- Compensation for loss of potential crops and trees should be calculated as annual net product value multiplied by the number of years for a new crop to start producing.
- The seriously affected people should be at least as well off, if not better off, than they were before the project.
- Mechanisms will be developed to protect the economically and socially vulnerable.
- Priority for employment arising from project activities will be given to affected persons losing assets.
- A functional mechanism for resolving conflict arising out of the resettlement process will be established.

## **5 RESETTLEMENT ACTION PLAN PREPARATION, REVIEW AND APPROVAL**

This RPF is triggered because the ESAP could require the involuntary taking of land, other assets or economic impact in some subproject locations. Since the specific locations of these interventions were not known at the time of the preparation of the project, the preparation and disclosure of this RPF by the World Bank and Government of the Republic of Zambia is a conditionality for appraisal of this project. However, during implementation of this project, in a process defined here below, the identification of these areas, if any, will be made. When that happens, land may be acquired and people may be affected. At that stage, the RPF calls for the preparation of RAPs that must be consistent

with the guidelines provided in it.

## **5.1 Compliance with World Bank Requirements and the National Resettlement Policy Framework**

According to the World Bank Operational Policies on involuntary resettlement, preparation of a resettlement instrument is a condition for appraising projects involving involuntary resettlement. In case of programs/projects with sub-projects, the Bank requires that a satisfactory resettlement plan or an abbreviated resettlement plan that is consistent with the provisions of the policy framework be submitted to the Bank for approval before the sub-project is accepted for Bank financing.

People who are affected and are eligible will have to be compensated before any implementation is commenced in accordance with this RPF. The acquisition of land and the related assets may take place only after the displaced persons have been paid compensation; and resettlement sites and moving allowances, where applicable, provided. It is also a requirement of the RPF that measures to assist the displaced persons be implemented as per the subproject's resettlement plan of action, where there is loss of shelter and need for relocation.

Resettlement Action Plans, which would be prepared for each sub-project involving compensation or resettlement, shall include measures to ensure compliance with this policy. Furthermore, the implementation schedule of these policy measures should ensure that no individual or affected household would be displaced by sub-project's civil works activity before compensation is paid and resettlement sites with adequate facilities prepared and provided to them.

## **5.2 Scope of Resettlement Action Plans**

While REA has overall coordination responsibility for the project, ZESCO will have lead responsibility for preparation, implementation and monitoring of on-grid project related RAPs. REA will have lead responsibility for RAPs for off-grid projects for which it provides grants. DBZ is expected to take on the responsibility for screening, approval and supervision for any ARAPs required for projects it funds under Component B.2 of the Project. However safeguard arrangements for this component will be finalized following satisfactory World Bank assessment of DBZ safeguards capacity. DBZ's safeguards responsibilities will be clearly outlined in the Project Operations Manual.

The World Bank's OP/BP 4.12 on Involuntary Resettlement requires that projects involving involuntary resettlement require the preparation of a Resettlement Action Plan (RAP). However, in cases where impacts on the entire displaced population are considered minor<sup>15</sup>, or fewer than 200 people are displaced, OP 4.12 (para 25) allows for the preparation of an Abbreviated Resettlement Action Plan (ARAP). Under the ESAP project, it

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<sup>15</sup> Impacts are considered "minor" if the affected people are not physically displaced and less than 10 percent of their productive assets are lost.

is expected that the scaled of resettlement or loss of assets will be minimal, in which case an ARAP may be prepared, especially in the case of Component B off-grid subprojects.

If the preliminary assessments (scoping and screening exercises) indicate the need for involuntary resettlement, then an ARAP or RAP shall be prepared in accordance with this Resettlement Policy Framework, World Bank Safeguard Policy and the relevant Zambian legal requirements. The preparation of the RAP or ARAP will be done or overseen by ZESCO for Component A on-grid projects, and REA for Component B off-grid projects. DBZ also will have screening, approval and supervision responsibility over any ARAPs required for projects it funds subject to the results of the DBZ capacity assessment as noted above

See Table 3 for a comparison of the information required by World Bank-compliant RAPs and ARAPs.

**Table 3: Comparison of Abbreviated Resettlement Action Plan (ARAP) Resettlement Action Plan (RAP) Contents, per World Bank OP 4.12**

<b>RAP Requirements</b>	<b>ARAP Requirements</b>
<ul style="list-style-type: none"> <li>• Project Description</li> <li>• Potential impacts</li> <li>• Objectives of RAP</li> <li>• Socioeconomic studies</li> <li>• Legal Framework</li> <li>• Institutional Framework</li> <li>• Eligibility</li> <li>• Valuation of and compensation for losses</li> <li>• Resettlement measures</li> <li>• Site selection, preparation, and relocation</li> <li>• Housing, infrastructure and social services</li> <li>• Environmental protection and management</li> <li>• Community Participation</li> <li>• Integration with Host Populations</li> <li>• Grievance procedures</li> <li>• Operational Responsibilities</li> <li>• Implementation Schedule</li> <li>• Costs and budget</li> <li>• Monitoring and Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Project Description</li> <li>• Potential Impacts</li> <li>• Objectives of ARAP</li> <li>• Census survey of displaced persons and valuation of assets</li> <li>• Description of compensation and other resettlement assistance to be provided</li> <li>• Consultations with displaced people about acceptable alternatives</li> <li>• Institutional responsibility for implementation</li> <li>• Procedures for grievance redress</li> <li>• Arrangements for monitoring and implementation</li> <li>• Timetable and budget</li> </ul> <p>Note: in case some of the displaced persons lose more than 10% of their productive assets or require physical relocation, the plan also covers a socioeconomic survey and income restoration measures</p>

Source: World Bank OP 4.12, Annex A.

Under Zambian law, ZEMA typically requires a full RAP for projects involving actual physical relocation of people, regardless of whether the project requires an ESIA or EPB. The RAP format required by ZEMA is included in Annex 3 to this RPF.

There is no ZEMA equivalent to an ARAP. Instead, with projects where impacts are minimal and mostly involve compensation for loss or damage to crops, household assets, etc. but do not trigger a full RAP under ZEMA rules, project proponents typically consult with ZEMA and submit a letter proposal describing the project's likely impacts and proposing compensation and other mitigation measures. If the proposal meets with ZEMA approval, it will issue an approval, normally through a decision letter, which may include additional conditions for the proponent to following in carrying out the resettlement or compensation activities.

Experience from the previous IAES project suggest there was minimal resettlement and compensation for assets, mainly for substation sites, involving garden plots and vendor stalls (relocated temporarily during construction) involving small numbers of people. There is no information available to indicate if RAPs or ARAPs were completed, but it is unlikely, as such small-scale reimbursement activities do not trigger ZEMA's RAP requirements, and impacts and mitigation measures are typically reported to ZEMA by a letter proposal, as noted above.

Unless otherwise noted, where the term RAP is used hereafter in this RPF, it is presumed to encompass both RAPs and ARAPs.

### **5.3 Population Displacement Estimates and Categories of Affected People under the ESAP**

At this stage in the project, it is difficult to estimate the number or likelihood of people to be negatively impacted by the Project, as the subproject locations have not yet been determined. Experience from the IAES project indicates some compensation of lost assets or temporary relocation of street vendors may be required during construction of infrastructure (poles, overhead wires, etc.). However, such cases are expected to remain rare and unlikely to involve more than a dozen or so PAPs at each site. Off-grid site impacts are expected to be even lower and rarer and involve smaller number of individuals.

However, the purpose of the RPF is to establish the mechanisms by which the appropriate tools, screening checklists (such as proposed in Annex 2) and RAPs or ARAPs will be implemented to mitigate potential resettlement impacts once subprojects have been identified.

Therefore an estimate of the population to be displaced is fundamental for planning and in determining budgets for resettlement. This estimate must identify the categories of people likely to be affected, for this information will assist in developing options to resettlement

and potential magnitude of impacts related to the sub-projects.

### **5.3.1 Categories of People likely to be displaced**

Impacted persons according to the relevant Zambian national legislation and the World Bank OP 4.12 are:

- (a) An individual who loses assets or investments, property and land, access to economic and natural resources due to the project activities,
- (b) Household(s), if one or more of its/their members are affected by the sub project activities through either loss of land, property, access etc. by the activities of the project; and
- (c) Local community, if the project activities will affect the communities' socioeconomic conditions or the cohesion of its social fabric.
- (d) Vulnerable Households – Vulnerable households may have different land needs from most households or need unrelated to the amount of land available to them.

### **5.3.2 Analysis of Methods to be applied in Identifying displaced People**

The methods to be employed shall depend upon the nature and extent of adverse individual and collective impact by the ESAP on affected persons with respect to:

- (a) land owners who lose some or all of their land, temporarily or permanently,
- (b) home owners who lose their residence,
- (c) businesses that lose some or all of their structures,
- (d) owners of property who lose physical assets (fences, latrines, verandas, etc.),
- (e) residential and business renters who lose access to their leased space
- (f) cultivators losing annual or perennial crops, fruit trees, etc.,
- (g) those who have no recognizable legal right or claim to the land they are occupying (i.e. squatters).

Very few, if any, of these conditions are expected to be triggered by most sub-projects to be carried out by this project, but this information is provided for completeness.

### **5.3.3 Records of displaced People**

Records of displaced people with respective assets to be affected has to be kept in order to ensure that right people are compensated accordingly within the provisions of the Zambian legislations and World Bank policy. The implementing partners for each subcomponent, ZESCO, REA and DBZ, will be responsible for such record-keeping on their associated sub-projects, although ultimate project-level record-keeping and reporting responsibilities lie with the overall project implementing agency, REA.



## 5.4 Steps in Preparing Resettlement Action Plans

If the preliminary assessments (scoping and screening exercises) indicate the need for involuntary resettlement, then a RAP or ARAP shall be prepared in accordance with this Resettlement Policy Framework, the relevant Zambian legal requirements and the World Bank Safeguard Policies as outlined in this RPF. As noted earlier, while REA has overall coordination responsibility for the project, ZESCO will have lead responsibility for preparation, implementation and monitoring of on-grid project related RAPs/ARAPs, REA will have lead responsibility for ARAPs or RAPs for off-grid projects for which it provides grants, while DBZ will have oversight responsibility for any ARAPs or RAPs needed for subprojects financed through its loan programs.

The preparation of the subproject RAPs may be outsourced by ZESCO Limited, REA, and DBZ to specialists. In this case, terms of reference for the preparation of the RAP should be prepared. A sample of the Terms of Reference for preparation of a full RAP as well as the format of the RAP that meets ZEMA requirements is contained in Annex 2. TORs for ARAPs may be simpler, as long as they contain instructions for carrying out all the requirements of an ARAP specified under OP 4.12 Annex A, para 22, and noted in the above table.

When the nature and scope of private sector participation in specific Component B off-grid sub-projects has been determined for phase 2, responsibility for carrying out RAPs or ARAPs in some cases may be assigned to the private operators seeking project funding from REA or DBZ. Such responsibilities and related requirements will be spelled out in any tender documents and contracts prepared to authorize such funding arrangements.

Should the project activities include voluntary land contributions or land swaps, ZESCO and REA will ensure full documentation of such voluntary arrangements but a RAP will not be required. Decisions on land donations or swaps will be made with the informed consent and without coercion. Full consultation should take place well in advance of proposed activities. The donation or swap may not adversely impact living standards or livelihoods (i.e. no individual should lose more than 10% of their productive assets of landholders). Any agreement to donate or swap land should be confirmed through written record and verified by an independent third party.

The process to be followed in preparing a RAP shall involve several steps as outlined in the following sections.

### 5.4.1 Preliminary Assessments of a Sub-Project

An Implementing Agency of a sub-project (e.g. ZESCO, REA, or DBZ) shall examine whether any environmental study is required for the subproject being proposed. The initial assessments and surveys at this stage should include (i) potential social impacts, (ii) direct consultations with individuals and groups who are expected to be directly affected by the sub-project activities; and (iii) identification of the major population groups that may be affected by the proposed project. These surveys and assessments at this preliminary stage

would form the basis for preparing the scope for the RAPs Social Assessment Component.

#### 5.4.2 Preliminary Information

Preliminary information shall include a description of the nature, scope and location of the proposed sub project, accompanied by location maps and any other details.

If the preliminary information indicates that the project has any potential involuntary resettlement, such as involving taking of land which might result in physical displacement of persons, loss of assets, loss of livelihood or restriction of resource use, then this RPF is triggered and an ARAP or RAP, needs to be prepared.

#### 5.4.3 Socio-economic Baseline Census

A socio-economic baseline census shall be carried out to provide baseline data on various factors including the following:

- (a) *Identification of current occupants of the affected area*, to establish the basis for the design of the resettlement program and to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance;
- (b) *Standard characteristics of displaced households*, including a description of production systems, labour, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
- (c) *The magnitude of the expected loss of assets*, total or partial, and the extent of displacement, physical or economic;
- (d) *Information on vulnerable groups* or persons for whom special provisions may have to be made;
- (e) *Land tenure and transfer systems*, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area;
- (f) *The patterns of social interaction* in the affected communities, including social networks and social support systems, and how they will be affected by the project;
- (g) Public infrastructure and social services that will be affected;
- (h) *Social and cultural characteristics of displaced communities*, including a description of formal and informal institutions (e.g., community organizations, ritual groups); and
- (i) *Non-Governmental Organizations (NGOs)* that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

The preliminary assessments and information from the socio-economic baseline census will assist in determining the cut-off date, period of registration of claims and valuation of land and immovable assets.

The socio-economic census methodology and format will be developed on a case by case basis if resettlement activities take place and adapted to the location. In a case where ZEMA does not require a RAP, and an ARAP (and not a full RAP) is prescribed to meet World Bank requirements, unless PAPs lose more than 10% of their productive assets or require physical relocation, the focus of this study should be primarily a census survey of displaced persons and valuation of assets, per OP 4.12, Annex A guidance.

## **5.6 ARAP/Resettlement Action Plan Disclosure Process**

ZESCO and REA shall ensure that the draft ARAPs/RAPs are made available at a place accessible to impacted persons, local NGOs, and other interested parties in a form, manner and language that are understandable to them once a draft ARAP/RAP has been prepared. This may involve consultations organized by ZESCO, REA, DBZ, or in some cases by ZEMA.

The Draft RAP or ARAP shall be transmitted to the World Bank for appraisal and review at the same time. Once the RAP/ARAP has been finalized, the World Bank shall also make the RAP available to the public through its Info-Shop. The final RAP/ARAP will also be disclosed in-country at District and National level. RAP/ARAP implementation (and subsequent project works) can only commence once the World Bank and ZEMA are satisfied with the public disclosures and have approved the RAP/ARAP.

## **5.5 Implementation and Monitoring of Resettlement Action Plans**

The Project Implementation Unit (PIU) of the ESAP, under the supervision of the Ministry of Energy shall be responsible for the overall smooth implementation of the RAPs.

The overall responsibility of monitoring and evaluating the RAP activities shall lie with Ministry of Energy or its delegated agency, REA.

There shall be both internal and external monitoring of the RAP activities. Internal monitoring of the operation of the resettlement program shall be done by the the PIU, while external monitoring may be done by a monitoring agency/department or private entity designated to carry out external monitoring of ESAP. ZESCO and DBZ also have their own internal monitoring processes and will be expected to provide regular monitoring reports on any resettlement or asset compensation activities (along with other reporting on safeguards compliance) required by their subprojects.

Where a RAP or ARAP is required and has been implemented, a RAP completion report will need to be carried out by ZESCO, REA or DBZ (depending on the project sub-component and funding vehicle applied) within 6-12 months of completion of the RAP implementation. The objective of this report is to determine if all mitigation and compensation measures required in the RAP or ARAP have been met, and if not, what additional corrective action may be required.

## **6 ELIGIBILITY CRITERIA FOR DEFINING VARIOUS CATEGORIES OF AFFECTED PERSONS**

### **6.1 Principles of Developing Eligibility Criteria**

The subproject Implementing Agency shall be required to develop a procedure, consistent with this RPF, and satisfactory to Ministry of Energy and the World Bank, for establishing detailed criteria by which displaced persons will be deemed eligible for compensation and other resettlement assistance. In developing such a procedure, the following principles should be followed:

- (a) Development of a process and procedures which must include provisions for meaningful consultations with affected persons and communities, Local authorities, Non-Governmental Organizations (NGOs), and other key stakeholders as appropriate;
- (b) Provision of compensation for the loss of land and other assistance where necessary, for those who have formal legal rights to land, and those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets. Other assistance to these displaced persons which should be provided where necessary includes:
  - (i) Support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living, as maybe deemed necessary; and
  - (ii) Development assistance such as land preparation or job opportunities in addition to compensation measures;
- (c) Provision of resettlement assistance in lieu of compensation for the land they occupy and other assistance as necessary, for those who have no recognizable legal right or claim to the land they are occupying if they occupied the project area prior to the cut-off date. “Resettlement Assistance” therefore means the measures to ensure that project affected persons who may require to be physically relocated are provided with assistance as required, for ease of resettlement during relocation; and
- (d) Provision of compensation for loss of assets other than land, impact on livelihoods, as well as costs involved in resettlement actions to all persons who qualify for compensation.

### **6.2 Determination of Cut-Off Date for Compensation**

The establishment of a cut-off date is required to prevent opportunistic invasions/rush migration into the chosen land areas thereby posing a major risk to the sub-project.

Therefore, establishment of a cutoff date is of critical importance. The subproject Implementing Agency, or the Agency's designated consultant, will play a crucial role in identifying users of land.

Fixing eligibility criteria for entitlements purposes are very essential for resettlement/rehabilitation process and payments of compensation. It is in this regard that property inventories with other relevant socio-economic surveys and fixing a cut-off date after proper consultation and announcement are very critical if unnecessary claims of compensation are to be avoided.

When the need for involuntary resettlement in an ESAP subproject has been determined, the Implementing Agency of the sub-project will carry out a census to identify the persons who will be affected by the subproject activity. This exercise will help determine who will be eligible for compensation and assistance before the implementation of the project commences. It will also help to prevent an inflow of ineligible people living outside the subproject area who might want to take advantage of claiming assistance from the project. The cut-off date will be the date of the completion of the census, which will be explained in consultations held with affected communities, prior to conducting the census, as part of a general discussion to describe the project, its phases and activities, and likely impacts, and to solicit community concerns. Those coming into the area after the cut-off date will not be eligible for compensation.

### **6.3 Description of Categories of Affected People and Type of Losses**

This section describes type of affected people likely to be impacted by the ESAP once implemented. However, it is important to note that at this stage it would not be possible to attempt to quantify the estimated likely number of people who may be affected since the sub projects have not been created.

Therefore, the likely displaced persons in the case of ESAP as broadly categorized into four groups. While previous history of the IAES project suggests many of the cases listed here will have minimal occurrence, they are included here for completeness.

#### **6.3.1 Affected Individuals**

These are individuals who suffer loss of assets or investments, land and property and/or access to natural and/or economical resources as a result of the sub-project implementation and to whom compensation is due. For example, an affected individual is a person who farms, or who has built a structure on land that will be required by a sub project for purposes other than farming or residence by the initial individuals.

#### **6.3.2 Affected Households**

A household is affected if one or more of its members is affected by project activities,

either by loss of property, land, loss of access or otherwise affected in any way by project activities. This category includes for:

- (a) any members in the households, men, women, children, dependent relatives and friends, tenants;
- (b) vulnerable individuals who may be too old or ill to farm along with the others;
- (c) relatives who depend on one another for their daily existence; and
- (d) other vulnerable people who cannot participate for physical or cultural reasons in production, consumption, or co-residence.

Compensation will not be limited to people who live together in a co-resident group, since this might leave out people whose labour contributions are critical to the functioning of the “household”.

### **6.3.3 Affected local community**

A community is affected if project activities affect their socio-economic and/or social-cultural relationships or cohesion. For example project activities could lead to such improvement of socioeconomic welfare that class-consciousness arises coupled with cultural erosion etc.

### **6.3.4 Vulnerable Households**

Vulnerable households may have different land needs from most households or needs unrelated to the amount of land available to them. This category includes:

- (a) widows and widowers;
- (b) the elderly;
- (c) the infirm or ill;
- (d) orphans;
- (e) child headed households, and
- (f) disabled or physically challenged persons.

Each category of vulnerable person or household must be compensated according to the nature of the economic loss suffered by loss of access to or use of the land acquired by the sub-project, or loss of livelihood.

## **6.4 Entitlements Related to Impacts**

As noted previously, the need for resettlement of PAPs is considered unlikely for the anticipated on-grid or off-grid subprojects. However information is provided here in case such cases arise. Entitlements for compensation related impacts will be based on the eligibility criteria for the various categories of losses identified, while payment of compensation and other entitlements and assistance will be made to PAP households and

individuals according to the following principles:

- (i) Compensation shall be paid prior to displacement/impact;
- (j) Compensation will be at least full displacement value and the compensation policy and its processes shall be perceived by the PAPs as being full, fair and prompt;
- (k) Preference will be given to land-based resettlement strategies for persons whose livelihoods are land based;
- (l) Whenever replacement land is offered, it will be land of equivalent value, in terms of the combination of productive potential, locational advantages and other factors.
- (m) Where sufficient land is not available at reasonable price, non-land based options centred on opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost;
- (n) Taking of land and related assets may take place only after compensation has been paid and resettlement sites, new houses, related infrastructure, public services and moving allowances have been provided to displaced persons;
- (o) Assistance may include support in the form of food, temporary accommodation, medical assistance, employment referrals or priority employment in project activities. The assistance is meant to help them cope with the displacement caused by the programme;
- (p) Compensation and other assistance shall be provided prior to displacement preparation and provision of resettlement sites with adequate facilities.

## **6.5 Entitlements and Compensation Matrix**

For ease of reference, a matrix of entitlements and compensation showing a summary of all the assets that a PAP is entitled to, shall be prepared by the Implementing Agencies of ESAP subprojects. The entitlements and compensation matrix will follow the eligibility criteria already outlined for compensation and or/ resettlement / rehabilitation assistance, or losses of different types of assets for all project affected person's categories. See Table 4 for an indicative matrix of entitlements.

It should be noted that while this matrix is include for completeness, few if any of the cases cited here are likely to occur under the ESAP project. Most project infrastructure can be located on public land or customary land to be allocated by traditional leaders. The scope and scale of subproject activities is expected to be small and therefore temporary or permanent economic dislocation cases are expected to be rare. And in all cases, likely impacts and ways to avoid or mitigate them will be discussed in consultations with affected communities and individuals with a view toward avoiding any physical or economic dislocation or loss of assets or income where possible in the sparsely populated rural settings where most of the subproject activities will take place.

**Table 4 : Entitlement Matrix**

Type of loss	Category of PAP	Proposed entitlement	Responsibility/ authority On grid components	Responsibility/ authority Off-grid components
Agricultural land	Land holder, losing more than 20% of land holding or the remaining plot is not viable	Affected households to be compensated according to the Land Acquisition Act and World Bank policy on Involuntary Resettlement.	ZESCO Project Office (PIU)	REA Project Office (PIU)
		<p>Conditions indicated here normally apply to both statutory land and customary land (not withstanding the fact that customary land usually is not bought or sold, but allocated by traditional authorities from available land stock)</p> <p>Preference is for land-based resettlement strategy. Land will be of equivalent value based on productive potential; locational advantages and other factors. Where sufficient land is not available, cash compensation will be made at replacement cost. This includes cases where less than 20% of a landholder's property may be affected and the remaining plot is still viable. As the compensation under this framework will have to be at replacement cost, an additional allowance will be provided to cover the gap between market value and actual reparations given under the Land Acquisition Act.</p> <p>Additional assistance in the form of moving costs and transitional allowance including food, temporary accommodation, medical assistance, or commensurate to the needs identified</p> <p>Note agricultural activities are permitted in ZESCO and REA wayleaves, therefore this loss may not be applicable. There may be some restrictions on crop height to avoid safety hazard issues with overhanging wires.</p>	ZESCO PIU and ZESCO social specialists	REA PIU and REA Social specialists
Agricultural crops (perennial/ annual crops)	Land owner, Tenant, non-title holder	Give advance notice, allow harvesting if possible	ZESCO PIU, Accredited valuer	REA PIU, Accredited Valuer



Type of loss	Category of PAP	Proposed entitlement	Responsibility/ authority On grid components	Responsibility/ authority Off-grid components
		<p>Compensation at replacement cost as determined by accredited valuer and per the agreement with PAPs. Perennial and annual crops will be valued differently as per Zambian government requirements.individual PAPs</p> <p>If households are to be resettled they will be compensated for the labour invested in the crop or tree they leave behind</p>		
		Non holders will also receive compensation for lost crops (in-kind or cash). Rehabilitation support as needed to non-title holders.	ZESCO Project Office, and ZESCO Social Specialists using relevant traditional leaders, NGOs and Councils where appropriate	REA project office and social specialists. Using relevant traditional leaders, NGOs and Councils where appropriate
Occupied land	Encroachers	Encroachers/ squatters are not legally entitled to compensation for land but are entitled to assistance to move to a place where they can settle legally to restore / retain their livelihoods, taking into account their vulnerability.	ZESCO Project Office with local traditional authorities, Council and/or NGOs. As appropriate	REA Project Office with local traditional authorities, Council and/or NGOs, as appropriate
Public land	Squatters			
House or other Property (although highly unlikely, especially for off-grid works)	Property owner, Non- title holder (squatter/ encroaches)	<ul style="list-style-type: none"> <li>- Compensation at replacement cost, taking into account market values for structures and materials, or as settled by the users, organizations and PAP or committee under the relevant council.</li> <li>- Non- title holders (squatters) will be provided with cash compensation for structures at replacement value without depreciation deduction and taking into account market values for structures and materials.</li> </ul>	ZESCO Project Office Accredited Valuer	REA Accredited Valuer

<b>Type of loss</b>	<b>Category of PAP</b>	<b>Proposed entitlement</b>	<b>Responsibility/ authority On grid components</b>	<b>Responsibility/ authority Off-grid components</b>
Business / commercial establishment, shops	Title-holders, tenants?	Compensation for re-establishment / transition allowance in consultation with affected families.	ZESCO PIU Office	REA PIU
Temporary Losses	Title holders (affected, tenants? families)	Cash compensation/ transit allowance	ZESCO PIU	REA PIU
Loss of community services such as: schools, churches, grazing fields, dip tanks etc.	Local communities, teachers, school children, subsistence farmers	Re-construct or reestablish lost community resources like churches and other cultural structures or provide alternatives in consultation with affected communities	ZESCO in collaboration with Municipal Councils, Traditional Authorities, affected community organizations	REA in collaboration with Municipal Councils, Traditional Authorities, affected community organizations
Income	PAP temporarily losing income resulting from sub-project activities	Temporary losses – will be paid in cash based on daily income from income-generating activity times number of days PAP is unable to carry out activity because of temporary dislocation  Facilitation to have alternative job training and other incentives. However no permanent loss of income is expected to occur as a result of subproject activities in rural areas.	PIU - All PAPs should benefit from some kind of income restoration to at least pre-project levels.	PIU - All PAPs should benefit from some kind of income restoration to at least pre-project levels.
Various land, crop, other asset or income loss	Vulnerable groups/individuals (may include widows, woman heads of households, orphans, elderly, other special needs PAPS requiring	Resettlement assistance will be provided to the most vulnerable groups where needed to restore their livelihoods to pre-displacement levels. This may include additional cash compensation, training or counseling, to be determined and agreed upon through consultations with vulnerable PAPs.	ZESCO PIU and social specialists	REA PIU and social specialists

<b>Type of loss</b>	<b>Category of PAP</b>	<b>Proposed entitlement</b>	<b>Responsibility/ authority On grid components</b>	<b>Responsibility/ authority Off-grid components</b>
	additional support.			

## **7 ASSET VALUATION**

This section describes the methods by which assets will be valued and deemed to be eligible for compensation, and explains then methods of inventorying assets and assigning values to each asset.

Property valuation in Zambia is carried out by valuation professionals who either work for the Government Department of Valuations in the Ministry of Local Government or for private firms. The Government Valuation Department carries out Government evaluations and for the public at a fee, while private practitioners provide valuation services to the general public at a fee.

Note: this chapter on valuation is included for completeness, however as noted elsewhere it is considered unlikely, given the scope scale and rural nature likely locations of sub-project activities that there will be a significant number of cases requiring the approaches described in this chapter.

### **7.1 Valuation Practice in Zambia**

A valuer is a trained professional who has a thorough knowledge and understanding of the factors that create, maintain or diminish values of real estate or assets. An independent valuer can provide impartial and motivated reports on the value of real or limited rights in land.

In order to function as a valuer, in Zambia, one needs to be registered with the Valuation Surveyors' Registration Board. Valuation is practiced by the Government Valuation Department (GVD) and various registered private firms including property consultants. The GVD undertakes valuations on behalf of the Government of the Republic of Zambia. Valuations procedure used by either GVD or private consulting firms in valuing assets should always be in accordance with the Practice Statements and Guidance Notes published by the International Valuation Standards Committee (IVSC), adopted and recognized by international accounting standards and risk management professionals.

### **7.2 Land Tenure Systems and the Valuation of Immovable Assets in Zambia**

The major difference between the two categories of tenures is that state land is surveyed while traditional land is not and is held by the traditional leader on behalf of the community as a common asset. To this effect customary land does not form part of value for assets since it still remains communal unless the chief and the respective district council approves its conversion to Leasehold type of tenure as provided for by the Lands Act of 1995.

In Zambia, valuation of immovable assets is closely related to the land tenure systems in the country. The valuation of a piece of land, or immovable property on that land depends on whether that land is under the 99 year renewable state leasehold, or under traditional authority. Only state land can be valued, while traditional land and the properties on it cannot be valued for purposes of legal transactions, until certain procedures have been fulfilled, as per Zambia's land delivery systems described in the chapter on the Legal Framework. However, by applying one of the valuation methods to be described, the value of property on traditional land can be

ascertained separately from the land.

As described in the Legal Frameworks section on land delivery, those who want to value and buy traditional land must first obtain a letter from the traditional ruler concerned. In essence, the procedures that are followed before traditional land can be valued and sold are as per the land delivery system described earlier with regard to the transfer of traditional land into state land. As such, it still remains that traditional land cannot be valued until it is turned into leasehold tenure.

### **7.3 Valuation Methods in Zambia**

The four methods used to value property in Zambia are:

#### *(a) Direct Capital Comparison Method*

This method assumes that the value of a property is arrived at by direct comparisons made with other similar available property transactions in the area or vicinity. Considerations are made with reference to location, accessibility, demand and supply positions, quality and standard of the built up structures, age and condition, the prevailing economic and property market trends.

Sale values are then analysed and processed to form units of value per square metre of the total external floor area of the buildings. These are then compared with the subject property on the same basis to arrive at an adjusted unit of value and apply the same to the subject property whilst allowing for similarities and dissimilarities accordingly. Comparable sales of properties can easily be extracted from the Ministry of Lands Consent Office, the Zambia Revenue Authority's Property Transfer Tax Office or established property consultants/Estate Agents.

#### *(b) The Depreciated Replacement Cost Method of Valuation*

This method is used to value properties where there is no general demand and thus for which comparable evidence is absent. If such properties are sold, the price required by the vendor would normally be the cost of construction plus the value of land for an alternative property. In such circumstances, it is reasonable to assume that value and cost are equal.

Therefore this Method requires estimates of the value of the land in its existing use and of the gross replacement cost of buildings and other site works from which appropriate deductions may then be made to allow for age, condition, economic or functional obsolescence and environmental and other factors which might result in the existing property being worth less than a new replacement.

#### *(c) The Investment Method*

This method is designed to value investment properties mostly applied to the valuation of businesses, using projected future incomes and costs to arrive at a present value of a business. The estimated gross annual rent is reduced to a net income after deducting expenses. The net annual income is then capitalised at an appropriate yield. Rental values of properties are extracted during field inspections.

#### *(d) The Residual Method of Valuation*

This is used to value properties with latent value which could be released by further development. It calculates the residual value which essentially is the value that a prospective developer would be prepared to pay for the site. It, thus, is an approach that is suitable for aiding property development decisions by indicating the possible values of the development once completed and by providing a guide as to the likely profits. If the developer's profit is negative then the proposed development is considered not viable unless in the converse situation.

### **7.4 Purpose of Valuation**

The purposes for which valuations are required include accounting, insurance, sale, purchase, rent, funding, property tax, mortgage, appropriation (compensation upon compulsory purchase), probate, liquidation or receivership, mergers or take-overs, arbitration, bankruptcy, rating and expert witness valuations, commercialisation, privatisation and stock exchange.

### **7.5 Basis of Valuation**

Valuation of assets is normally based on the following:

#### *(a) Land and Buildings*

The basis of valuation for the land and buildings is Open Market Value. The term Open Market Value is defined as an opinion of the best price at which the sale of an interest in property would be completed unconditionally for cash consideration on the date of valuation assuming:

- a willing seller;
- that prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms;
- that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

#### *(b) Plant Machinery and Equipment*

The basis of valuation for the plant, machinery and equipment is Depreciated Replacement Value.

This value is applied to assets which are part of an operating concern and assumes adequate profitability. It does not necessarily represent the open market value.

The Depreciated Replacement Value is the gross replacement cost depreciated according to age, obsolescence use and condition. The Gross replacement cost of plant and machinery is the estimated cost of acquiring and installing a new asset or a modern substitute asset having the same productive capacity as that existing together with the associated expenses directly related to the installation of the asset.

#### *(c) Valuation of Crops*

In arriving at the value of crops, units of value in terms of current rates per hectare for specific crop has to be established from the Ministry of Agriculture. Therefore valuation of Crops is estimated on the basis of earning capacity of the crop that is considered actual (current/prevaling) value and inflation. Crop valuation by earning approach entails discounting net income expectancies to a present worth estimate which a prudent and well informed purchaser would be willing to pay at a fixed time for the right to receive the income stream produced by a particular crop.

#### *(d) Sacred Sites*

Sacred sites such as ritual sites, tombs and cemeteries would be valued even if the use of such shall not be allowed at any time unless it is absolutely necessary. It would be important to include them as a basis for valuation for specific potential cases that may require compensation for the uses of these sites. The value of such sites would be established through consultations with the community, traditional leaders, and local government authorities.

#### *(e) Damage to Beehives or other productive assets by contractors*

Any damages incurred to income-generating assets as a result of contractor activities will be paid for by the contractors through consultations with the affected parties and traditional authorities, to include replacement of assets and compensation for any temporary loss of income should it occur.

## **7.6 Methods for Inventorying Assets in Zambia**

In this document, inventorying refers to the listing of assets in order to determine the value of each asset item and, consequently, the total value of assets. In inventorying, it is required that each asset item be expressed in an appropriate unit measure, e.g. hectare as a unit of measure for agricultural land, acre or square meter for residential plots and item count (each) for buildings and structures.

The requirement to express assets in appropriate units for valuation purposes also entails that compound assets are separated and counted or added using appropriate units. An example of a compound asset is a piece of land on which a crop, such as maize, is still standing un-harvested. In this case proper inventorying requires that quantity of land is counted and expressed in its appropriate unit (i.e. hectare) and the quantity of maize crop (expected to be harvested) is also expressed in an appropriate unit (e.g. 50-kilogram bag).

Once the asset listing has been produced, the replacement cost of each unit of asset category is then determined. The unit replacement cost for each asset category is then multiplied by the

quantity of asset holding in each category.

## **7.7 Overview of World Bank Recommended Valuation Method**

The use of Replacement Cost Valuation Method for valuing assets is recommended by the World Bank Operational Policy 4.12. In this regard, “Replacement Cost” as it relates to agricultural land is defined as the pre-project or pre-displacement, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes whichever is the higher.

For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes.

For houses and other structures, it is the market cost of the materials to build a replacement structure within an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labour and contractors’ fees, plus the cost of any registration and transfer taxes.

The World Bank Policy 4.12 further states that “in determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset and where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard.”

The following are the basic differences between the Zambian valuation methods and the World Bank recommended valuation methods:

- The World Bank Operation Policy replacement cost does not take into account the depreciation of the asset whilst the replacement cost method used in Zambia takes depreciation into account.
- The World Bank takes into account transaction costs which is not the case with Zambian valuation practice.

## **7.8 Resettlement Policy Framework Asset Valuation Guidelines**

In this RPF, the term asset is defined as an advantage or resource that is available to an individual or household classified into the following five categories:

- Natural assets e.g. land and water,
- Material assets such as household assets, storage, processing equipment etc.,
- Financial/Business assets, e.g. main income, supplementary income and informal and formal



- credit and business enterprise,
- Human assets such as labour availability, and access to education and skills; and
- Social assets, which include informal support networks, support and interest groups, ability to participate in grassroots democracy and, social services such as schools, health clinics, or religious and cultural affiliated assets.

As loss of access to human assets, social assets and some types of natural assets such as a nearby forest where people gather fruits, is not amenable to monetary valuation, the following asset valuation guidelines which take into account the type of asset under each category and type of valuation characteristics peculiar to it, are recommended in the implementation of this RPF and RAPs:

- (i) Qualified valuation professionals should undertake the valuation of assets, while the subproject budget should cater for the cost of valuation. Currently the valuation fees for a professional valuator is negotiable, and depends on the type of the property and its location. The valuation fees for properties in urban areas are generally higher than in rural areas.
- (ii) Valuation of assets should be consistent with Zambian legal framework on asset valuation.
- (iii) Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets (see Definitions Table for definition).
- (iv) On traditional land, assets should be valued at replacement cost separate from the land.

Attempts should be made to establish access to equivalent and culturally acceptable resources and earning opportunities in cases of losses which cannot easily be valued or compensated for in monetary terms such as access to public and social services, customers, suppliers, fishing, grazing or forest areas. Suffice to mention that a crop's significance to the local subsistence economy of each particular area which this project is to enhance may vary. Crops or trees used for commercial purposes will be compensated under market value based on historical production records. If households are to be resettled they will be compensated for the labour invested in the crop or tree they leave behind. The compensation rate will be based on information obtained from the socio-economic study.

## **8 COMPENSATION FOR RESETTLEMENT**

In line with this RPF, sub-project Implementing Agencies should value and duly compensate for lost assets and investments, including land, crops, buildings and other improvements according to the provisions of the Resettlement Action Plans.

### **8.1 Compensation Guidelines**

As already outlined compensation rates will be at market rates as from the date and time that the replacement is to be provided. The current prices of cash crops would have to be determined. Compensation should be based on valuation at or before the entitlement cut-off date. Homestead such as bush will be regarded as community property. Only structures on the site belonging to individuals will be compensated for, while permanent loss of any homestead site will be covered

by community compensation which will be in kind only. Compensation for land is intended to provide the affected person whose land is acquired and used for subproject purposes with compensation for land, labour and crops loss.

Where land acquired has a standing crop, the farmer will be compensated in full for the expected market value of the crop plus the loss of investment of labour and purchased inputs for the production year/ season in question.

## **8.2 Types of Compensation Payments**

### *(a) Cash payment*

All compensation will be calculated and paid in Kwacha. Rates will be based on market value of land when known or estimated when not known plus compensation of the value of standing crops.

If cash compensation is used, financial institutions should encourage the use of their facilities to reduce loss of livelihood or theft when beneficiaries are compensated in cash. Each recipient in consultation with the project implementation Unit will decide upon the time and place for in kind compensation. PAPs will be encouraged and assisted to set up bank accounts if they do not already have them.

Arrangements shall be made to pay PAPs through the banks for amounts above five thousand Kwacha (K5, 000). Compensation below five thousand Kwacha (K5,000) will be paid based on PAP preference.

### *(b) In kind compensation*

In kind compensation may include items such as land, houses, and other buildings, building materials, seedlings agricultural inputs and financial credit for equipment. Other forms of compensation to affected persons will include assistance in terms of moving allowances transportation and labour. Compensation in kind for lost land would take the form of provision of alternative piece of land of equal size and quality.

## **8.3 Types of Compensation**

### *(a) Compensation for Land*

The Lands Act, under its provisions, recognises Land to have value. Therefore compensation for land is aimed at providing for loss of crop and the labour used to prepare the land and cultivate the crop.

The term "Land" refers to an area or homestead in cultivation, being prepared for cultivation, or cultivated during the last agricultural season. This definition recognizes that the biggest investment

a farmer makes in producing a crop is his or her labour. As a result, compensation relating to land will cover the rates for labour invested, as well as the replacement cost of the crop lost plus the value of the land.

*(b) Compensation for Large Fruit and Tree Crops and other perennials.*

Large fruit trees such as mangoes are;

- i. Subsistence food for families
- ii. Petty market income in some areas
- iii. Shade

Given their significance to the local economy, mango trees and other fruit trees will be compensated on a combined replacement/market value based on type, age and productive value of trees. This includes loss of cash compensation until replacement trees produce equivalent pre-project income as well as cost to buy the trees, land preparation, planting, and other associated costs.

Mango and other fruit trees used for commercial purposes will be compensated at market value based on historical production records. If households chose to resettle, they will be compensated for the labour invested in the trees they leave behind. Compensation rate can be based on information obtained from the socio-economic study and shall incorporate the following goals:

A compensation schedule for large trees e.g. mangoes, guavas and bananas which are important sources food for families petty market income and shade, should be developed incorporating the following:

- Replacement of subsistence mango, guava, and banana production yields as quickly as possible.
- Provision of trees to subsistence farmers to extend the number of months of the year during which fruit tree is produced and can be harvested as supplementary source of food for their families in needy times.
- Provision of opportunities for the farmers to have additional income from trees bearing more valuable fruits at off-season periods.
- Provision of cash payments to farmers to replace pre-subproject income derived from the sale of excess production until replacement trees produce the equivalent (or more) in-project cash income.

Individuals who own wild tree(s) located on land they own or allocated to them by a traditional authority will be compensated for the loss of the tree(s), while the community (village, ward or chiefdom) will be compensated for the wild trees which have to be removed to give way for project activities if they occur in the true bush as opposed to fallow land.

For other domestic fruit and shade trees, compensation shall be dependant upon the species and age; individual compensation for wild trees "owned" by individuals, located in affected areas shall be paid. Note that wild, productive trees belong to the community when they occur in the tree bush as opposed to a fallow land. These trees will be compensated under the umbrella of the

village or community compensation. The valuation surveyors will provide each affected family, through the project Authority, an itemised list of property affected, along with valuation unit rates.

No compensation shall be paid for minor pruning of trees. compensation for removal of limbs will be pro-rated on the basis of the number of square metres of surface area removed.

#### *(c) Compensation Calculations for Buildings, Structures and Other Aspects*

Compensation for buildings and structures will be paid by replacing structures such as huts, houses, farm buildings, latrines, and fences on alternative land provided as in-kind compensation.

According to World Bank OP4.12, for loss of structures, PAPs should be offered the option of compensation being paid in-kind for the replacement cost (without depreciation of the structure), as the preferred option for structures, or cash compensation will be available, with the on-going market prices for construction materials to be determined.

Compensation will be made for structures which are abandoned because of relocation or resettlement of an individual or household or directly damaged by construction activities of the project.

Calculations of replacement values of assets will be based on the related structures and support services, while average replacement costs of different types of homestead and structures will be based on collection of information on numbers and types of materials such as bricks, rafters, bundles of straw, doors, etc. used to construct different types of structures. Prices of these items collected in different local markets, costs of transportation and delivery of these items to the required/replacement land or building site should be estimated together with the construction of new building including the required labour.

Compensation for sacred sites, tombs and cemeteries is not anticipated under this project. Therefore, where any such sites are located, the project will need to initiate a “chance finds” procedure (as described in the project ESMF) and ideally find alternative locations to avoid impact.

Replacement costs for vegetable gardens and bee hives are to be calculated, based on the local market rates for these products at the time.

If beehives placed by individuals in various locations in the bush are disturbed, if the sub-project activities disturb or deny bee keepers access to bee hives placed by individuals in various locations in the bush, bee keepers can move them to new locations where bees can be adapted in the new environment. Activities of beekeepers will be valued and compensated based on the value of the season's production cost of honey for each hive, together with any reasonable costs associated with moving the bee hives to the new sites.

#### *(d) Compensation for Vegetable Gardens*

The compensation for vegetable gardens shall be done according to the rates developed and recommended. The main consideration shall be yield per hectare in terms of production taking into account the type of seed and inputs used.

*(e) Compensation for other Domestic Fruit & Shade Trees*

These trees have recognized local market values, depending upon the species and age. Individual compensation for wild trees “owned” by individuals, who are located in lands as defined in this policy, will be paid. Note that wild, productive trees belong to the community when they occur in the true bush as opposed to a fallow land. These trees will be compensated under the umbrella of the village or community compensation.

## **9 ORGANISATIONAL PROCEDURES FOR THE DELIVERY OF ENTITLEMENTS**

Compensation (and resettlement) costs will be the sole responsibility of government, independent of project funding. However, these costs will be paid for through mechanisms like any other activity eligible under the project’s administrative and financial management rules and manuals. Payments will be made available to the communities and/or affected parties through a designated flow of project funds with the PIU as the implementing agency. For sub-projects involving payment of compensation, monitoring activities will include confirmation that payments were received by those entitled to them. The compensation process will involve several steps and should significantly be in accordance with the subproject resettlement plans.

Organisational procedures for delivery of compensation will be closely aligned with the organizational implementation arrangements for the ESAP. Funding will therefore be processed and effected through the PIU, preferably directly to the beneficiaries as per the approved RAPs provisions, through the structure created for the implementation of the project. Compensation payments, monitoring activities will include confirmation by entitled beneficiaries of receipt of the payments.

The compensation process which would be in accordance with the sub- project resettlement plans will include a number of steps which include the ones highlighted in the sub-sections that follow under this section.

### **9.1 Consultation and Public Participation**

At the conception stage of the sub-project, local communities will be included in the discussion of the appropriateness of the compensation, while invitations will be extended to affected individual households to become involved in the design activities of the sub-project.

## **9.2 Notification of Land and Other Asset Holders**

Affected individuals and households will be identified during the RAP process and notified. The user will be informed through both a formal notification in writing and, as many as people are illiterate, by verbal notification delivered in the presence of the village chief or his or her representative. In addition, the chairman, village chiefs committee individuals who control fishing areas, wild trees, or beehives will accompany the survey teams to identify sensitive areas.

## **9.3 Documentation of Holdings and Assets**

Meetings with the affected households and individuals will be arranged in collaboration with the relevant Government structures at provincial and district level to discuss the compensation process. The relevant office at provincial/district level will complete a comprehensive document containing necessary personal information on each affected individual or household and its members, total land holdings, inventory of assets affected and information for monitoring their situation in future. The relevant local government and traditional structures will witness the information. These documents which should be kept current will include a record of surrendered land and all assets and claims.

## **9.4 Arrangements on Compensation and Preparation of Contracts**

The relevant office at provincial and district level will draw up contracts listing all property and land to be surrendered and the types of compensation selected i.e. cash and/or in kind, after all options have been clearly explained to those affected. The contract is read aloud in the presence of village headmen and members and other local leaders before the agreements are signed.

## **9.5 Compensation Payments**

All payments and transfers in kind will be witnessed by representatives from traditional authorities and the relevant office at provincial, local government and traditional authorities. Community compensation payments will be in kind only, for a community as a whole, in the form of replacement facilities constructed to at least the same standard or better than the existing ones. In this regard, community compensation may include storage warehouses, road, school buildings (public), public toilets, wells or pumps and market places.

# **10 DESCRIPTION OF THE IMPLEMENTATION PROCESS, LINKING RESETTLEMENT IMPLEMENTATION TO CIVIL WORKS**

The implementation process being described relates to institutional arrangements and processes needed to put into action according to the provisions of Zambian law, World Bank OP 4.12 and this RPF and the resulting subproject resettlement plans. The planning and implementation of resettlement activities will not be done independently of the formulation and implementation of

the ordinary subproject activities. The resettlement implementation process will, therefore be closely related to the project's organizational and implementation arrangements.

According to this RPF, before any project activity is implemented, people who are affected and have been determined to be entitled to compensation will need to be compensated in accordance to the Resettlement Policy Framework. For sub projects involving land acquisition, it is further required that these measures include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, the taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to displaced persons. For sub projects requiring relocation or loss of shelter, the policy further requires that measures to assist the displaced persons be implemented in accordance with the sub project's RAP. The measures to ensure compliance with this policy directive would be included in the resettlement plans that would be prepared for each sub project involving resettlement or compensation.

To this effect it is important to note that the timing mechanism of these measures would ensure that no individual or affected household would be displaced due to civil works activity before compensation is paid and resettlement sites with adequate facilities are prepared and provided for to the individual or household affected. The resettlement plan shall be reviewed and approved by the local and national authorities, and the World Bank.

## **II PROGRAMS TO IMPROVE OR RESTORE LIVELIHOODS AND STANDARDS OF LIVING**

One paramount principle of the World Bank Safeguards is that where people are negatively affected by project activities, they should be no worse off, if not better off after a resettlement has taken place.

Where impact on land use is such that the sustainability of people's livelihoods may be affected, preference will be given to land for land solutions rather than cash compensation, in conformity with the Zambian legal framework and World Bank OP 4.12.

This also applies to people who are not necessarily physically displaced but who are negatively affected by loss of land. Where necessary, affected people will be monitored in the rehabilitation of their livelihood, during and after resettlement. Livelihood restoration measures will be assessed in the RAPs depending on the situation on the ground. They may include skills development and training.

The Project proponents should identify associations/service providers that could be contracted for work on subproject activities.

## **12 DESCRIPTION OF COMPLAINTS AND GRIEVANCE REDRESS MECHANISMS**

Grievance procedures for programmes such as these in the Zambian context differ depending on the nature of programme being implemented. However, in general terms, it is recommended that any matter decided upon by an authority needs to be taken to the immediate superior authority as an appellant authority. Aggrieved parties also have access to the Arbitration system and when all else fails, have recourse to the court system for settlement of grievances.

In the ESAP and with particular reference to resettlement, once the resettlement plan is approved and individual compensation contracts are signed, affected individuals would have been informed of the process for expressing dissatisfaction and to seek redress. It is however, anticipated that land acquisition would be avoided or at least minimized, thereby reducing complaints arising from loss of land or resources as a result of implementing any sub-project activities.

To this effect the grievance procedure will be simple, administered as far as possible at the local level to facilitate access, flexible and open to various proofs taking into cognizance the fact that most people are illiterate requiring a speedy, just and fair resolution of their grievances. Annex 4 contains a sample grievance submission form that may be adapted for use in RAP and sub-project grievance cases.

Any grievance registered in association with ESAP activities should be documented through the PIU. The PIU is responsible for documenting outcomes through the various grievance channels.

ZESCO/REA will work closely with all communities in the determination of project alignments/sitings, and will consider all locally preferred alternatives from a technical, economic and social perspective.

In those instances where some land is required to improve the alignment lines or creation of off-grid infrastructure, ZESCO/REA/DBZ will fully inform the affected parties, and negotiate fair compensation at full replacement value. Limited acquisition of additional land should result in limited complaints being raised. Nonetheless, as mentioned above, ZESCO/REA/DBZ will institute a multi-level process for resolving any disputes over asset inventories and valuations as recommended in the document. First, on the premise that disputes are most amicably resolved informally at the local level, ZESCO/REA/DBZ will first work through its Environmental Coordinator/Environmental Officer to resolve disputes, which may be referred for resolution to the Local Steering Committee, and finally to the National Steering Committee.

The Complaints shall be forwarded through the Environmental Coordinator Environmental Officer for ZESCO/REA/DBZ. Once received, the Coordinator/ Environmental Officer shall determine whether the complaint can be resolved without the involvement of the committees. If it requires the involvement of the Committees, it shall first be forwarded to the Local Steering Committee. If the Local Steering Committee fails to resolve the issue, then the issue shall be tabled before the National Steering Committee. If it is resolved at that level, then the



Coordinator shall report back to the complainant in writing with a copy to the chairperson of the Local Steering Committee.

In the event that there is dissatisfaction from affected groups that cannot be resolved within the project's proposed grievance resolution process, the committee shall refer the dispute or difference to arbitration within 30 days to be conducted pursuant to the Arbitration Act No. 19 of 2000 and in accordance with arbitration procedures published by the Chartered Institute of Arbitrators Zambia Branch.

- I.1. The arbitration shall be chaired by one arbitrator who shall be appointed by written agreement of both groups. Where the groups fail to agree on an arbitrator, each group shall in writing appoint one arbitrator, and the third arbitrator who shall be the chairman of the arbitration tribunal shall be appointed by written agreement of both groups, and in default of agreement, by the President of the Chartered Institute of Arbitrators Zambia Branch.
- I.2. The decision of the arbitration panel shall be final and binding on the groups.
- I.3. The seat of arbitration shall be Lusaka, Zambia.
- I.4. Nothing shall prevent or delay a party from making claims or seeking injunctive or interlocutory relief in any court of competent jurisdiction in Zambia.

## **National Steering Committee**

### **Composition**

The National Steering Committee shall be composed of:

- Two members from REA and ZESCO at the Assistant/Deputy Director level
- A representative of DBZ at Assistant/Deputy Director level or above
- A representative from the Zambia Environmental Management Agency at the Manager level.
- A representative from Department of Resettlement
- A representative from the Valuation Department
- A representative from the Ministry of Local Government and Housing
- A representative of a relevant Non-governmental Organization
- A representative of the PAP such as Area Member of Parliament and or Council Secretary
- As indicated the Environmental Coordinator shall be the ex-officio member of the committee.

The chair for the committee shall be provided by one of the Assistant/Deputy Directors from REA/ZESCO. The vice-chair shall come from either the Department of Resettlement or Department of Valuation.

The Committee shall decide on the number of times to sit but shall not be less than three sittings per year during the planning and implementation life of the resettlement project.

## **Local Steering Committee**

## Composition

The Local Steering Committee shall be composed as follows

- The Council Secretary, District Planner and Director of Works from the Local Authority
- Two members from REA and ZESCO at the Manager level
- A member of DBA at the Manager level
- A leader of an NGO/CBO in the affected area or adjacent area if the area does not have an active NGO/CBO,
- A representative of traditional leadership in the area.
- Four (4) members from the affected community chosen by the general membership affected by the project including traditional leaders having oversight over affected PAPs ,
- Representatives from particular government that may need to sit on the committee because of the mandate they hold,
- The Area Member of Parliament, and
- Environmental Coordinator who shall be an ex-officio member of the committee and its secretary.

The Council Secretary shall chair the committee at this level.

As the potentially affected people in the project area may be poor and un-educated, the grievance procedures should be simple, accessible, flexible, just, fair and capable of being administered properly with minimum delay. In this regard, the Ministry representative, the Implementing Agency shall keep updated records of entitlements and compensation claims in the project areas, which records shall be consulted to validate claims.

Community Representatives and affected peoples' representatives will be part of the contracts to be signed by the affected persons, and all complaints of non-fulfilment of contracts, levels of compensation and seizure of assets should be addressed to the Local and District Authorities in the area either in person or in writing.

It is expected that the affected individuals, households and communities associated with the conception, design and location of the sub-project activities would have expressed their grievance or dissatisfaction to the relevant authorities prior to the RAP's approvals. In this regard, it is also expected that ZESCO/REA would sensitize the affected persons and communities on Zambia's grievance redress mechanisms which incorporate two integrated approaches namely the Local and National structures; and the Local Government structures, Ward/Village Council, Organisational Structures including laid down Committees as already explained.

Aggrieved parties can air their grievances through the District, Provincial Local Government organs; through Local Government organs such as Village, Wards, and Chiefdoms or through the ESAP governance structures. The grievances shall be transmitted to the Project Office, Ministry of Energy or to the District Commissioner.

## **13 BUDGET AND FUNDING ARRANGEMENTS**

The project's Component C for technical assistance includes an Institutional Development Plan (IDP) for training and capacity building for ZESCO, REA and DBZ. This IDP will include training and capacity building in safeguards, as well as development of Operational Manuals to meet World Bank operational policy requirements and performance standards. Those costs are included in the Component C budget.

At present the location of sites for civil works that may be undertaken as part of this project has not been determined. Furthermore, it is difficult to assess costs given the variation of technology choices, size and spatial density of the mostly rural affected communities. Therefore it is not possible to establish a budget for an expected number of RAPs or ARAPs that will be required, although the number, and compensation amounts associated with each, is expected to be small.

The four categories of resettlement costs that must be estimated when developing the RAP budgets once the impacts have been identified and located are administrative, compensation, RAP planning and implementation costs, and monitoring and evaluation costs.

### ***(a) Administrative Costs***

These include salaries for staff, transportation, office administrative costs (stationery, electricity, water, rentals, communications etc.), operating supplies and other miscellaneous costs. Additional costs will include fees to submit RAPs to ZEMA for review and approval, which are calculated as a percentage of the value of the subproject investment.

### ***(b) Compensation Costs***

These are to be estimated by determining the number of persons, type and value of assets likely to be affected by project activities. This includes cost associated with any potential income restoration activities to PAPs. These costs will be factored into the budgets for the activities under the project. Compensation costs are to be borne by the government independently, and cannot be made using project funds,

### ***(c) RAP Planning and Implementation Costs***

The following costs will have to be estimated under this category when the relevant information is available after the conclusion of site specific socio-economic studies including information on specific impacts, individual and household incomes and numbers of affected persons. Relevant costs are those for inventory assessments, land acquisition, preparation and implementation of Resettlement Action Plans, surveying and valuation of properties and resettling people on alternative lands, buying land and developing it into a habitable settlement. Also to be budgeted for are community development activities such as provision of public services, access roads, etc. Any cost associated with preparation and implementation of RAPs will be borne by the Government as part of the project cost, except for compensation costs (as noted above) which

are borne by Government independently of project funding.

**(d) RAP Monitoring and Evaluation Costs**

These costs relate to monitoring and evaluation activities. Such costs will be part of the project cost.

An illustrative RAP budget template is included in Annex 5. It is intended to be modified to suit the specifics of each sub-project.

Experience from the previous IAES project suggests resettlement and other compensation costs for similar subprojects for the ESAP project will be low. The following table provide indicative compensation costs for some of the subprojects carried out by ZESCO, where data was readily available for certain subprojects. These cases provide indicative measures for the scope and scale of resettlement and asset replacement costs for likely ESAP on-grid subprojects, impacts and costs for ESAP off-grid projects are expected to be even lower, given the smaller footprint of social minigrids and home solar systems (relative to on-grid transmission lines and substation footprints.)

**Table 5 Indicative costs of select IAES on-grid projects.**

S/N	PROJECT	ACTIVITY	COST
1.	Kanyama 33/11kv Substation	<ul style="list-style-type: none"> <li>• Compensation to Garden Group of Hotels for the 1 Acre Plot.</li> <li>• City Council Payment for the Sub Division of the Plot.</li> <li>• Compensation Payment Of Economic Loss for the Trading Entities Affected.</li> <li>• Payment to Government for the Valuation of Bare Land in garden house.</li> </ul>	K152,000.00  K330.00  K115,070.00  K6,500.00
		<b>Sub Total</b>	<b>K273,900.00</b>
2.	Electrification Of Mukonchi Farm Block 33kv/11kv Line	<ul style="list-style-type: none"> <li>• Environmental Project Brief statutory review Fees.</li> <li>• Compensation for Three Parcels of Land for the Substation.</li> <li>• Payment of Property Valuation for Three 30m X 30m Land.</li> <li>• Imprest for a Courtesy Call to the Royal Highness in the Project Area.</li> </ul>	K7,799.00  K45,000.00  K2,500.00

S/N	PROJECT	ACTIVITY	COST
			K1,700.00
		<b>Sub Total</b>	K56,999.00
3.	33kv Line From Kasama Substation To Lukulu	<ul style="list-style-type: none"> <li>• Imprest Given To the Royal Highness during Wayleave Acquisition.</li> <li>• Payment of Review Fees for the Environmental Project Brief.</li> </ul>	K2,550.00
			K7,799.00
		<b>Sub Total</b>	K10,349.00
4.	Electrification Of Mangongo Mission 33kv Line	<ul style="list-style-type: none"> <li>• Review Fees for an Environmental Project Brief.</li> </ul>	K7,799.00
		<b>Sub Total</b>	K7,799.00
5.	11kv Electrification Project at Chief Nsefus Palace and Surrounding Areas in Mfuwe, Mambwe District.	<ul style="list-style-type: none"> <li>• Compensation Payment for Fruit Trees.</li> </ul>	K30,895.00
		<b>Sub Total</b>	K17,554.00
6.	33kv Overhead Line Mongu-Nangula Litabya and Ligati Electricity Project	<ul style="list-style-type: none"> <li>• Compensation Payment for Economic Trees Affected.</li> </ul>	K17,554.00
		<b>Sub Total</b>	K17,554.00
7.	Kaoma	<ul style="list-style-type: none"> <li>• Imprest for a Courtesy Call on Chief Mutondo.</li> </ul>	K2,000.00
		<b>Sub Total</b>	K2,000.00
8.	Up-Rating of the Makululu Township 11kv Line in Kabwe	Compensation Payment to Seven people affected's Fruit and Field Crops Affected.	K3,200.00
		<b>Sub Total</b>	K3,200.00
	<b>GRAND TOTAL OF SELECTED LIST OF PROJECTS</b>		<b>K402,696.00</b>

Source: ZESCO.

## 14 STAGES AND MECHANISMS FOR CONSULTATION WITH AND PARTICIPATION OF AFFECTED PEOPLE IN PLANNING, IMPLEMENTATION AND MONITORING OF RAPS

The need for consultation with relevant stakeholders during planning, implementation and monitoring of RAPs cannot be over emphasized. Discussions should be held in proposed project sites in order to make beneficiaries and stakeholders fully aware of the sub-projects that are proposed for those locations. Stakeholders, including traditional land authorities in project sites

should also be consulted to ensure that negative social impacts, such as the need to displace some families, are minimized and that the selected locations are appropriate for the project.

Public consultation and participation are essential because they afford potential displaced persons the opportunity to contribute to both the design and implementation of the sub project activities in order to promote local ownership of the project for it to be successful.

The sub projects should be initiated, planned, designed, implemented and operated (i.e. demand driven) in close consultation with communities, SME or community groups who by their very nature are members of the community and therefore, are an integral part of and play a crucial role in the community that may be affected. Furthermore, the local community have invaluable local knowledge about conditions needed for the project's successful design and implementation.

### **14.1 Stages of Consultation**

This RPF therefore advocates for extensive public consultation and participation of affected individuals/ households in the planning and implementation of the RAP. Consultation should be a continuous process throughout all stages of the project cycle and RAP namely:

- Project inception and planning, involving choices of alternative designs;
- Screening process and feasibility study, involving assessment of project impacts etc.;
- Undertaking on the social and economic baseline census;
- Preparation of sub-project designs involving resettlement strategies and options, choice of resettlement sites and timing of relocation;
- Preparation of the RAP;
- Planning of resettlement and compensation packages involving decisions on compensation rates, eligibility, entitlements, etc.;
- Drafting and reading/signing of the compensation contracts;
- Payment of compensations; and
- Resettlement activities involving the development of opportunities and initiatives, development of procedures for grievance redress as well as mechanisms for monitoring.

In the process of preparing and implementing the RAPs and sub-project, representatives of the affected people will input their concerns in the processes through discussions on the potential costs of implementing the planned activities, enforcing the RPF provisions, mitigating impacts, rescheduling where necessary, and timing of RAP activities.

### **14.2 Mechanisms for Consultation**

Public consultation and participation shall take place as appropriately scaled to the size of the subproject or service area concerned through various forms and media, including meetings, radio, television, request for written proposals/comments, completion of questionnaires/application forms and explanations of the project ideas and requirements by stakeholders at national, Provincial and District levels. This shall be handled by the Project Implementation Unit. Monitoring of this process would be through the overall monitoring and evaluation mechanism of

the entire ESAP project.

## **15 ARRANGEMENTS FOR MONITORING AND EVALUATION**

Monitoring and evaluation are important in the implementation of a project because they provide feedback needed to detect success challenges and opportunities in the development process.

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

To be effective, the implementation of the provisions of this RPF will require the involvement of the affected communities in the discussions on the development of the necessary measures needed to deal with identified problems and implement the planned activities. In this regard community members shall be involved in the monitoring of the project's activities throughout its planning cycle starting from inception through to impact assessment.

In the case of this RPF, monitoring should ensure compliance with the RAPs provisions. In addition, monitoring should provide regular feedback from stakeholders and beneficiaries, needed for the efficient and effective management of project activities. Furthermore, responses to RAP implementation challenges would be timely if feedback is received regularly.

However, for RPF and RAPs to be implemented efficiently, effectively and to be responsive to issues raised in the feedback meetings, reports etc., a cost effective monitoring system with adequate human, financial and material resources needs to be put in place in order to successfully improve the implementation of sub-project activities.

### **15.1 Scope of Monitoring**

Monitoring of the RPF will be undertaken under the M&E framework of the project and will be done to ensure that project objectives as well as the requirements under the RPF are realised.

#### **15.1.1 Performance Monitoring**

To enable measurement progress against set targets, performance monitoring will be carried out as an internal function by the organization(s) responsible for implementing the RAPs. In this regard performance monitoring reports will be prepared at monthly, quarterly, half yearly and yearly intervals depending on the issues to be monitored. Performance targets in this regard will include:

- Public meetings held;
- Percentage of compensation disbursed,

- Census surveys completed,
- Assets inventories and socio-economic studies completed,
- Proportion of displaced people relocated;
- Standard of living; and
- Income restoration and development activities initiated and completed.

If the volume of work involved in performance monitoring is beyond the capacity of the RAP's implementing organization to carry out, then the monitoring function could be sub-contracted to a consultant.

### **15.1.2 Impact Monitoring**

Impact monitoring to be undertaken by the PIU, or an independent agency, will provide assessments of the effectiveness of the RAP strategies in meeting the affected populations needs. Quantitative and qualitative indicators will be used to compare the effects of the RAPs activities with the baseline conditions of the affected populations before and after the resettlement exercises. The satisfaction of the affected population with the resettlement initiatives will be assessed for their adequacy or deficiency, while the census assets inventories and socio-economic studies will constitute the baseline for the affected population, for the purpose of evaluating impact assessment. Monitoring will determine whether or not PAPs have been able to maintain, or improve, their standard of living.

### **15.1.3 Completion Audit**

Completion audit(s) shall be carried out after the completion of all RAP inputs. The main aim of the completion audit or external monitoring is to assess how far the sub-project implementation efforts have gone in the restoration of the living standards of the affected population and whether the strategies for the restoration for the living standards of the affected people have been properly conceived and implemented.

The following are among the issues that need to be verified in the external monitoring:

- Physical inputs committed in the RAPs,
- Delivery of services provided in the RAPs,
- The effects of Mitigation measures prescribed in the RAPs, and
- The affected populations and host population's social economic status after displacement measured against the baseline conditions after the exercise.

The audit will determine if there are any outstanding issues that need to be addressed. If gaps are identified, the audit will provide recommendations and mitigation measures which will need to be implemented.

This audit should be carried out by an independent entity (e.g. consultancy or NGO) with relevant expertise in M&E of RAPs.



## 15.2 Development of Verifiable Indicators

In order to ensure that the successful monitoring of the impacts of the compensation and resettlement activities for the ESAP, a number of objectively verifiable indicators (OVIs) shall be used. These indicators will be targeted at quantitatively measuring the physical and socio-economic status of the PAPs, to determine and guide improvement in their social wellbeing. Monitoring indicators to be used for the RAP will therefore have to be developed to respond to specific site conditions.

### (a) Indicators to determine status of affected People

A number of indicators could be used in order to determine the status of affected people. This include the area of land being used compared to before, standard of house compared to before, level of participation in project activities compared to before, how many kids in school compared to before, health standards, etc. Therefore, the resettlement and compensation plans should set two major socioeconomic goals with which to evaluate its success:

- Affected individuals, households, and communities are able to maintain their pre-project standard of living, and even improve on it; and
- The local communities remain supportive of the project.

### (b) Indicators to measure RAP performance

In order to access whether these goals are met, the resettlement and compensation plans will indicate parameters to be monitored, institute monitoring milestones and provide resources necessary to carry out the monitoring activities.

The PIU will maintain a complete database on every individual impacted by the subproject land use requirements including relocation/resettlement and compensation, land impacts or damages. The following parameters and verifiable indicators will be used to measure the resettlement and compensation plans performance:

- Number of individuals receiving cash or a combination of cash and in-kind compensation.
- Number of payments made in a month/ year.
- The number of contentious cases out of the total cases.
- The number of grievances and time and quality of resolution.
- Ability of individuals and families to re-establish their pre-displacement activities, land and crops or other alternative incomes.
- Number of impacted locals employed by the activities.

### (c) Indicators to monitor and evaluate implementation of RAPs

Financial records will be maintained by the Ministry and the executing agencies, ZESO/REA, to permit calculation of the final cost of resettlement and compensation per individual or household. Each individual receiving compensation will have a dossier containing:

- Individual bio-data information,
- Number of people s/he claims as household dependents, and
- Amount of land available to the individual or household when the dossier is opened.

Additional information will be acquired for individuals eligible for resettlement/compensation including the following:

- Level of income and of production,
- Inventory of material assets and improvements in land, and
- Debts.

### **15.3 RAP Implementation Schedule**

RAPs should have their time-frames aligned to those of the ESAP in order to ensure that all compensation is paid and any resettlement sites are provided with adequate facilities before PAPs are negatively impacted by project activities.

For successful implementation and as agreed between the Resettlement and Compensation Committee the DDCC, the relevant Council and the Project Management Team; each RAP schedule should include the following:

- Time-frames for transfer of completed civil works to relevant agencies or private operators,
- Dates for possession of land which the PAPs are using, after payment of compensation and other necessary assistance and before any resettlement activity commences; and
- Linkages between RAPs and the sub-projects overall activity implementation.

In the case of grievances relating to resettlement, the RAP should indicate the detailed grievance procedures to follow among the options as highlighted in chapter 12.

## **16 RPF AND RAP IMPLEMENTATION ARRANGEMENTS**

The outlined RPF implementation arrangements which follow are based on the current Zambian institutional arrangements. RPF implementation take place within the overall framework of the ESAP programme implementation arrangements. Should the current institutional arrangements change, then the proposed RPF implementation arrangements should be adjusted accordingly.

As indicted in the section on budget and financing arrangements, all costs associated with RAP planning, implementation, monitoring and evaluation will be borne by the Government through the project, except for compensation costs, which must be funded independently by Government

The institutional roles and responsibilities of the various institutions in Project implementation have been defined and described previously in this document. In terms of responsibility for RAP

implementation arrangements, REA is the implementing agency, with overall safeguard responsibility for the project any resettlement-related activities. However ZESCO will have responsibility for implementing any resettlement activities required for on-grid subprojects, while REA will have overall responsibility for any resettlement activities occurring under Component B offgrid subprojects, except where DBZ will also play a role as Financial Intermediary in ensuring safeguards, including resettlement activities (if any) are met by projects that it finances. When the scope of activities and role of players in Component B Phase 2 is determined, it is possible that responsibility for carrying out resettlement action planning and implementation may be delegated to private operators, through explicit contractual terms to be established at that time.

The respective PIUs will be responsible for undertaking internal compliance monitoring and impact mitigation measures, whereas external compliance monitoring shall be conducted by an appointed external entity. The PIUs must ensure submission of reports on work progress and any challenges in observing the Environmental and Social Safeguards. The monitoring results should form a major part of the reports to be submitted to MoE, the World Bank and shared with ZEMA where applicable.

Other government agencies that may be involved in carrying out resettlement activities, if needed, include the following:

**(a) Ministry of Energy (MoE)**

MoE is the main RPF agency at the national level and will be the ultimate custodian of all relevant information, including compensation records regarding RPF policies and strategies, with the Department of Energy as focal point and the PIUs within REA, ZESCO and DBZ as the implementing agencies. MoE, through the REA PIU, will liaise with the Ministry of Local Government and Housing and the Resettlement Department of the Office of the Vice President (OVP) to ensure compliance with the RPF's physical planning and resettlement provisions.

**(b) Ministry of Lands**

The Ministry of Lands through the Department of Lands and Surveying will be involved in the conversion of traditional land into state land (if required), alienation of land and allocation of plots; and survey and demarcation of lands earmarked for sub-project development and/or compensation.

**(c) Ministry of Local Government (MLG)**

The MLG through relevant City, Municipality, and District Councils and its Departments of Physical Planning and Housing (DPPH), Government Valuations Department (GVD), Department of Local Government Administration (DLGA) will provide a variety of services at ward and district levels such as resettlement planning, lay-out planning, valuation of land and other assets, the approval of Council by-laws needed necessary for project implementation, establishment and revamping of Council Committees, selection of resettlement sites, involvement in the conversion of traditional land into state land (where for example customary land may need to be acquired on a permanent basis by GRZ/ZESCO to establish a substation), provision of services to the new sites, re-organisation and allocation of plots, conflict resolution at ward and council levels, disbursement of compensation; and provision of other support services to PAPs as stipulated in this RPF.

Through its Department of Valuation, MLG will also provide valuation services for resettlement and compensation purposes, in addition to private valuers, and in accordance the Zambian Constitution, the Land Acquisition Act, the Agricultural Lands Act, etc.

Furthermore, MLG will review and monitor the implementation of RAPs by the Councils to ensure that they adhere to relevant national and local by laws.

## ANNEX I: LIST OF STAKEHOLDERS CONSULTED DURING THE PREPARATION OF THE RPF AND ESMF

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## ANNEX 2: RESETTLEMENT AND COMPENSATION SCREENING CHECKLIST

Sub-project name:

Sub-project Location (e.g. Municipal Council / Location)

(Include map/Sketch):

Type of activity (e.g. on grid installations, offgrid installations, new

construction, rehabilitation, periodic maintenance): Estimated Cost (\$ USD):

Proposed Date of Commencement of Work:

Issue	Site Sensitivity (provide specific examples why this level of sensitivity is selected)			Rating (low, moderate, high risk)
	Low	Medium	High	
Loss of land by private owners				
Loss of household or business structures				
Loss of rental accommodation by renters				
Permanent or temporary loss of crops, fruit trees and household infrastructure				
Loss of community structures (churches, schools, community meeting areas)				
Other				

### 1. Physical data:

Yes/No answers and bullet lists preferred except where descriptive detail is essential

Site area in ha:

Extension of or changes to existing land use:

Any existing property to transfer to sub-project?

Any plans for new construction?

Refer to project application for this information

## **6. Public participation/ information requirements**

Has consultation been completed? Yes\_\_\_No\_\_\_\_\_

Indicate the time frame of any outstanding consultation process.

## **7. Land and resettlement**

What is the likelihood of land purchase for the sub- project?

How will the proponent conduct the land purchase?

What is the likelihood of people losing income or property due to sub-project implementation?

Approximately how many households will be affected by the need for physical or economic relocation (temporary/permanent)? Use estimated ranges if necessary.

Approximately how many persons will be affected by the need for physical or economic relocation (temporary/permanent)? Use estimated ranges if necessary.

What level and type of compensation is planned?

Who will monitor actual payments?

## **Recommendations:**

Requires a RAP or ARAP to be submitted on date: \_\_\_\_\_

Does not require further study for resettlement: \_\_\_\_\_

Reviewer Name, Title, Organization: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**RECOMMENDATION OF PIU (or other entity conducting Screening exercise)**



Circle one of the following screening recommendations:

- 1. RAP is required (more than 200 people affected)**
- 2. ARAP is required (less than 200 PAPs)**
- 3. No resettlement or compensation plans are needed**

Signed: \_\_\_\_\_ (PIU Coordinator)

Date: \_\_\_\_\_

## **ANNEX 3 - FORMAT OF RESETTLEMENT ACTION PLAN**

**(Source: ZEMA)**

### **1. Executive Summary**

The Executive Summary should provide a short (1-2 page) summary of the Resettlement Action Plan (RAP). It should provide a brief outline of the main characteristics of the project. It should summarize the information on the area and numbers of people affected by the project, eligibility criteria, the proposed compensation or rehabilitation assistance measures, public consultations, the institutional and legal framework for implementation of the Resettlement Action Plan, cost of resettlement and proposed timing for the plan.

### **2. Introduction**

The introduction should provide a general description of the project and the components responsible for displacement. It should include a summary of the relevant background information on the project, the area and people affected, and the resettlement program. It should cover the following:

- Description of the project and its location;
- Analysis of Alternatives, justifying the need for displacement;
- Objectives of the resettlement project;
- Overall estimates of land acquisition and resettlement.

### **3. Census and socio-economic surveys**

The surveys should cover the following:

- Area directly or indirectly affected by the project, distinguishing types of land and any other areas affected.
- People directly affected by category: Clearly identify: i) all people affected by loss of land and/or productive assets (occupiers), including those that reside in the affected area **and** those who reside outside, ii) all those people affected by loss of housing, and iii) all other people who may be affected by loss of employment (labourers, service providers), income (retail outlets, small enterprises), or other assets (access to areas for fishing, grazing, firewood).
- Any vulnerable or “high-risk” groups or sectors that may be affected (indigenous peoples, households headed by single women, the elderly, children).
- Relevant social and cultural information, ethnic groups, language, formal and informal groups and organizations (co-operatives, NGOs, religious organizations) that may be relevant to consultation and implementation of the resettlement plan.
- Land tenure and/or ownership rights of the affected population
- Land holdings of affected population
- Agricultural production, livestock, and other on-farm income.
- Communal productive assets that may be affected
- Other economic activities – any local employment that may be affected.
- Household income levels and expenditure. This should include an analysis of the cost of basic services, such as water, sewerage, electricity, and local taxes.

- Public infrastructure and social services that will be affected
- Give formats and tables for census surveys
- Provide outlines for socio-economic survey
- Summarize process for consultations on the results of the census surveys
- Describe need and mechanism to conduct updates, if necessary

#### **4. Definitions and Eligibility Criteria**

This section should provide a comprehensive description of the eligibility criteria for the compensation program (who will receive compensation or rehabilitation assistance and how will the compensation or rehabilitation assistance be structured). Definitions should be legally valid. It is important to have the following definitions:

- Household – define what constitutes an independent household, eligible to receive the benefits of the compensation or rehabilitation assistance program.
- Cut-off date, after which any new entrants to the affected area will no longer be eligible for compensation or rehabilitation assistance, should be provided.
- Other definitions such as Displaced persons or project affected persons, security of tenure, livelihood, host community, replacement cost, rehabilitation assistance, involuntary resettlement, high risk group etc. should be included.

There should not be too long a gap between the “cut-off date” and the date that the displacement takes place.

#### **5. Policy, Organisational and Institutional Framework**

The institutional framework should show entitlements of affected persons, under applicable laws and regulations, and should include:

- Laws and regulations dealing with valuation methodology, and payment of compensation or rehabilitation assistance
- Laws dealing with rights of affected persons under the judicial process, dispute resolution and alternative mechanisms;
- Relevant laws relating to land ownership, land tenure, acquisition and transfer
- Laws and regulations dealing with the access and use of natural resources.
- Laws dealing with social welfare and
- Laws that ensure implementation of resettlement activities, including procedures for recognizing claims to land rights and inheritance.

The organisational framework should cover the following:

- Identify and discuss the appropriate authorities and traditional leadership directly involved in the Resettlement plan
- Organisation (s) to finance the resettlement program;
- Organisation (s) to carry out valuation, negotiation and payment of compensation for land and property;

- Organisation (s) mandated to resolve problems relating to irregular land/house titles;
- Organisation (s) to communicate and coordinate with affected people, local authorities, NGOs, and other organizations;
- Organisation (s) mandated to deal with complaints and arbitration;
- Organisation (s) to carry out monitoring and evaluation.

In addition to the above:

- Describe the project resettlement unit – functions and organizational structure of the unit and coordination relationship
- State how coordination issues will be addressed in cases where resettlement is spread over a number of jurisdictions.
- Identify who will coordinate all agencies-with the necessary mandate
- State when the project resettlement unit will be staffed.
- Describe plans for training and development of staff in the resettlement unit/local agencies.
- Discuss initiatives taken to improve the long term capacity or resettlement institutions
- the institutions responsible for delivery of each item/activity in the entitlement policy
- Describe the project resettlement unit – functions and organizational structure of the unit and coordination relationship
- State how coordination issues will be addressed in cases where resettlement is spread over a number of jurisdictions.
- Identify who will coordinate all agencies-with the necessary mandate
- State when the project resettlement unit will be staffed.
- Describe plans for training and development of staff in the resettlement unit/local agencies.
- Discuss initiatives taken to improve the long term capacity or resettlement institutions

## **6. Resettlement sites**

- Does the project need community relocation? Have these been approved by the PAPs?
- Give layouts and designs of residential sites
- Have the PAPs agreed to the strategy for housing replacement? Have the selected sites been explicitly approved by the PAPs describe the specific process of showing the sites to the PAPs and obtaining their opinion on them.
- Describe the technical and feasibility studies conducted to determine the suitability of the proposed sites.
- Is the land quality/area adequate for allocation to all of the PAPs eligible for allocation of agricultural land?
- Give calculations relating to site requirements and availability.
- Describe mechanisms for (i) procuring, (ii) developing and (iii) allotting resettlement sites
- Provide detailed description of the arrangements for site development for agriculture, including funding of development costs.
- Carry out an assessment of possible impacts on the receiving environment.

## **7. Consideration of Alternatives**

Give a detailed description of alternatives considered giving reasons why the best option was considered. To provide justification for the best option, you may consider what proportion of the overall cost of the project responsible for displacement is represented by the resettlement program. The idea is to minimize physical displacement. Alternatives for compensation, giving reasons for choice of compensation method.

## **8. Compensation and Rehabilitation Assistance**

The compensation or rehabilitation assistance should ensure that people are not worse off but that their livelihood is comparable or better thereafter.

### **8.1 Asset Restoration**

Compensation or rehabilitation assistance should cover:

- Compensation or rehabilitation assistance for loss of land (total loss, loss of viable holdings, partial loss, restrictions on use, such as transmission lines, conservation areas); and
- Compensation or rehabilitation assistance to replace lost housing (owners, tenants, occupants).

### **8.2 Income restoration**

- Briefly spell out the main restoration **strategies** for each category of impacts, and describe the institutional, financial and technical aspects.
- Describe the process of consultation with project affected persons (PAPs) to finalize strategies for income restoration
- How do these strategies vary with the area/locality of impact?
- Are the compensation entitlements sufficient to restore income streams for each category of impact? What additional economic rehabilitation measures are necessary?
- Does income restoration require change in livelihoods, development of alternative farmlands, etc., or involve some other activities, which require a substantial amount of time for preparation and implementation?
- How does the action plan propose to address impoverishment risks?
- Are choices and options built into the entitlements? If so, what is the mechanism for risk and benefit analysis of each option? What is the process of ensuring that PAPs have knowledge about alternatives and can make informed decisions? Is there a mechanism to encourage vulnerable groups among PAPs to choose lower risk options such as support in kind rather than cash?
- What are the main institutional and other risks for the smooth implementation of the resettlement programs?

### **8.3 Negotiation procedures**

- Detailed description of the resettlement options considered and reasons why a particular option was chosen,
- Procedures for identifying and preparing relocation sites where applicable, and criteria to ensure that the relocation sites are comparable to, or better than those affected;
- Institutional arrangements for regularizing tenure and transferring or issuance of titles to resettled households, and where this involves repayments, the plan should demonstrate that the affected families will be able to pay;
- Measures to prevent land speculation, or invasion of the affected areas and/or proposed resettlement sites;
- Detailed description of the housing and service solutions, with analysis of likely choices, and any potential problems (costs of service provision, maintenance, taxes, style of housing), and the plan should take population growth into account, and, as appropriate, should present the proposals for site development, and the engineering and architectural designs for the facilities;

#### **Dispute settlement and arbitration procedures;**

- Compensation or rehabilitation assistance measures for loss of income (permanent crops, pasture, retail outlets, industry and services);
- Compensation or rehabilitation assistance for social and/or public infrastructure;
- Impact of affected families on “host” populations, and measures to avoid potential conflicts; and
- Facilities required for accommodating demand from influx of construction workers (health services, schooling, etc).

### **9. Transitional Arrangements**

Transport to new sites. This should address compensation for the cost of transport, or, where relevant, provision of adequate transport for the affected families, their personal effects, equipment, livestock, and housing materials. If necessary it would cover arrangements or contingency plans for temporary accommodation.

- Timing of the move. Where appropriate, this should consider the timing of resettlement in relation to the agricultural cycle.
- Compensation or rehabilitation assistance for temporary loss of income or productive assets. This would include temporary loss of clientele for retail outlets, compensation for farmers who lose an agricultural season. The description should cover eligibility, valuation procedures, timing, and procedures for dispute resolution.
- Compensation for legal costs including regularization of titles to the land or housing that is lost, and costs related to the acquisition of replacement land or housing.

## **10. Social and Environmental Impacts of the Resettlement Program**

This section should discuss the social and environmental impacts of the resettlement program, **not** the impacts of the project that is causing the resettlement. For example, impacts may include:

- New Housing construction: Impacts may arise from the housing program, including temporary construction impacts and long term impacts, particularly relating to the sources and use of water, sewage, street drainage, and the disposal of solid waste;
- Impact of resettled population on local services (health, schooling);
- Impact of resettled population on the host population (especially vulnerable populations, such as indigenous peoples);
- Impacts on natural resources, such as the collection of firewood, impacts on fisheries or wildlife;
- Potential public health issues, epidemiological vigilance and control measures (include impact of work camps on the affected population, impact of affected population on host populations);
- Impact of income restoration projects, such as agricultural and livestock programs that have the potential for deforestation, soil erosion, and the use of agro-chemicals and/or small industries may affect water use or have a potential for contamination; and Health and safety issues related to the income restoration programs.

This section should also describe the measures to mitigate the impacts identified above.

## **11. Public Consultation**

The Resettlement Action Plan should describe the consultations that have taken place, summarising the principal issues that were identified, and/or agreements that were reached to address these issues. The plan should show how the consultation exercise was carried out and should cover the following:

- The proposed procedures for consultation, public disclosure and communication of information about the project and the Resettlement Action Plan; Institutional responsibility for organising consultation and social communication;
- Detailed description of the program, achievements to date, and timetable for future activities;
- Stakeholders involved in public consultation, including in particular the affected population, potential representatives of the affected population, and vulnerable groups.
- Measures to review, summarise and disclose the results of the public consultations;
- Institutional arrangements to ensure that affected people can communicate their concerns to project authorities throughout planning and implementation, including grievance procedures for issues other than compensation; and
- Proposals for public involvement in monitoring and evaluation.

## **12. Schedule**

The Resettlement Action Plan must include a timetable for implementation. This is usually presented in the form of Gantt charts. The timetable should show:

- The timing of all the activities identified in the Resettlement Action Plan, including, as appropriate, the baseline studies (for areas affected by the compensation program), cut-off dates, valuation of land/property/crops, assessment of loss of earnings, payment of compensation, move to the new site (displacement date), economic rehabilitation programs, construction of housing

and infrastructure at the new site, and social and technical assistance programs.

- The linkages between resettlement implementation and commencement of the proposed project for each of the project components.

### **13. Costs and budgets**

The Resettlement Action Plan should provide an accurate estimate of the costs of the different components, along with the schedule for disbursements. This schedule of disbursements is essential to ensure that sufficient funds are available, at the right time, and to control expenditure during implementation of the plan. The section on costs should include the following:

- Estimated cost for each component and sub-component of the resettlement action plan (land acquisition and compensation, housing, social infrastructure, economic rehabilitation, training);
- Estimated cost for each component, broken down by expected month/year of disbursement;
- Cost of contractors required for implementation of the program or sub-programs (where these are contracted out); and
- Overheads, by institutions involved in RAP implementation and monitoring, and by month/year (staff costs, office and running costs, transport).
- Clear statement of financial responsibility and authority.
- Ensure that the cost of resettlement is included in the overall project costs.
- Prepare a cost-wise, item-wise budget estimate for the entire direction of resettlement implementation, including administrative expense, monitoring and evaluation and contingencies.
- List the sources of funds and describe the flow of funds.
- Describe the specific mechanisms to adjust cost estimates by the inflation factor.
- Describe provisions to account for physical and price contingencies.

### **14. Grievance redress**

- Describe the step-by-step process for registering and addressing grievances
- Provide specific details regarding registering complaints, response time, communication modes, etc.
- Describe the mechanism for appeal

### **15. Monitoring and Evaluation**

The Resettlement Action Plan should include the following information in relation to monitoring and evaluation:

- Institutional responsibilities for monitoring and for evaluation;
- Indicators used for monitoring of project implementation (valuations, negotiations, payment of compensation, resettlement, provision of housing/services, productive projects, communication program);
- Indicators used for monitoring compensated and/or resettled households (quality of replacement assets, including land, housing, and productive assets; income levels, subsistence production, health indicators, educational indicators, etc);
- Describe institutional (including financial) arrangements;
- Describe frequency of reporting and content for internal monitoring;
- Describe process for integrating feedback from internal monitoring into



implementation;

- Describe financial arrangements for external monitoring and evaluation, including process for awarding and maintenance of contracts for the duration of resettlement;
- Describe methodology for external monitoring;
- Define key indicators for external monitoring, focussing on outputs and impacts;
- Describe frequency of reporting and content for external monitoring; and
- Describe process for integrating feedback from external monitoring into implementation.

## **16. Maps and Appendices**

The Resettlement Action Plan should include detailed maps, showing the location of the project and the area affected. It is useful to have detailed maps showing the landholdings in the affected area and land use (rural areas).

The appendices should include any detailed relevant legal documents, agreements, Asset valuation report, etc.

## Annex 4: RAP Grievance Registration Form

### GRIEVANCE REGISTRATION FORM

Plaintiff: \_\_\_\_\_

ID Number: \_\_\_\_\_

Contact Information: \_\_\_\_\_  
(Ward; mobile phone)

Property Contested: \_\_\_\_\_  
(Type, e.g. land, structure, house)

Location : \_\_\_\_\_

Description of Property : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Nature of Complaint

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Record of Prior Contacts and Discussions of Issues to Date:

Date	Individuals Contacted	Summary of Discussions

Signed (Plaintiff):\_\_\_\_\_ Date : \_\_\_\_\_

Signed (Filer of Complaint): \_\_\_\_\_

Name of Person Filling in Complaint: \_\_\_\_\_  
(if different from Plaintiff)

Position or Relationship to Plaintiff:\_\_\_\_\_ Date : \_\_\_\_\_

**Review of Complaint by Community Development Committee (or other entity designated for ESAP  
RAP Grievance Resolution**

Date of Conciliation Session: \_\_\_\_\_

Was Plaintiff Present?:    Yes        No

Topic: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Was field verification of complaint conducted?:    Yes        No

Findings of field investigation :

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Summary of Conciliation Session Discussion:

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Was agreement reached on the issues?    Yes    No

If agreement was reached, detail the agreement below:

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

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Signed: \_\_\_\_\_  
            Chairperson, CDC

Signed: \_\_\_\_\_  
            Plaintiff

Signed: \_\_\_\_\_  
Member, CDC

Signed: \_\_\_\_\_  
Member, CDC

Signed: \_\_\_\_\_  
Member, CDC

Signed: \_\_\_\_\_  
Member, CDC

Date : \_\_\_\_\_

## **Annex 5 - Grievance Registration Form - Review of Complaint by Project Implementation Unit**

Date of Conciliation Session: \_\_\_\_\_

Was Plaintiff Present?    Yes    No

Topic:

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Was field verification of complaint conducted?:    Yes    No

Findings of field investigation:

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Summary of Conciliation Session Discussion:

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Was agreement reached on the issues?:    Yes    No

If agreement was reached, detail the agreement below:

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

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signed:

\_\_\_\_\_  
PIU Coordinator

Signed: \_\_\_\_\_  
Plaintiff

Signed: \_\_\_\_\_  
PIU Member

Date: \_

## Annex 6: Sample Budget Template for the RAP

No.	Item (detail as appropriate)	Comments	ZMK	US Dollars	%
<b>A COMPENSATION</b>					
A.1	Compensation for Land for Agricultural	Based on average price per hectare as per the market survey per x No of Ha x Affected households			
A.2	Compensation for Destruction and lost crop production (owners and tenants)	Based on average production and rates provided by Ministry of Agriculture			
A.3	Compensation for loss of dwellings (Buildings ) and Structures	Based on replacement value per M2 x total area of dwellings x No of affected households			
A.4	Compensation for house plots (individual and community)	Based on average price of land per ha x no. of affected households			
A.5	Compensation for trees	Based on inventory of trees per affected households and market value per variety			
A.6	Compensation for loss enterprises	Based on estimate of revenue loss during relocation of enterprise to new site			
A.7	Compensation for loss of access to pastoralists, fishing etc	Based on the resources lost due to relocation			
A.8	Contingencies – other compensation (e.g. moving, disturbance allowance)	A standard allowance based on the enterprise / house value			
	<b>TOTAL COMPENSATION</b>				x%
<b>B INVOLUNTARY RESETTLEMENT</b>					



No.	Item (detail as appropriate)	Comments	ZMK	US Dollars	%
B.1	Land acquisition for resettlement	Based on the area and current market value per ha or acre			
B.2	Cost of Site planning resettlement land development	Based on the current rates of land development costs (surveying, demarcation, registration, master plan development etc)			
B.3	Infrastructure	Drainage & Sewerage, roads, security, community centres etc			
B.4	Housing construction	Based on the current rates of construction			
	<b><i>TOTAL INVOLUNTARY RESETTLEMENT</i></b>				x%
<b>C ADDITIONAL MITIGATION MEASURES</b>					
C1	Livelihood restoration measures	Compensation for loss of income to match pre-existing conditions			
C2	Vulnerable groups	Cost of special assistance to support vulnerable groups			
C3	Coordination of additional mitigation measures	Cost of training, assistance to job training etc			
C4	Grievance dispute mechanism/process	Cost of setting up grievance / screening process			
	<b><i>TOTAL ADDITIONAL MITIGATION MEASURES</i></b>				x%
<b>D CAPACITY BUILDING AND IMPLEMENTATION COSTS</b>					

No.	Item (detail as appropriate)	Comments	ZMK	US Dollars	%
D1	Surveying and asset identification	Cost of surveying services to establish land ownership			
D2	Valuation	Cost of land valuation			
D3	Coordination and supervision of works	Overhead costs to coordination of activities in the field			
D4	Legal advice	Cost of legal services			
D5	Monitoring and Evaluation	Cost of M&E per quarter x no of quarters for monitoring			
D6	Capacity-Building/Training/Technical Assistance	Cost of training the local people and assistance required during project implementation such as credit etc = No of people x cost per person			
	<b>TOTAL CAPACITY BUILDING &amp; IMPLEMENTATION</b>				x%
<b>E OPERATIONS</b>					
E.1	Salaries	Management, junior staff involved in RAP process			
E.2	Office / Administration	Cost of equipment, supplies and communications			
E.3	Transportation	Includes cost of vehicles and maintenance			
E.4	Consulting services	RAP Preparation including mapping, census and surveys, consultation, M&E Framework etc			
E.5	Miscellaneous	Travel allowances, public meetings, etc			

No.	Item (detail as appropriate)	Comments	ZMK	US Dollars	%
	<b><i>TOTAL OPERATIONS</i></b>				x%
	<b><i>TOTAL A - E</i></b>				
<b>F ADDITIONAL CONTINGENCIES (10% OF TOTAL COST)</b>					x%
<b>GRAND TOTAL</b>					<b>100%</b>