
	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 1 of 121

Salima Livelihood Restoration Plan

Document Number: JCM-ESG-MS-LRP-1.0

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 2 of 121

Document Version Control

Date	File Name	Prepared By	Approved By	Notes
2018-10-10	JCM Malawi_LRP Report_Master_V2	ERM: Natasha Ezekiel.	ERM: Chris	Draft report for JCM review
2018-10-24	JCM Malawi_LRP Report_Master_V2_JCM REV	JCM: Alan Cochran	N/A	JCM review
20181123	JCM Malawi_LRP Report_Master_V6	ERM, Natasha Ezekiel.	ERM: Chris Johnstone	Revised draft report for JCM review
2019-01-11	JCM Malawi_LRP Report_Master_V6_LvdM_110120 19	JCM: Liza van der Merwe	N/A	JCM review
2019-01-14	JCM Malawi_LRP Report_Master_V6_LvdM_140120 19	JCM: Liza van der Merwe	N/A	JCM review
2019-03-12	JCM Malawi_LRP Report_Master_V6_LvdM_140120 19_ABM 12 March	ERM: Ashely Morse	ERM: Chris Johnstone	Revised draft report for JCM review
2019-05-10	JCM Malawi_LRP Report_Master_V7_LvdM_100520 19	JCM: Liza van der Merwe	N/A	JCM revision of draft report
2019-05-17	JCM Malawi_LRP Report_Master_V7_LvdM_Ac rev	JCM: Alan Cochran	N/A	JCM internal review of draft report
2019-06-18	JCM Malawi_LRP Report_Master_V8_June2019	JCM: Liza van der Merwe	N/A	JCM revision of draft report
2019-07-04	JCM-ESG-MS-LRP-1.0	JCM: Alan Cochran	JCM: Alan Cochran	Final report for release




	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 3 of 121

Table of Contents

Executive Summary	11
Introduction	11
Land Acquisition	11
Stakeholder Identification	12
Engagement Activities	13
Baseline.....	13
Impacts and Mitigation Measures.....	14
Eligibility and Entitlements.....	15
Livelihood Restoration.....	17
Institutional Arrangements	17
Monitoring and Evaluation.....	18
Indicative Costs and Schedule	18
Way Forward	18
1 Introduction.....	20
1.1 Context	20
1.2 Land Acquisition	21
1.3 Project Studies Undertaken to Date.....	26
1.4 Scope and Approach.....	26
1.5 Report Structure	30
2 Project Overview and Alternatives.....	31
2.1 Project Description	31
2.2 Project Alternatives	31
3 National and International Requirements	34
3.1 Malawi Requirements	34
3.2 International Finance Corporation Performance Standards.....	36
3.3 Comparative Analysis of National and International Requirements	36
4 Stakeholder Engagement	47
4.1 Stakeholder Identification	48
4.2 Engagement Activities	52

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 4 of 121

4.3	Grievance Mechanism	56
4.4	Monitoring and Reporting.....	56
5	Socio-Economic Baseline.....	56
5.1	Geography and Administrative Structure	58
5.2	Demographics.....	62
5.3	Gender Context	65
5.4	Vulnerable Groups.....	67
5.5	Education and Literacy	71
5.6	Economy, Livelihoods and Income	73
5.7	Access to Public Services and Infrastructure.....	80
5.8	Health	83
5.9	Community Development Needs and Priorities.....	86
5.10	Summary of Key Quantitative/Qualitative Data	87
6	Impacts	88
6.1	Introduction.....	88
6.2	Summary of Affected Assets	89
6.3	Impacts related to Loss of Traversing Rights.....	91
7	Eligibility and Entitlements.....	93
7.1	Introduction.....	93
7.2	Identification of Eligible Groups.....	93
7.3	Determination of Entitlements	94
7.4	Entitlements Matrix.....	98
7.5	Support in Identification of Replacement Land	99
8	Livelihood Restoration Initiatives.....	105
8.1	Introduction.....	105
8.2	Livelihood Restoration Initiatives Options	105
9	Institutional Arrangements	110
9.1	Two-Tier Management Structure.....	110
10	Monitoring and Evaluation.....	114
10.1	Internal Monitoring	115
10.2	External Evaluation.....	116

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 5 of 121

11	Indicative Cost Estimate and Implementation Schedule	117
11.1	LRP Implementation Cost Estimate	117
11.2	Implementation Schedule	118
12	Way Forward	119
12.1	Compensation Payment Verification	119
12.2	Assessment of PAPs Since Compensation	119
12.3	Design and implement Livelihood Restoration Initiatives	120
12.4	Monitoring of Livelihood Restoration Initiatives	120

List of Figures

Figure 1: Project Affected Area and Plot Surveys	22
Figure 2: LRP Process	27
Figure 3: Photographs of Meetings	29
Figure 4: Site Selection Process	32
Figure 5: Impacted Structure in the Transmission Line Wayleave and Approved Diversion	33
Figure 6: Engagement Timeline	52
Figure 7: Photos of the Entitlements Disclosure Opening Meeting	55
Figure 8: Institutional Structure	60
Figure 9: Number of Household Members	63
Figure 10: Head of Household Age	64
Figure 11: Number of Plots accessible by Affected Households	74
Figure 12: Number of Plots by Size	75
Figure 13: Reasons for Household Food Shortages	76
Figure 14: Food Shortages by Month	77
Figure 15: Priority Livelihood Strategies	78
Figure 16: Income Levels	79
Figure 17: Ability to Make Ends Meet	79
Figure 18: Household Economic Situation	80
Figure 19: Boreholes in Kanzimbe and Mayambo Villages	81
Figure 20: Latrines in Kanzimbe and Mayambo Villages	82
Figure 21: Reported Health Issues	85
Figure 22: Households Visiting a Health Facility	86
Figure 23: Community Development Priorities	87
Figure 24: Map of Access Routes	92
Figure 25: LRC Representatives	99
Figure 26: Potential Replacement Land	101
Figure 27: Potentially available Replacement Land	102
Figure 28: Purchasing of Replacement Land	103


	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 6 of 121

Figure 29: Malawi Crop Calendar	105
Figure 30: Livelihood Restoration Options.....	106
Figure 31: Institutional Structure	111

List of Tables

Table 1: Summary of Affected Assets.....	21
Table 2: Timeline of Land Acquisition Activities.....	23
Table 3: Household and Asset Surveys undertaken for Phase II Land Acquisition	29
Table 4: Malawi Requirements.....	34
Table 5: IFC PS5 Requirements.....	36
Table 6: Comparison between National and International Requirements	37
Table 7: IFC Guiding Principles of Stakeholder Engagement	47
Table 8: LRP Stakeholders	49
Table 9: Corrective action required based on event severity	57
Table 10: Community Based Organisations	61
Table 11: Types of Community Based Organisations in the Project Area.....	61
Table 12: Reported Population in the Project Area	63
Table 13: Gender Indicators	65
Table 14: Vulnerability Framework	69
Table 15: Access to Education	71
Table 16: Distance to Healthcare Facilities	84
Table 17: Summary of Key Quantitative Indicators	87
Table 18: Summary of Affected Assets.....	90
Table 19: Cash Compensation Rates (amounts provided in Malawian Kwacha).....	96
Table 20: Eligibility and Entitlements Matrix	98
Table 21: GVH and Extent of Potential Replacement Land.....	102
Table 22: LRP Implementation Costs.....	117


List of Annexures

Annex A	MoL Compensation Reports for Phase 1 and 11
Annex B	List of Social Baseline Data Collection Activities
Annex C	Household and Asset Survey Templates
Annex D	LRP SEP
Annex E	Cut-Off Date Notification
Annex F	List of Impacted Trees

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 7 of 121


Acronyms

CBO	Community Based Organisation
CSR	Corporate Social Responsibility
DC	District Commissioner
DLO	District Land Officer
EAD	Environmental Affairs Department
EGENCO	Electricity Generation Company of Malawi
ERM	Environmental Resources Management
ESCOM	Electricity Supply Corporation of Malawi Limited
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
FGD	Focus Group Discussion
FEPDD	Finance, Economic Planning and Development Department
GVH	Group Village Headman
HH	Household
IFC	International Finance Corporation
KII	Key Informant Interview
LACS	Land Acquisition and Compensation Support
LGRD	Local Government and Rural Development
LRP	Livelihood Restoration Plan
MERA	Malawian Energy Regulatory Authority
MoGSW	Ministry of Gender and Social Welfare
MoIWD	Ministry of Irrigation and Water Development/ Water Department
MoL	Ministry of Lands
NGO	Non-Governmental Organisation
NREMD	Natural Resources, Energy and Mining Department
OPGW	Optical Ground Wire
OPIC	Overseas Private Investment Corporation
PV	Photovoltaic
RAP	Resettlement Action Plan
SEP	Stakeholder Engagement Plan
VDC	Village Development Committee
VH	Village Headman
UNWFP	United Nations World Food Programme
WB	World Bank
WWEC	Waste, Water and Environment Consultancy


	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 8 of 121

Glossary


Affected Area	The area which is being acquired through this resettlement /expropriation process.
Affected Household / Community	Any household/community who, as a result of the implementation of the Project, loses the right to own, use or otherwise benefit from an asset or a resource, either in full or in part and either permanently or temporarily.
Associated Facility	Facilities that are essential to the construction or operation of an IFC-financed project but are not themselves part of the overall development. The IFC policy on involuntary resettlement is intended to apply to resettlement induced by the implementation of such facilities.
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.
Cut-off date	Date of completion of the census and assets inventory of persons affected by a project. Persons occupying the project area after the cut-off date are not eligible for compensation and/or resettlement assistance. Similarly, fixed assets (such as built structures, crops, fruit trees, and woodlots) established after the date of completion of the assets inventory, or an alternative mutually agreed on date, are not be compensated.
Host population	People living in or around areas to which people physically displaced by a project will be resettled who, in turn, may be affected by the resettlement.
Economic displacement	Loss of income streams or means of livelihood resulting from land acquisition or obstructed access to resources (land, water, or forest) resulting from the construction or operation of a project or its associated facilities.
Grievance mechanism	A mechanism to receive and facilitate resolution of affected communities' concerns and grievances.
Implementing agency	An agency or partner procured to provide specific services to implement initiatives of the Livelihoods Restoration Plan.
International Requirements	The term international requirement is used in the sense of the standards for managing projects required by Equator Principle Banks/EPFIs or IFC. Particularly relevant to this LRP is IFC Performance Standard 5.
Land expropriation	Process whereby a public authority, usually in return for compensation, requires a person, household, or community to relinquish rights to land that it occupies or otherwise uses.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 9 of 121

Livelihood	The full range of means that individuals, families, and communities utilise to make a living, such as wage-based income, agriculture and petty trade.
Livelihood Restoration Plan (LRP)	A document in which a grantee or other responsible entity specifies the procedures that it will follow and the actions that it will take to mitigate adverse effects of economic displacement, including the entitlements of affected persons and/or communities ensuring that they are provided in a transparent, consistent, and equitable manner. The mitigation of economic displacement will be considered complete when affected persons or communities have received compensation and other assistance according to the requirements of the LRP and are deemed to have been provided with adequate opportunity to re-establish their livelihoods.
Involuntary resettlement	Resettlement is involuntary when affected people or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.
Project Affected Person (PAP)	Any person who, as a result of the implementation of a project, loses the right to own, use, or otherwise benefit from a built structure, land (residential, agricultural, or pasture), annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.
Project sponsor	A corporate entity/grantee seeking financing for a project either directly or through a financial intermediary supported by AGRA.
Physical displacement	Loss of shelter and assets resulting from the acquisition of land associated with a project that requires the affected person(s) to move to another location.
Replacement cost	The rate of compensation for lost assets must be calculated at full replacement cost, that is, the market value of the assets plus transaction costs. With regard to land and structures, IFC guidance defines “replacement costs” as follows: agricultural land—the market value of land of equal productive use or potential located in the vicinity of the affected land, plus the cost of preparation to levels similar to or better than those of the affected land, plus the cost of any registration and transfer taxes; land in urban areas—the market value of land of equal size and use, with similar or improved public infrastructure facility services preferably located in the vicinity of the affected land, plus the cost of any registration and transfer taxes; household and public structures—the cost of purchasing or building a new structure, with an area and quality similar to or better than those of the affected structure, or of repairing a partially affected structure, including labour and contractors’ fees and any registration and transfer taxes.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 10 of 121

	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.
Resettlement Action Plan (RAP)	A document in which a grantee or other responsible entity specifies the procedures that it will follow and the actions that it will take to mitigate adverse effects of physical displacement, regardless of the number of people affected. A RAP should include compensation at full replacement cost for land and other assets lost. It will be designed to mitigate the negative impacts of displacement; identify development opportunities; develop a resettlement budget and schedule; and establish the entitlements of all categories of affected persons (including host communities). Particular attention will be paid to the needs of the poor and the vulnerable. The RAP will also document all transactions to acquire land rights, as well as compensation measures and relocation activities.
Resettlement assistance	Support provided to people who are physically displaced by a project. Assistance may include transportation, food, shelter, and social services that are provided to affected people during their relocation. Assistance may also include cash allowances that compensate affected people for the inconvenience associated with resettlement and defray the expenses of a transition to a new locale, such as moving expenses and lost workdays.
Stakeholder	Any and all individuals, groups, organizations, and institutions interested in and potentially affected by or has the ability to influence a project.
Security of tenure	When affected persons are relocated to a site that they can legally occupy and where they are protected from the risk of eviction.
Transaction costs	Costs associated with the acquisition of replacement land or assets including titling, registration and transfer fees, customary fees taxes and permits.
Transitional support	Support to affected communities to re-establish livelihoods such as preparation of land, fencing, agricultural inputs (such as fertiliser, pesticides and labour) and access to credit.
Vulnerable groups	People who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others may be, and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 11 of 121

Executive Summary

Introduction

JCM Matswani Solar Corp Limited (JCM) (a limited liability corporation in Malawi owned and managed by a consortium composed of InfraCo Africa Limited, JCM Power and Matswani Capital (Pty) Limited) (herein referred to as ‘ProjectCo’) are in the process of developing a 60 megawatt (MW) solar photovoltaic (PV) plant (‘the Project’). The power from the plant will be fed directly into the national grid via a four kilometre 132 kilovolt (kV) transmission line (TL) through to the Nanjoka substation. The solar plant will be developed on approximately 168 hectare (ha) of mostly customary land in Salima District situated in the Central Region of Malawi. The TL wayleave will be developed on approximately 12 ha of land and will be managed by the Electricity Supply Corporation of Malawi Limited (ESCOM).

The lack of employment and poor literacy rates amongst communities in the Project area create low income levels and high levels of poverty. In combination, affected communities primarily rely on subsistence farming and petty trading as their main livelihoods and for food. As such, this Livelihood Restoration Plan (LRP) provides a comprehensive approach to managing impacts related to economic displacement as a result of the land acquisition for the Project, in order to avoid further impoverishment resulting from the process, and to enhance positive impacts. ProjectCo are fully committed to ensuring that affected persons are not impoverished as a direct result of the Project and that they are given access to potential long-term benefits, including the opportunity to improve livelihoods.

This LRP is designed to mitigate the negative effects of economic displacement. ProjectCo is committed to ensuring that the livelihoods of affected persons are fully restored and, where possible, improved.

Project Affected Persons (PAPs) were provided with cash compensation that was designed to pay full replacement value for affected agricultural land and assets contained therein as well as cover transaction costs associated with displacement (see Section 7.3). Nevertheless, ProjectCo has designed a LRP to provide in-kind measures to support affected persons with adequate opportunity to fully re-establish their livelihoods. The LRP proposes future training and support activities that are consistent with the land-based livelihoods of affected households. The options presented herein focus on capacity development in agriculture and sustainable agricultural practices to enhance food security as well as development of small and micro business initiatives to diversify livelihoods of affected persons.

Land Acquisition

The land acquisition for the Project was completed in two phases and a summary of land acquired for the Project is provided in the Table below.

- Phase I: refers to an initial 78,4 ha plot of land and was completed in September 2017.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 12 of 121

- Phase II and wayleave: refers to an additional 104,9 ha of land required for the Project and was completed in October 2018 for the Phase II land and March 2019 for the wayleave land.


Summary of Affected Assets

Asset Class	Number of Assets Affected
Phase I Land Acquisition	
Affected persons	74 persons
Land	78,4 ha
Fruit trees	44 trees
Exotic trees	666 trees
Indigenous trees	216 trees
Dwellings	166 m ²
Phase II and Wayleave Land Acquisition	
Affected persons	165 persons
Land	104,9 ha
Fruit trees	148 trees
Exotic trees	3 180 trees
Indigenous trees	3 172 trees
Dwellings	0 m ²
Total PAPs and Assets Affected	
Affected persons	227 persons
Land	183,3 Ha
Fruit trees	192 trees
Exotic trees	3 846 trees
Indigenous trees	3 388 trees
Dwellings	166 m ²

Stakeholder Identification

The stakeholder identification and mapping process has been ongoing since Project activities started in 2015. Stakeholders include government (national and district), affected communities (including vulnerable groups), Non-Governmental Organisations (NGOs), institutions and others. A list of stakeholders is as follows:

- ESCOM.
- Department of Land of the Ministry of Lands, Housing and Urban Development (MoL).
- Ministry of Gender and Social Welfare (MoGSW).
- Ministry of Education, Science and Technology (MoEST).
- Local Government and Rural Development (LGRD).

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 13 of 121

- Ministry of Finance, Economic Planning and Development (FEPDD).
- Ministry of Natural Resources, Energy and Mining (NREMD).
- Salima District Council (DC).
- Ministry of Agriculture, Irrigation and Water Development (MoAIWD).
- Ministry of Labour.
- Project affected communities, including residents in surrounding villages and land users.
- Traditional Authorities.
- Group Village Heads/Village Heads.
- Community based organisations (CBOs).

Engagement Activities

Engagement regarding the Project started in 2015 in relation to pre-feasibility studies and site selection. Since then, engagement activities have focused on Phase I land acquisition and various studies, including Land Acquisition and Compensation Studies (LACS) (Phase I), Corporate Social Responsibility (CSR) feasibility studies, the Environmental and Social Impact Assessment (ESIA) and LRP (Phase II). In addition, ProjectCo has consulted extensively with ESCOM and the Salima District Office regarding various aspects of Project development.

Baseline


General socioeconomic characteristics of the affected households that have been taken into account in the LRP include the following:

Population: The approximate population in the Project Area varies between 222 households in Santhe village to 2,160 households in Kanzimbe village. Households generally comprise 5-7 people.

Religion, ethnicity and language: The primary religion in the villages is Christianity. Chewa is the primary ethnicity, with Chichewa as the dominant language.

Vulnerable groups:

- **Women and girls:** Greater lack of financial capital and influence in decision making than men. They also suffer domestic violence and abuse, creating impacts on health (e.g. mental disabilities, sexually transmitted diseases and physical constraints), as well as high rates of teenage pregnancy.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 14 of 121

- **Female headed households:** Higher levels of poverty than men due to more pressure balancing domestic and livelihood activities.
- **Unemployed male youth/adult men:** Due to financial pressure as their role as the ‘bread winner’, they are vulnerable to alcoholism and depression.
- **Subsistence households:** Households where there are very high levels of poverty and food insecurity creating significant household pressures and health issues.
- **People over the age of 60:** More limited in terms of their physical ability to engage in livelihood and income generating activities. They also endure high levels of poverty due to low levels on income. Additionally, some may require additional care and support.
- **Child headed households and orphans:** Rely on carers to take responsibility for their economic situation and general wellbeing. Due to high levels of poverty in the project villages, orphans are more vulnerable to change.

Education and literacy levels: Household surveys undertaken in Kanzimbe and Mayambo as part of the LACS study suggest that 55% of both males and females over the age of 20, in Kanzimbe households surveyed, have completed primary school education, 10% of males compared to 7% of females have completed junior secondary school, and only 2% of both males and females respectively have completed senior secondary school. Only 40% of females and 55% of males are literate. In Mayambo Village, 71% of males and 65% of females have completed primary school and 4% of males and 6% of females have completed junior secondary school. Literacy levels of females and males are very similar at 53% and 50% respectively in households surveyed.

Primary livelihoods: Farming is the primary livelihood undertaken in the villages, with some people engaging in petty trading and bicycle taxis.

Land: On average farmers generally have land plots smaller than 1ha. In combination with small land plots and a lack of irrigation, communities suffer food shortages during the dry seasons, especially December to February. In relation to crops, the most common crop grown in the affected area is maize. Other crops grown include maize, cotton, cowpea, groundnuts, beans, soya, rice, vegetables and tobacco.

Impacts and Mitigation Measures

Affected land owners and users reside in Kanzimbe and Sadzu Group Villages, including Mayambo, Jemputala, Malezi, Waya, Njoka, Kachepera, Menyako, Chishasa, Santhe, Chikwakwa, Thangani and Sadzu villages. 225 land owners and users are affected. As part of Phase I, 60 people were compensated. As part of Phase II and the wayleave, a total of 165 people were compensated. Some project-affected people were affected by both Phases I and Phase II.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 15 of 121

The primary impact due to the land acquisition for the Project is economic displacement, that is, the impact associated with the loss of non-residential, in this instance agricultural assets or resources resulting in a possible inability to plant crops resulting in increased food insecurity and reduced income streams. Phase I included one case of physical displacement. The impacted structure was an uninhabited residential structure belonging to the Group Village Head (GVH) for Kanzimbe village.

In addition to agricultural produce, the loss of land will also result in the loss of mainly fruit trees. With the exception of fruit trees (mango), trees are used as a source of firewood and to produce charcoal. As such, they are a major source of energy for communities. Mangos are also a major livelihood in the area and a source of income.

Villages in the Project area have close ties and bonds created mostly by farming activities. There are a number of pathways that transect the planned solar site that may be impacted during construction and operation, potentially restricting access to villages and farmland.

The mitigation measures included in this LRP are as follows:


- Cash compensation at replacement value, including fruit tree yields, for all losses associated with the land acquisition process as well as additional support to vulnerable groups;
- Support in identifying replacement land and securing documents related to the transfer of land in order to transfer the rights to that plot of land.
- Livelihood restoration initiatives to enhance agricultural productivity of farmers losing land as well as enhance skills levels and income of affected households.
- Consultation with communities using farmland in areas affected during construction will be undertaken to establish the best alternative routes and measures that the Project should put in place to minimize impacts related to access restrictions without compromising the design of the Project.

Eligibility and Entitlements

Eligibility determines who and what will be compensated: the “who” refers to the persons, households or communities that experience displacement impacts, and the “what” refers to the impacted assets for which they will be compensated.

Entitlements are the forms of compensation that will be provided to those affected by specific displacement impacts. Entitlements vary by interest and severity of impact, but generally fall into the categories shown below:

- **In-kind compensation**, which involves the planning, design and development of replacement assets to compensate those lost to the Project, which can include land, housing, community facilities, and infrastructure;

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 16 of 121

- **Cash compensation**, which involves the payment of cash to compensate for assets lost to the Project, calculated at full replacement value of those assets;
- **Disturbance fees or transitional allowances**, which are additional cash payments to cover some or all of the costs incurred during the period between displacement and re-establishment of livelihoods;
- **Right of salvage**, which provides the opportunity to affected individuals or households to collect assets, such as crops or building materials, prior to displacement;
- **Livelihood restoration initiatives**, which are specific activities designed to support affected individuals or households in restoring their livelihoods/income through improved or alternative livelihood activities; and
- **Vulnerability assistance**, which can be a combination of cash, in-kind, and livelihood restoration initiatives tailored to support those individuals or households deemed to be particularly vulnerable to the impacts of the Project.

Most landowners affected by Phases I and II land acquisition have customary ownership rights of the impacted land, two persons have registered leasehold.

With the exception of one title holder (discussed below) all persons affected by Phases I and Phase II land acquisition are customary owners of the impacted land, meaning they do not possess registered land title but have probably inherited the land or been allocated the land by the traditional authority and GVHs.


One landowner, located on the transmission line wayleave, holds a court confirmed valid title deed. This same portion of land was claimed by ‘encroachers’ which includes five people from Sadzu Village illegally using land falling within the transmission line wayleave corridor. These so-called ‘encroachers’ fall within the IFC categorization of ‘Displaced Persons’ under paragraph 17, item (iii) namely, *“Displaced persons may be classified as persons...(iii) who have no recognizable legal right or claim to the land or assets they occupy or use.”*(IFC PS5, 2012). Further to the above the Project has not identified any other asset users.

The Project has not identified any communal or commonly held assets, such as natural or cultural heritage, that will be affected. If any such assets are identified as affected at any point during Project development or operations – regardless of the cut-off date - the Project will provide compensation in-kind in a manner to be determined through consultation with Project stakeholders. In-kind compensation may include relocating the resource, enhancing the productivity of alternative resources, providing access to alternative resources, and/or reducing reliance on that resource.

The Project has defined a range of entitlements to compensate eligible individuals for affected assets which includes a combination of in-kind and cash payments.

Cash compensation was paid for:

- Land;

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 17 of 121

- Fruit Trees;
- Exotic Trees;
- Indigenous Trees; and
- Structures.

In addition to cash compensation, the following mitigatory measures are being offered to eligible persons:

- Right to salvage;
- Identifying and securing of replacement land;
- Livelihood Restoration support; and
- Vulnerability support.

Livelihood Restoration

The LRP sets out transitional and sustainable solutions for restoring the livelihoods of affected persons. The design of these measures was based on CSR Feasibility Studies undertaken by the Consultant, baseline studies/needs assessment, and the community engagement programs.

The options presented in the LRP consider the time required to replace acquired land and the process required once replacement land has been acquired. The options presented, focus on capacity development in agriculture and sustainable agricultural practices to enhance food security and include various training initiatives to diversify the livelihoods of affected persons.


All options will be further developed in consultation with affected communities as well as ensuring that they consider gender to cater for the needs of women and men.

The options set out in the LRP include:

- Transitional support while affected persons are establishing replacement land;
- Conservation agriculture; and
- Other options that would strengthen human and financial capital to enable diversified income.

Institutional Arrangements

The institutional framework will be the interface for all stakeholders involved in LRP implementation, allowing for close cooperation between ProjectCo, key stakeholders and affected persons. ProjectCo will be

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 18 of 121

responsible for the implementation of the livelihood restoration activities, with the support of livelihood restoration experts, NGOs / implementation partners, CBOs, government authorities and other groups. Additionally, a Livelihood Restoration Steering Committee (LRSC) and Working Group have been established to act as the voice of the affected community and to encourage participation and decision making in relation to livelihood restoration.

Monitoring and Evaluation

Monitoring and evaluation of the LRP is necessary in order to measure the success of its implementation and the changes that it has on the livelihoods of affected persons. It enables the identification of additional interventions if those identified are not successful.

Specifically, monitoring will include key performance indicators (KPIs) to monitor and report on the effectiveness of compensation disbursements, livelihood restoration initiatives and consultation and participation throughout implementation.

Monitoring results will be documented and corrective actions / enhancement measures, implemented where necessary to ensure that affected persons are not worse off as a result of the land acquisition process. It is proposed that JCM appoints an independent monitoring and evaluation consultant to conduct mid-term monitoring and a completion audit.

Indicative Costs and Schedule


The estimated implementation cost of the LRP is USD \$863,904.65 and will be implemented over three years. The following activities are to be scheduled:

- Allocation of resources
- Development of institutional framework:
- Livelihood restoration implementation:
- Ongoing stakeholder engagement.
- Monitoring and evaluation:

Way Forward

The way forward consists of four key steps:

- Verification that the compensation payments made are in line with the principals of IFC Performance Standard 5;

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 19 of 121

- Assess the current status of the PAPs since compensation;
- Design and implement livelihood restoration initiatives; and
- Conduct monitoring of the livelihood restoration initiatives.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 20 of 121

1 Introduction

1.1 Context


JCM Matswani Solar Corp Limited (JCM) (a limited liability corporation in Malawi owned and managed by a consortium composed of JCM Power, InfraCo Africa Limited, and Matswani Capital (Pty) Limited) (herein referred to as ‘ProjectCo’) are in the process of developing a 60 MW alternating current solar photovoltaic (PV) plant (‘the Project’) on a 168 hectare (ha) plot adjacent to the villages of Kanzimbe and Mayambo, under Kanzimbe Group Village Kalonga Traditional Authority (TA), Salima District situated in the Central Region of Malawi. ProjectCo have agreed on a Power Purchase Agreement (PPA) with the Electricity Supply Corporation of Malawi Limited (ESCOM) and the power from the Project will be fed directly into the national grid via a short 132 kilovolt (kV) transmission line through to the Nanjoka substation. The transmission line wayleave will be 30m wide and 4000m long and will impact 12ha of land. The Project aims to employ approximately 200 workers during construction and 20 during operations. The project location is shown in Figure 1.

The Project will take six to nine months to construct. Construction began in early 2019 with early works such as tree and grass cutting and land clearance having been completed. The Project has an investment value of USD \$80,000,000 and will be operational for a minimum of 20 years. A PPA has been reached with ESCOM.

This Livelihood Restoration Plan (LRP) provides an overview of compensation measures implemented for the Project to provide affected people with full replacement value for their land and assets. It additionally focusses on providing affected persons support to facilitate the re-establishment of their livelihoods through future training and support activities. The options presented herein focus on capacity development in agriculture and sustainable agricultural practices to enhance food security as well as development of small and micro business initiatives to diversify livelihoods of affected persons. ProjectCo is committed to ensuring that the livelihoods of affected persons are fully restored and, where possible, improved.

The LRP has been developed to firstly meet with Malawian legislation but also in alignment with international best practice, particularly the International Finance Corporation’s (IFC) Performance Standards (2012) and the World Bank (WB) Environmental and Social Framework (ESF) (2018).

International sustainability consultancy, Environmental Resources Management (ERM) together with Waste, Water and Environment Consultancy (WWEC) based in Lilongwe (Malawi) (collectively referred to as ‘the Consultant’) were hired by ProjectCo to initially develop this LRP. After numerous revisions JCM’s in-house LRP Lead then took over the drafting of the document with review and final edits undertaken by JCM’s ESG Director (refer to document version control for full version history).

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 21 of 121

1.2 Land Acquisition

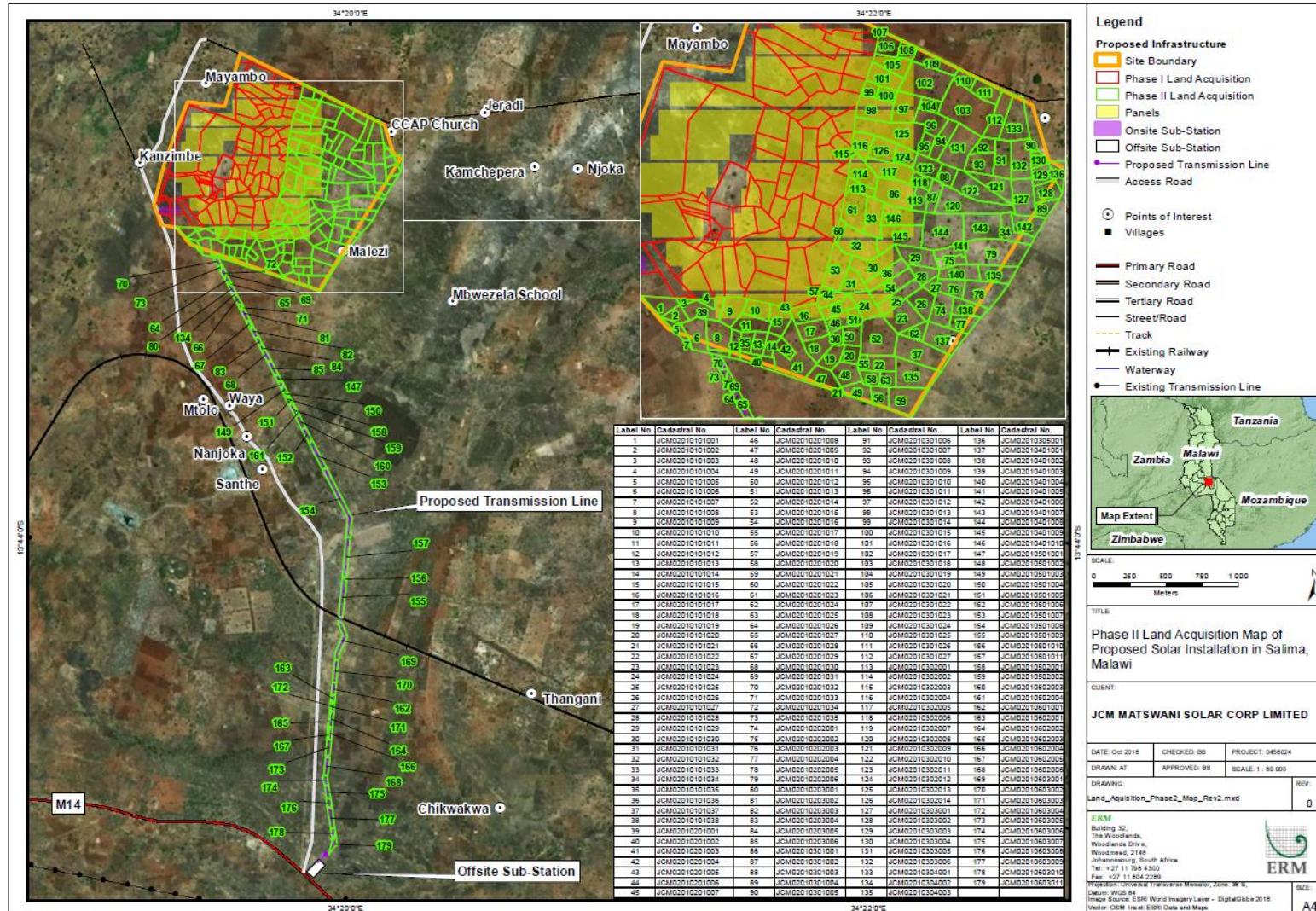
Project development and required land acquisition has triggered economic displacement of land users under a customary land tenure system under which the TA is the custodian of the land. The TA is supported by the Group Village Headman (GVH) and other community representatives.

Table 1: Summary of Affected Assets

Asset Class	Number of Assets Affected
Phase I Land Acquisition	
Affected persons	74 persons
Land	78,4 ha
Fruit trees	44 trees
Exotic trees	666 trees
Indigenous trees	216 trees
Dwellings	166 m ²
Phase II and Wayleave Land Acquisition	
Affected persons	165 persons
Land	104,9 ha
Fruit trees	148 trees
Exotic trees	3 180 trees
Indigenous trees	3 172 trees
Dwellings	0 m ²
Total PAPs and Assets Affected	
Affected persons	227 persons
Land	183,3 ha
Fruit trees	192 trees
Exotic trees	3 846 trees
Indigenous trees	3 388 trees
Dwellings	166 m ²

A timeline description of the land and asset compensation process is provided in Table 2.

Figure 1: Project Affected Area and Plot Surveys




*Phase I land shown in red, Phase II and Wayleave land shown in green

Table 2: Timeline of Land Acquisition Activities

Timeframe	Activity
April 2016: Land Sensitization Meetings	<p>Land sensitization meetings commenced focusing on the following:</p> <ul style="list-style-type: none"> • Extensive community engagement sessions aided by Ministry of Trade and Commerce (MITC) and facilitated by District Commissioner (DC), Traditional Authority (TA), and District Lands Officer (DLO); and • After extensive engagement, ProjectCo received approval to allow MoL to conduct a survey.
May-July 2016: Community Engagement and initial Survey by MoL	<ul style="list-style-type: none"> • ProjectCo met with all stakeholders to go over the site and land requirements. • Owners were contacted to ensure that they were satisfied for MoL to conduct the survey. • ProjectCo/MITC/ MoL conducted the preliminary survey. • Once the preliminary survey of the available land was undertaken an additional 20Ha was added to the initial 30Ha, taking the total land to 50Ha. • Results of survey were satisfactory and MoL engaged by ProjectCo to conduct valuation.
August 2016: MoL Valuation	<ul style="list-style-type: none"> • MoL conducted detailed survey and valuation. • Full MoL assessment facilitated by Local Government, Chiefs and owners completed over a 2-week period.
September 2016: Draft Ministry of Lands Report and Dispute Resolution with specific Owners	<ul style="list-style-type: none"> • MoL completed survey and valuation report for 50Ha. • Local Government engaged through the DC to run a separate process to increase land acquisition for the Project from 50Ha to 80Ha. • Local Government/ProjectCo community engagement session to sensitize affected community members.
October 2016: Additional 20Ha Identified	<ul style="list-style-type: none"> • MoL conducted a full survey and valuation of the additional 30Ha. • Valuation agreed between ProjectCo and MoL.
November 2016: Ministry of Lands Presentation to Landowners	<ul style="list-style-type: none"> • MoL and DC presented the land values to the owners and all owners expressed willingness to sell. • ProjectCo/ MoL /MITC made several iterations and additions to the final report. • MoL, DC and representatives of ProjectCo undertook compensation payment. • Process initiated to convert from customary owned land to leasehold land in favour of Owner (ProjectCo or other legal entity).

Timeframe	Activity
<p>December 2016- January 2017: Provisional Lease</p> <p>September 2017: Phase I Compensation Disbursement</p> <p>January 2018-August 2018</p> <p>September-October 2018: Summary of Phase II Entitlement Disclosure and Compensation Disbursement</p>	<ul style="list-style-type: none"> • Provisional lease completed to accommodate ESCOM tendering process and in January 2016 the provisional lease was received. • Compensation payment for Phase I was undertaken on 29 September 2017. • Lease commencement from 01 June 2018. • Environmental and Social Impact Assessment (ESIA) Development and ongoing consultation regarding Phase II land Acquisition with the ProjectCo, MoL and affected communities • Land acquisition for Phase II (excluding the wayleave), including entitlement disclosure and compensation disbursements, occurred during the months of September and October 2018. The land acquisition process for Phase II followed a similar process as described above. The MoL was engaged to undertake the survey and acquisition with additional support from ProjectCo and ERM. • The initial disclosure to affected persons for Phase II was undertaken on Wednesday the 19th of September 2018 with approximately 100 people present at the initial opening meeting. After the opening meeting individual entitlement disclosures took place beginning on the 19th and ending on the 20th of September. During the individual meetings PAPs were called up one by one to meet with a member of the MoL to review their entitlements. Alongside the individual disclosures, the MoL ran an objections desk, where 25 total people made an objection over the course of the two days. The main objections were related to a missing copy of a few individual landholders' compensation entitlements form from the MoL, disagreement about the measurements of the affected land, and disagreement about the number of affected trees. • Those PAPs who made objections over the two days of disclosures were invited to meet again with the MoL, JCM and Project Consultants on September 21st to review their objections. The MoL took each person through their compensation entitlement and how it had been calculated. Issues centred on measurements of acres vs hectares, number of trees, and information from survey forms not carried over correctly into the database and final forms. Many of the PAPs were satisfied by clarifications during their meetings (especially with regard to the difference between acres vs hectares), while other issues, more clerical in nature were noted to be remedied by the MoL. After these meetings, just two people wanted to go out to their plots for re-measurement. In both cases, the affected people were allowed to carry the GPS tracker and in both cases an error was

Timeframe	Activity
<p>February - March 2019: Summary of Wayleave Entitlement Disclosure and Compensation Disbursement</p>	<p>discovered, which was then documented by the MoL. All objections were resolved, and updated forms generated.</p> <ul style="list-style-type: none"> • Financial Literacy training for Phase II PAPs was undertaken on the 17th of October 2018. • Final disbursement for Phase II PAPS (excluding wayleave PAPs) was undertaken on the 18th of October 2018. • Land acquisition for Transmission Line Wayleave, including entitlement disclosure and compensation disbursements, occurred during the month of February 2019. The land acquisition process for the wayleave followed a similar process as described above. The MoL was engaged to undertake the survey and acquisition with additional support from ProjectCo. • The initial disclosure to affected persons for the wayleave was undertaken on 11 February 2019 with approximately 45 people present (19 women and 26 men) at the initial opening meeting. After the opening meeting individual entitlement disclosures took place on 12 February 2019. During the individual meetings PAPs were called up one by one to meet with a member of the MoL to review their entitlements. Alongside the individual disclosures, the MoL ran an objections desk, where a total of 16 people made an objection over the course of one day. The main objections were: <ul style="list-style-type: none"> ○ Missing trees on the disclosure forms (13 objections); and ○ Leased land that had been valued as customary land (3 objections). • Those PAPs who made objections were invited to meet again with the MoL, and JCM on 13 February 2019 to review their objections. The MoL took each person through their compensation entitlement and how it had been calculated. Many of the PAPs were satisfied by clarifications during their meetings, while other issues, more clerical in nature were noted to be remedied by the MoL. After these meetings, 3 PAPs wanted to go out to their plots for re-counting. All objections were resolved, and updated forms generated. Of the 13 objections, only 3 PAPs had missing trees, the rest had their claimed trees outside of the wayleave. On the leased land, the team verified through the national land registry if title had been given to the PAPs and this was used as basis for the revision of the land value. • Financial Literacy training for the wayleave PAPs was done by the New Finance Bank on 11 February 2019. • Final disbursement for the wayleave PAPs was undertaken on 5 March 2019.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 26 of 121

1.3 Project Studies Undertaken to Date

Phase I land acquisition was carried out by representatives of the Department of Land of the Ministry of Lands, Housing and Urban Development (hereafter referred to as Ministry of Lands (MoL)) in accordance with the national requirements. In order to assess Phase I land acquisition against the lender requirements and identify measures to bridge any gaps to comply with lender requirements, JCM hired ERM as a third party to review the process.

The Consultant was initially hired by ProjectCo in November 2017 under a Land Acquisition and Compensation Specialist (LACS) scope of work (SoW) (herein referred to as the ‘LACS study’) to identify measures to align the government-led land acquisition process with international requirements. The SoW included development of an overarching Stakeholder Engagement Plan (SEP) to facilitate ongoing communications regarding the Project, establishment of a grievance mechanism, and development of a socio-economic baseline to monitor the impacts of the land acquisition process and to identify impacts to inform the ESIA. Additionally, Corporate Social Responsibility (CSR) feasibility studies were carried out in February 2018, which included a community needs assessment and engagement on potential community investment options (referred to as ‘CSR studies’). The CSR studies have been used to inform elements of the livelihood restoration initiatives presented in Section 8 of this LRP.

In February 2018, the Consultant was contracted to undertake the ESIA and LRP for the Project, covering all Project components – the 168ha greenfield site, as well as the transmission line and access roads. The Final ESIA Report was submitted to the EAD on 4 October 2018 for approval, which was received on 8 October 2018.

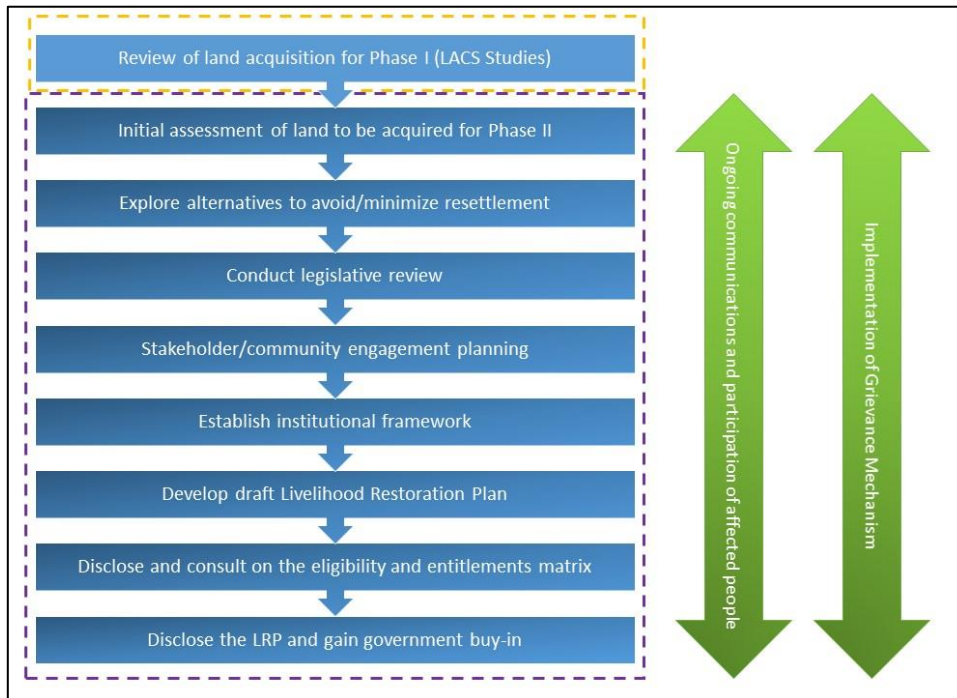
In November, 2018, JCM engaged a Malawian valuations expert to assess whether the compensation that JCM paid had met the principals of IFC Performance Standard 5. The valuation expert provided an expert opinion on what JCM should have paid in compensation for land and the various assets (e.g. exotic trees, indigenous trees, structures etc.) for Phase I, Phase II and the wayleave. Using this information a gap analysis was then performed by JCM to determine the gap between what had been paid and what should have been paid in order to meet the principals of IFC Performance Standard 5.

1.4 Scope and Approach

This LRP applies to PAPs from both the Phase I and II land acquisition processes. In preparing the LRP, ProjectCo took a holistic view of the processes undertaken for all phases, the socioeconomic status of affected households, and the extent and magnitude of the impacts of the land acquisition in order to determine how to best support livelihood restoration for affected persons. The findings of the studies undertaken to date have been used to inform this LRP.

The process for developing the LRP is illustrated in Figure 2 below. The orange line denotes work undertaken for Phase I and the purple line denotes work undertaken for Phase II, incorporating Phase I aspects and livelihood restoration measures where applicable.

Figure 2: LRP Process




1.4.1 Review of Phase I Land Acquisition

A review was carried out to assess the compensation process against international requirements, namely the IFC Performance Standard 5 on Land Acquisition and Involuntary Resettlement and the World Bank Environmental and Social Framework as documented in the LACS studies.

The main gaps identified regarding the Phase I Land Acquisition included the absence of a socio-economic baseline to monitor the impacts of displacement, no LRP to determine eligibility and entitlements for affected persons including livelihood restoration initiatives, and no plan for monitoring and evaluating the impacts of displacement.

In order to address these gaps, a series of engagements with affected communities was carried out as well as socio-economic baseline studies.

Early discussions were held with key stakeholders in November 2017, including the Salima District Government, Kalonga TA and project affected community representatives in Kanzimbe and Mayambo. Social baseline studies and additional community and stakeholder engagement were then carried out in January 2018 to gather data required to monitor the impacts of the land acquisition and compensation process as well as capture stakeholders’ perceptions of the Project. The data collection activities undertaken to inform the socio- economic baseline studies and assessment of potential project impacts consisted of the following:

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 28 of 121

- 60 household surveys with compensation beneficiaries affected by economic displacement to gather quantitative data on demographics, education, livelihoods, income, health, access to public serves and standard of living.
- Participatory focus group discussions (FGD’s) with women and men separately to gather gender differentiated information on gender roles, quality of life, access to public services, health issues, livelihoods etc.
- Key informant interviews (KIIs) in relation to heath, education, security and livelihoods.
- Meetings with Non-Governmental Organisations (NGOs) and Community Based Organisations (CBOs) in relation to CSR specialist areas.
- Village profiles to gather village level data on demographics, public infrastructure, livelihoods, cultural heritage etc.
- Observations and transect walks on the Project Site next to Kanzimbe Group Village, the parent village of Kanzimbe and Mayambo settlements, to understand the layout and community interaction with infrastructure, livelihoods and natural resources.

The information gathered during this aspect of work is integrated into this LRP in order to bridge identified gaps.

1.4.2 Review of Phase II Land Acquisition

This phase of land acquisition was carried out by the Consultant and the MoL. The MoL was contracted by ProjectCo to implement the land acquisition process and was supported by the Consultant, which was focused on integrating the national land acquisition process with international requirements.

In addition to qualitative data collection activities carried out during the LACS study covering Kanzimbe and Mayambo, data was gathered in Santhe, Sadzu and Waya in order to broaden the data sample for the socio-economic baseline. Photographs of meetings are provided in Figure 3.

Figure 3: Photographs of Meetings



FGD with women in Kanzimbe Village



FGD with youth in Santhe Village



KII with a teacher at Namanda Primary School

Source: ERM Social Surveys, January 2018

Additionally, Table 3 illustrates the asset and household surveys undertaken.


Table 3: Household and Asset Surveys undertaken for Phase II Land Acquisition

Village	Group Village Head	Total Number of Household Surveys Conducted	Total Number of Asset Surveys Conducted
Kanzimbe	Kanzimbe	39	72
Jeputala	Kanzimbe	16	16
Malezi	Kanzimbe	6	6
Kamchepera	Mayambo	6	6
Mayambo	Mayambo	18	27
Nioka	Mayambo	10	14
Menyako	Mayambo	2	3
Chimbala	Mayambo	3	1
Waya 1	Waya	10	11
Santhe	Waya	5	4
Thangani	Sadzu	4	6
Chikwakwa	Sadzu	1	1
Sadzu	Sadzu	10	11
Total		130	178

As with Phase I, the reasons for an unequal number of asset and household surveys was because some affected persons own more than one plot of land.

Given that land acquisition in Malawi is primarily government led, elements of the process were not fully aligned with international requirements. Elements and measures that ProjectCo will take/have taken to address these gaps are included in Section 3.3.

In addition to the surveys, a comprehensive engagement process was undertaken with affected communities in order to keep them informed of the land acquisition and LRP process. Additionally, a grievance and a Livelihood Restoration Steering Committee and Working Group (see Section 7.5.1) have been established to

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 30 of 121

ensure full participation of the affected communities and other key stakeholders during the development of the LRP and its implementation. Details of the engagement process are included in Section 4.


1.5 Report Structure

The remainder of this LRP is organised as follows:

- Section 2: Project Overview and Alternatives
- Section 3: National and International Requirements
- Section 4: Stakeholder Engagement
- Section 5: Socio-Economic Baseline
- Section 6: Impacts
- Section 7: Eligibility and Entitlements
- Section 8: Livelihood Restoration Initiatives
- Section 9: Institutional Arrangements
- Section 10: Monitoring and Evaluation
- Section 11: Indicative Cost Estimate and Implementation Schedule
- Section 12: Way Forward

Annexes

- Annex A: MoL compensation reports for Phase I, II, and the wayleave
- Annex B: List of social baseline data collection activities
- Annex C: Household and Asset survey templates
- Annex D: LRP SEP
- Annex E: Cut-off date notification
- Annex F: List of affected assets

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 31 of 121

2 Project Overview and Alternatives

2.1 Project Description

The Project comprises of a 60 MW alternating current solar PV plant on a 168 Ha green field site in Kalonga TA, Salima District. The Project is adjacent to the villages of Kanzimbe and Mayambo, under Kanzimbe Group Village (KGV), 20 km from the town of Salima and 88 km from Lilongwe (along on the M5 and M14 road).

The solar plant will connect to a new 4 km long 132 kV transmission line that runs alongside an existing ESCOM 132 kV transmission line to the Nanjoka substation. Electricity generated will be sold to ESCOM and will be transferred to the national grid via the existing ESCOM Nanjoka substation. The proposed grid connection solution is therefore to establish a new 132 kV feeder bay at the Nanjoka substation, in which the existing 132 kV overhead transmission termination point will be relocated. A new 132 kV overhead transmission line will run, from a new on-site switching station at the solar PV plant, parallel to the existing line and terminate in the existing feeder bay at the Nanjoka substation. There will be a 30m wide wayleave for the transmission line which will result in 12 Ha of land being impacted.

The design of the 132 kV overhead line, from the solar PV plant to the Nanjoka substation is proposed to be a single circuit overhead line with an optical ground wire (OPGW) which operates as a communications cable. The proposed solution has been agreed with ESCOM in principle, however the final configuration is subject to approval from ESCOM, the Malawian Energy Regulatory Authority (MERA) and stakeholders.

2.2 Project Alternatives

An extensive structured process was undertaken to identify the location of the Project. This process started in 2015 and the final location was identified in March 2016. This process commenced with a pre-feasibility study, which included a grid analysis, market review and a site pre-feasibility. Potential areas in Malawi were reviewed based on the pre-feasibility study and the area around Salima was identified as optimal for solar generation because of the sparse population density around the site, thereby largely avoiding physical displacement. Following this, further site selection activities were undertaken including engagement with the Salima DLO. Following extensive engagement and technical review of land sites the current site was identified.

A No-Go alternative was also considered during the permitting stage of the Project. It was decided against this alternative as the Project benefits (i.e. increase in power generation for Malawi, employment, CSR initiatives, general community benefits – including rural electrification, agricultural support, and water and sanitation) would not be realised.

A summary of the site selection process is provided in Figure 4 below.


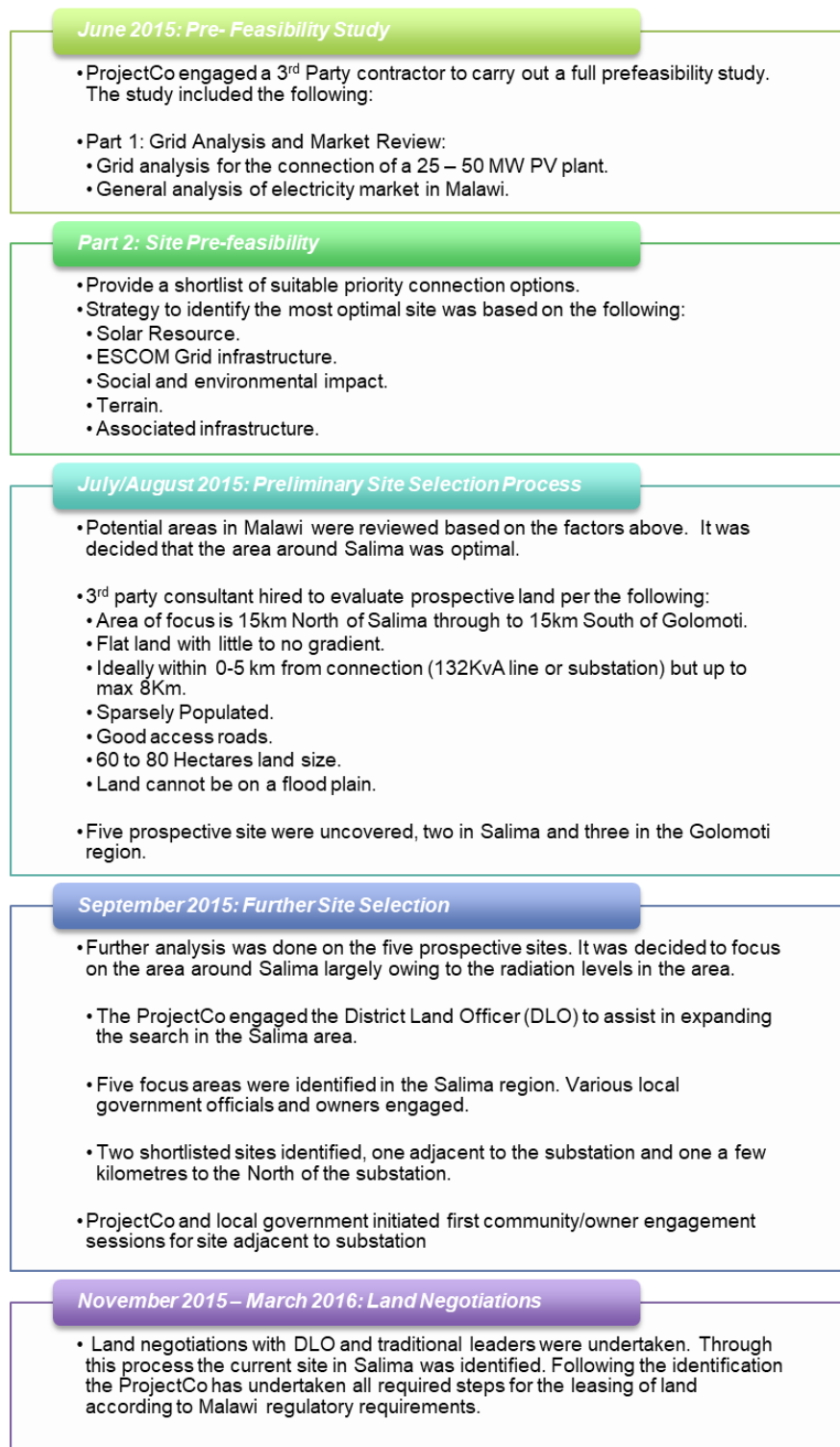
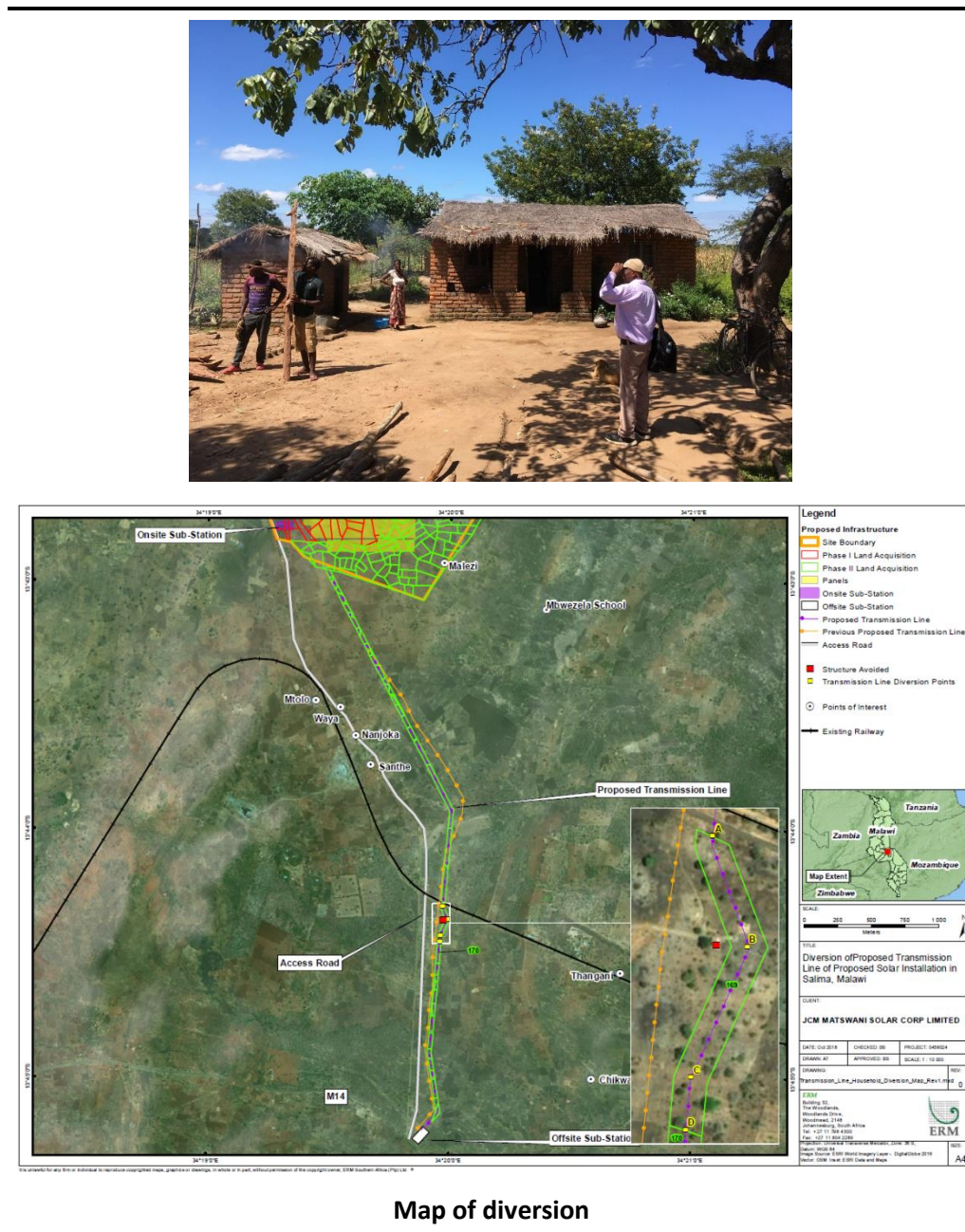
	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 32 of 121


Figure 4: Site Selection Process



In addition to the above process, during Phase II land acquisition surveys, a structure was identified in the wayleave. Field surveys confirmed that the structure was not residential and was being used for economic purposes by a goat farmer. Following land surveys and an analysis of the area, ProjectCo with ESCOM decided to re-align the section of the wayleave to avoid the structure. This diversion of the transmission line and hence wayleave was approved and implemented in the final design. A photograph of the economic structure and a map of the approved realignment is shown in Figure 5.

Figure 5: Impacted Structure in the Transmission Line Wayleave and Approved Diversion



	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 34 of 121

3 National and International Requirements

National and international requirements related to land acquisition are provided below.

3.1 Malawi Requirements

The main requirements in relation to land acquisition and resettlement under Malawi requirements are summarised in the following table.


Table 4: Malawi Requirements

Legislation	Requirements
Constitution of the Republic of Malawi 1995	<ul style="list-style-type: none"> • Focuses on human rights and guarantees land as a basic resource for social and economic asset for all Malawians. • Expropriation of property is only permissible when done for public utility, only when there has been adequate notification and appropriate compensation. • Women should not be discriminated and have the right to full and equal protection by the law.
National Land Policy, 2002	<ul style="list-style-type: none"> • ESIA studies are required before any major land development project is carried out. • Compensation must be based on the open market value of the land and all associated improvements made. • Security of tenure should be provided to smallholders to facilitate long-term improvements in agricultural productivity.
Land Acquisition Act, 1970	<ul style="list-style-type: none"> • Land acquisition and compensation should be administered by the Commissioner for Lands. • A notice must be published in the government Gazette, inviting persons claiming an interest in the land to the Minister within two months from the date of publication of the notice. • Compensation shall take into account the person paid when acquiring the land, the value of improvements to the land and appreciation in the value of the land.
Customary Land Act, 2016	<ul style="list-style-type: none"> • The District Commissioner is responsible for issuing a certificate of customary land to traditional authorities that includes the boundaries which have been demarcated and agreed. • Land Committees should be established at a GVH level comprising a GVH and six elected persons by and from the community (three of which should be women). The committee is responsible for managing customary land within its jurisdiction, as a trustee of residents. • Alternative land shall be identified and transferred to the Traditional Land Management Area or the affected persons.
Land Act, 2002 and 2016	<ul style="list-style-type: none"> • Land designated for investment purposes shall be published in the Gazette. • The size of land to be allocated to investors shall be decided in consultation

Legislation	Requirements
Electricity Act, 2004	<ul style="list-style-type: none"> with the Minister. In the case of encroachment or informal use of public or private land, and claims are made regarding land titles, a summons will be issued, and they will be subject to the court. Developers are required to give no less than 30 days' notice before placing, laying down or carrying any transmission line, or distribution line, water pipeline or other equipment through, over or under any land without the consent of the owner, lessee or occupier of such land. Notice needs to be published in the Gazette or in a paper in general circulation. Notices should include the nature of the work and the name and location of the project. Notice will be provided to the affected person. It is the responsibility of the authorities to determine the amount of compensation, whether by way of payment of a lump sum or an annual rental, or of both, to such owner, lessee or occupier.
The Town and Country Planning Act, 1988	<ul style="list-style-type: none"> Provides for acquisition of land, where there is need to implement a new plan. Compensation for land, on which a new plan is to be implemented, should be based on the principles stipulated in the Lands Acquisition Act.
The Republic of Malawi Gender Policy, 2008	<ul style="list-style-type: none"> A key aspect of this is to increase land ownership for women and promote women's participation in community afforestation, water, land.
Marriage, Divorce and Family Relations Act, 2015	<ul style="list-style-type: none"> Consolidates various laws related to marriage including a key provision in terms of recognising the validity of four "same legal status" forms of marriage (civil marriage; customary marriage; religious marriage; and marriage by reputation or permanent cohabitation). Considers a range of other issues including setting the minimum age for marriage and discussing the rights and duties within marriage.

In view of the above, the main considerations for ProjectCo in relation to the national requirements are as follows:

- Provision of fair and adequate compensation based on the market value of the land, taking into account improvements on the land and appreciation in the land value;
- Developers are required to give no less than 30 days' notice before placing, laying down or carrying any transmission line, distribution line, water pipeline or other equipment through, over or under any land without the consent of the owner, lessee or occupier of such land. Notice needs to be published in the Gazette or in a paper in general circulation. Notices should include the nature of the work and the name and location of the project;
- It is the responsibility of the authorities to determine the amount of compensation legally required, whether by way of payment of a lump sum or an annual rental, or of both, to such owner, lessee or occupier;

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 36 of 121

- Women should not be discriminated and have the right to full and equal protection by the law.

3.2 International Finance Corporation Performance Standards

IFC’s Performance Standard 5 on Land Acquisition and Involuntary Resettlement serves as a guide for this LRP. IFC PS 5 requires that in the case of economic displacement a LRP must be developed. A summary of IFC Performance Standard 5 is provided below.

Table 5: IFC PS5 Requirements

<ul style="list-style-type: none"> • To avoid, and when avoidance is not possible, minimize displacement by exploring alternative project designs. • To avoid forced eviction. • To anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement value and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected. • To improve, or restore, the livelihoods and standards of living of displaced persons. • To improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.

3.3 Comparative Analysis of National and International Requirements

Table 6 provides a comparison of the Malawi requirements in relation to land with the IFC Performance Standards, in order to highlight the legislative gaps. It also includes detail of the compensation process that has been undertaken by ProjectCo (to date i.e. July, 2019) and associated recommendations to align the process to the IFC.

Table 6: Comparison between National and International Requirements

Topic	IFC PSS	Malawi Requirements	Comparison between IFC and Malawi Requirements	Actions taken to address Gaps
Scope of impact/project design	Explore feasible alternative project designs to avoid or minimize physical and/or economic displacement, while balancing environmental, social, and financial costs and benefits paying particular attention to impacts on the poor and vulnerable.	The Malawi legislation does not mention the need to avoid or minimise displacement.	The National Land Policy includes a requirement to undertake an ESIA, however there are no requirements to avoid/minimise displacement.	A comprehensive approach was taken to select the Project site as described in Section 1.
Census and asset survey	A census and asset inventory should be carried out in order to collect appropriate socio-economic baseline data to identify the persons who will be displaced by the project, determine who will be eligible for compensation and assistance, and prevent ineligible persons, such as opportunistic settlers, from claiming benefits.	The Malawi legislation recognises fair and reasonable compensation of loss or damaged property, but it does not provide any information on the procedure for census and asset survey.	The IFC survey and asset inventory process is more comprehensive than that stipulated in the Malawi legislation. The Malawi legislation provide that any affected persons shall be compensated but it does not provide details of the process of baseline data collection.	Qualitative and quantitative baseline data was gathered for the LACS and CSR Feasibility studies as well as for the Project ESIA and LRP for monitoring purposes. Additionally, asset surveys were undertaken to gather data required for entitlements packages.
Cut-off date	In the absence of host government procedures, a cut-off date for eligibility should be established. Information regarding the cut-off date will be well documented and disseminated throughout the project area. The project is not required to compensate or assist those who encroach on the project area after the	The Electricity Act 2004, part (viii) section 39, Paragraph 2; and section 41 paragraph 1 provides that a licensee shall give notice not less than thirty days before placing or carrying any transmission line by publishing a notice in the Gazette on the intended activities. And the licensee is to give not less than 14 days' notice in writing of his	The Malawi legislation does not mention a cut-off date but does indicate the number of days the Project should give notice to property owner before the intended construction or development. The IFC on the other hand is very clear on the cut-off date and the information that should be disseminated	Meetings were held with affected persons and the District Office to announce the cut-off date, which was the last day of the asset surveys (01 July 2018). Additionally, the MoL will publish a notice in the Gazette on intended Project activities; however, the date

Topic	IFC PS5	Malawi Requirements	Comparison between IFC and Malawi Requirements	Actions taken to address Gaps
Eligibility criteria	<p>cut-off date for eligibility, provided the cut-off date has been clearly established and made public.</p> <p>Displaced persons may be classified as persons who: (i) have formal legal rights to the land or assets they occupy or use; (ii) do not have formal legal rights to land or assets, but have a claim to land that is recognised or recognisable under the national laws; or (iii) have no recognisable legal right or claim to the land or assets they occupy or use.</p>	<p>intention to enter the land which has buildings or trees.</p> <p>Section 20 of Malawi constitution provides that discrimination of persons in any form is prohibited and all persons are, under any law, guaranteed equal and effective protection against discrimination on grounds of race, colour, sex, language, religion, political or other opinion, nationality, ethnic or social origin, disability, property, birth or other status.</p>	<p>Although the constitution accounts for property rights, there are no clear requirements regarding categories of eligible groups and their rights.</p>	<p>for this is yet to be determined.</p> <p>All affected persons are customary land holders and are allocated land through the Kalonga Traditional Authority and GVH's.</p>
Economic displacement compensation measures and replacement land	<p>A LRP to compensate affected persons and/or communities and offer other assistance will be developed. This will include the entitlements of affected persons and/or communities and will ensure that these are provided in a transparent, consistent, and equitable manner.</p> <p>Economically displaced persons who face loss of assets or access to assets will be compensated for such loss at full replacement cost:</p> <ul style="list-style-type: none"> In cases where land acquisition or restrictions on land use affect 	<p>Section 18 of the Land Act states that any person who suffers any disturbance or loss of damage to any interest which he may have shall be paid compensation for such disturbance loss or damage as shall be reasonable prior to the initiation of any development.</p> <p>Only claims submitted within two months of the publication of the notice will be honoured.</p> <p>Compensation can be paid as a lump sum or by instalments.</p>	<p>There is no requirement under the Malawi legislation to find replacement land, transitional support or livelihood support measures.</p>	<p>This LRP has been prepared in line with international requirements with consideration for the rights of affected persons for loss of economic assets. This LRP includes eligibility and entitlement measures designed to mitigate the impacts of economic displacement and other support to enhance benefits.</p> <p>The planned site for the solar plant has included provision of full compensation for loss of assets. Additionally, 30% disturbance allowance has</p>

Topic	IFC PS5	Malawi Requirements	Comparison between IFC and Malawi Requirements	Actions taken to address Gaps
	<p>commercial structures, affected business owners will be compensated for the cost of re-establishing commercial activities elsewhere, for lost net income during the period of transition, and for the costs of the transfer and reinstallation of the plant, machinery, or other equipment.</p> <ul style="list-style-type: none"> In cases affecting persons with legal rights or claims to land which are recognized or recognizable under national law, replacement property (e.g., agricultural or commercial sites) of equal or greater value will be provided, or, where appropriate, cash compensation at full replacement cost. Economically displaced persons who are without legally recognizable claims to land will be compensated for lost assets other than land (such as crops, irrigation infrastructure and other improvements made to 	<p>Compensation entitlements cannot be challenged in court (Lands Acquisition Act).</p> <p>Customary land valued lower than private land when assessing. Compensation (Public Roads Act).</p>		<p>been provided for transitional support.</p> <p>The wayleave compensation will also provide affected landholders with compensation for loss of assets at full replacement value, and livelihood restoration measures will be included for them following the same process employed for the Phase II land acquisition.</p>

Topic	IFC PS5	Malawi Requirements	Comparison between IFC and Malawi Requirements	Actions taken to address Gaps
Forced eviction	<p>the land), at full replacement cost.</p> <ul style="list-style-type: none"> Transitional support should be provided as necessary to all economically displaced persons, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels, and standards of living. <p>The forced eviction removal of individuals, families, and or communities from the homes and or lands which they occupy, against their will and without the provision of, and access to, appropriate forms of legal and other protection will be avoided.</p>	<p>The right to property is detailed in section 28 and 44(4) Malawi Constitution provides protection against arbitrary acquisition of property and acquisition with adequate notification, and appropriate compensation. Section 43 which accords with the objectives against forced eviction.</p>	<p>Malawi legislation does not provide adequate protection for evictees or those that do not want to relocate.</p>	<p>None of the affected persons have been forcibly evited from their land.</p>
Market value / replacement cost	<p>Market value is defined as the value required to allow affected communities and persons to replace lost assets with assets of similar value. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets</p>	<p>The National Land Policy states that all acquisitions by the government will require negotiation and the payment of compensation at fair market prices for the land as well as improvements on the land.</p> <p>All the roles of asset valuation and compensation claims are</p>	<p>Malawi legislation does not account for the productivity of crops or registration and tax implications that affected persons may incur.</p> <p>It does not include costs for contractors or labour fees incurred from construction of houses or associated depreciation of value.</p>	<p>For Phase I and II of land acquisition, the lands team prepared a compensation report that included an approach to assessing the market value and replacement cost of assets. However, the reports did not reflect what was ultimately included in the compensation packages. For example, the report proposed a 100% mark</p>


Topic	IFC PS5	Malawi Requirements	Comparison between IFC and Malawi Requirements	Actions taken to address Gaps
	<p>The valuation method for determining replacement cost should be documented and included in applicable Resettlement and/or Livelihood Restoration plans.</p> <p>Replacement costs for:</p> <ul style="list-style-type: none"> • agricultural land— includes the market value of land of equal productive use or potential located in the vicinity of the affected land, plus the cost of preparation to levels similar to or better than those of the affected land, plus the cost of any registration and transfer taxes; • household and public structures—includes the cost of purchasing or building a new structure, with an area and quality similar to or better than those of the affected structure, or of repairing a partially affected structure, including labour and contractors’ fees and any registration and transfer taxes. 	under the Malawi authority and Minister.		<p>up on the rates for indigenous and exotic trees due to the time lapse since the 2010 gazetted rates. It also suggested that the packages included yields for fruit trees. However, neither of these were applied.</p> <p>Additionally, during the Phase II engagement process on entitlements, discrepancies and concerns were raised regarding the values proposed, for mango trees. Following this engagement process, the values were reviewed further.</p> <p>A market valuation study is required to determine the actual rates in Salima and the Project area for land and crops, including trees. This should involve visiting local markets, consultation with traders and agricultural institutions to establish appropriate rates. Additionally, Phase I and II compensation packages require a review against these rates</p>

Topic	IFC PS5	Malawi Requirements	Comparison between IFC and Malawi Requirements	Actions taken to address Gaps
Stakeholder/community engagement	<p>A process of consultation should be undertaken in a manner that provides the affected communities with opportunities to express their views and allows the project to consider and respond to them.</p> <p>It will be undertaken in a manner that is inclusive, culturally appropriate and tailored to the language preferences of the affected communities, their decision-making process, and the needs of disadvantaged or vulnerable groups.</p> <p>Consultation should capture men's and women's views and concerns.</p> <p>All households and communities should be informed early in the planning process about their options and rights regarding displacement and compensation.</p>	<p>The Malawi legislation provides for consultations with the affected community on the intention of the client activities in their land.</p> <p>Additionally, notice of acquisition should be published in the Gazette (Land Act).</p>	<p>Malawi legislation does not provide for a procedure to stakeholder and community engagement.</p>	<p>Phase I land acquisition did not include a comprehensive consultation process; however the Consultant was able to gather feedback on the process during the LACS study. Since then, there has been ongoing consultation with Phase I and Phase II communities and affected persons in relation to the ESIA and LRP, including gender specific focus group discussions with women and men separately. See Section 4 for further details.</p>
Grievance mechanism	<p>A grievance mechanism (GM) should be established to receive and facilitate the resolution of the affected communities' concerns and grievances about the Project's environmental and social performance.</p>	<p>The Malawi legislation is not clear on the grievance mechanisms to be adopted. The Electricity Act 2004, Part 10 section 51 paragraph 1 states that "Any person aggrieved by the decision or action of the Authority may appeal to the High Court by</p>	<p>The Malawi legislations lacks clear explanation of the grievance mechanism; the law only provides an option of appealing to the high court. It does not give procedure to launch the grievances.</p>	<p>A grievance committee and mechanism has been established by ProjectCo and are active for affected communities to submit comments/complains regarding the Project and land acquisition process.</p>

Topic	IFC PS5	Malawi Requirements	Comparison between IFC and Malawi Requirements	Actions taken to address Gaps
Gender considerations	The GM should address concerns promptly, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, and at no cost and without retribution. Affected communities should be informed about the mechanism in the course of its community engagement process.	<p>way of petition and lodged within three months from the date of the decision or action of the Authority.”</p> <p>The legislation, including the Constitution of Malawi make provision for grievances to be addressed through the formal court system.</p>		
	Women perspectives and interest should be considered through a consultation process in all aspects of resettlement planning.	The Malawi Gender Policy February states that men, women, girls and boys are treated equally and participate equally in the development process.	Malawi legislation provides for inclusivity of men and women towards development; however, there are no comprehensive measures regarding the inclusion of women in decision making or consultation.	The grievance committee and the livelihood restoration steering committee/working group established for the Project includes female representatives. Additionally, gender focus group discussions have been held with women during Project engagement and data gathering activities.
	Addressing livelihood impacts may require intra-household analysis in cases where women’s and men’s livelihoods are affected differently.	Sections 13 (a) and 24 of the Constitution set out the rights of women in relation to gender equality and rights, including property rights.		Furthermore, due to the matrilineal system in the Project area, and generally an equal number of men and women have been compensated for land: Phase I: 72 people – 32 males and 40 females. Phase II: 166 people - 77 males and 89 females.
	Women’s and men’s preferences in terms of compensation mechanisms, such as compensation in kind rather than in cash, should be explored.			

Topic	IFC PS5	Malawi Requirements	Comparison between IFC and Malawi Requirements	Actions taken to address Gaps
Vulnerable groups	A vulnerability assessment is required to identify the specific needs and vulnerabilities of affected persons so that they are not disproportionately impacted.	<p>The Malawi Constitution sets out human rights requirements in relation to gender, age and disabilities, including specific rights.</p> <p>Additional specific policies such as the Gender Policy and National Policy on Equalisation of Opportunities for Persons with Disabilities accounts for the rights of specific groups.</p>	Regardless of policies in place that account for vulnerable groups, no vulnerability assessment for development project or specific measures are required.	A vulnerability analysis was carried out as part of the formulation of the compensation entitlement packages for Phase I and Phase II, which then included a 10% vulnerability allowance. Additionally, household surveys undertaken for both phases determined those that are most vulnerable to economic displacement impacts. A vulnerability analysis of affected persons is included in Section 5 (socio-economic baseline).
Security of tenure	Security of tenure should be offered in order to avoid risk of future eviction.	The National Land Policy includes provisions for security of tenure, which requires registration of land by land holders.	No support is required by the government to obtain security of tenure.	<p>Where required the ProjectCo will facilitate transfer of the rights to replacement land though formal agreements signed by the seller and buyer. However, this only transfers land rights and not security.</p> <p>Alternatively, ProjectCo should encourage and facilitate leasehold agreements for land parcels. This requires renewal every 20 years and will transfer the land from customary to private land holdings.</p>
Documentation	Documentation of ownership or occupancy and	The National Land Policy requires registration	None	Entitlement/ compensation agreements have been issued

Topic	IFC PS5	Malawi Requirements	Comparison between IFC and Malawi Requirements	Actions taken to address Gaps
Monitoring and evaluation	<p>compensation arrangements should be issued in the names of both spouses or heads of households, and other resettlement assistance, such as skills training, access to credit, and job opportunities, should be equally available to women and adapted to their needs.</p> <p>Where national law and tenure systems do not recognize the rights of women to hold or contract in property, measures should be considered to provide women as much protection as possible with the objective to achieve equity with men.</p> <p>Procedures to monitor and evaluate the implementation of a RAP / LRP / compensation process are required. This includes identifying and taking corrective actions as necessary.</p> <p>The extent of monitoring activities will be commensurate with the project's risks and impacts. For projects with significant</p>	<p>ownership of interests in parcels of land through the development of a Malawi Geo-data Information Coordination Committee (MAGICC) as an instrument for planning and land policy administration.</p> <p>There are no specific monitoring and evaluation requirements regarding land acquisition.</p>	<p>There are no requirements for monitoring under Malawi legislation.</p>	<p>and signed by affected persons. Copies of the forms have also been provided.</p> <p>Refer to gender considerations above regarding land and compensation.</p> <p>Livelihood restoration initiatives included in this LRP are gender focused to cater for the needs of women and men.</p> <p>Implementation of this LRP will require a gender focused approach to livelihood restoration initiatives, including provision of job opportunities resulting for project related activities. Implementation of this LRP will require comprehensive monitoring and evaluation to measure its success and to address challenges/negative effects of land acquisition as they arise.</p> <p>Section 10 of this LRP includes detail on monitoring and evaluation.</p>

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 46 of 121

Topic	IFC PS5	Malawi Requirements	Comparison between IFC and Malawi Requirements	Actions taken to address Gaps
	<p>involuntary resettlement risks, the client will retain competent resettlement professionals to provide advice and to verify monitoring information. Affected persons will be consulted during the monitoring process.</p>			

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 47 of 121

4 Stakeholder Engagement


Stakeholder engagement is a two-way process of communication between the project proponent and stakeholders potentially impacted by a Project, with influence over project decisions, or with specific interest in the project (e.g. NGO's or academic institutions).

Regular and on-going engagement with stakeholders is key to effective livelihood restoration planning and implementation, as well as the Project itself. Stakeholder engagement is crucial to the success of the Project and good community relations to enable shared benefits.

To date, stakeholder engagement for the Project has been based on the IFC Performance Standards, which are grounded in the guiding principles set out in Table 7.

Table 7: IFC Guiding Principles of Stakeholder Engagement

<ul style="list-style-type: none"> • Ensuring understanding: Provide an inclusive and transparent process of culturally appropriate engagement and communication to ensure that stakeholders are well informed about the planned project. • Build relationships: Through supporting open dialogue, engagement will help establish and maintain a productive relationship between the developed and project affected communities, as well as other key stakeholders. • Facilitate participation: Ensure that all stakeholders participate in decision making regarding the project, regardless of gender, age, ethnicity, status and other socio-economic factors so that they are not adversely impacted and access project benefits. • Engage vulnerable groups: Identify and engage vulnerable groups to enable equal access to project information and a platform for them voice their concerns so that specific measures are included in project design. • Manage expectations: It is important to ensure that the planned project does not create or allow unrealistic expectations to develop amongst stakeholders about potential benefits, such as employment or compensation. The engagement process will serve as a mechanism for understanding and managing expectations by disseminating the correct information in an accessible way. • Ensure compliance: The process is designed to ensure compliance with both local regulatory requirements and international best practice. • Facilitate free, prior and informed consultation: Ensure engagement is free of external manipulation or coercion or intimidation, undertaken in a timely way so that stakeholders are informed prior to the development or implementation of the project, and ensure information is presented in an understandable and accessible way with consideration for literacy and language.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 48 of 121

In order to facilitate the stakeholder engagement process for the LRP, a Stakeholder Engagement Plan (SEP) has been developed, which provides a detailed engagement framework to support the LRP process and to enhance relationships between the developer and Project affected communities. The SEP is a ‘live’ document and will be updated as the Project progress.

This section of the LRP provides detail on:

- A summary of Project engagement history and context;
- Identification of stakeholders;
- Engagement activities that have been undertaken as part of the LRP and key issues raised;
- Planned ongoing activities; and
- Detail of the grievance mechanism that has been adopted by the Project.

Further detail regarding the overarching approach to stakeholder engagement is provided in the LRP SEP (Annex D).

4.1 Stakeholder Identification


The stakeholder identification and mapping process has been ongoing since Project activities started in 2015. Stakeholders include government (national and district), affected communities (including vulnerable groups), NGOs, institutions and others. A list of stakeholders and their connection to the Project, in relation to the LRP, is provided in Table 8 below.

The LRP SEP includes the full methodology for identifying and mapping stakeholders according to their level of impact, influence and interest in the project.


Table 8: LRP Stakeholders

Stakeholder Category	Stakeholder	Connection to the Project
National Regulatory Bodies - National bodies are of primary importance in terms of establishing policy, granting permits and other approvals for the Project and monitoring enforcing compliance.	Electricity Supply Corporation (ESCOM)	<p>ESCOM are responsible for the wheeling and distribution of electricity to the consumers.</p> <p>If the affected communities are to benefit from the electricity by way of community investment, ESCOM may have to play a part in the modalities for household connections.</p> <p>Additionally the Project can draw on ESCOM’s experience in relation to land acquisition for electricity related projects.</p>
	Department of Lands	<p>The ministry (through the Department of Lands) is a key stakeholder in the Project due to the management of land issues in Malawi. The department is the final approving authority for approving land acquisition related matters. It represents the Ministry of Lands, Housing and Urban Development on all matters to do with compensation and resettlement. As such the department has the authority to issue land leases/ registration certificate to ProjectCo. The Ministry also provides land and housing management services to the general public. It draws its mandate from various statutes and policy instruments such as the land acts.</p>
National Government Ministries	Ministry of Gender and Social Welfare (MoGSW)	<p>MoGSW has an interest in the social welfare of the people throughout the country. Therefore, they will be interested in how the Project is managing impacts on vulnerable groups, including women.</p>
	Ministry of Education, Science and Technology (MoEST)	<p>MoEST will be interested in any access related constraints resulting from the Project as well as any skills training and education related community investment that the Project may engage in.</p>
	Local Government and Rural Development (LGRD)	<p>LGRD is that the administration is the link between the Project and the communities’ communication and consultation shall be done through the Malawian authority.</p>
	Finance, Economic Planning and Development Department (FEPDD)	<p>Formulates economic fiscal policy and manage financial material resources for the Government for Malawi in order to realise balanced and sustainable economic growth to reduce poverty.</p>
	Natural Resources, Energy and Mining Department (NREMD)	<p>The ministry is there to ensure sustainable development, management and utilisation of energy, minerals; and monitoring geo-hazards for socio economic development.</p>

Stakeholder Category	Stakeholder	Connection to the Project
	<p>District Commissioner (DC)</p> <p>Ministry of Irrigation and Water Development/ Water Department (MoIWD)</p> <p>Ministry of Labour</p>	<p>The DC is the overarching local authority for all the development projects being implemented in the district. He is also the authority to issue the Project planning Permit (on behalf of the Department of Physical Planning).</p> <p>Additionally, the DC oversees the compensation process for all projects within the District, including payment of compensation and monitoring activities. The DC's office works hand in hand with the Community Development Officer on matters related to social aspects including community mobilisation and sensitisation on such projects.</p> <p>The Water Department is responsible for provision of water supply services including piped rural water supply schemes and boreholes. The Department will need to be engaged in relation to water use for the project and any water related CSR projects resulting from the Project. A water abstraction permit will be required from the Water Resources Authority if the Project requires a borehole or abstraction of surface water for construction purposes.</p> <p>The Ministry of Labour issues the Workplace Registration Certificate as mandated by the Occupational Safety Health and Welfare Act. It is also responsible for monitoring of workers' health and safety during construction and operation.</p>
Community level	<p>Project affected communities, including residents in surrounding villages and land users</p> <p>Chiefs/Traditional authorities</p> <p>Group Village Heads/Village Heads</p>	<p>Households and communities that will be directly or indirectly affected by the proposed project activities. This includes people living in the affected land either by direct land take or by social and environmental impacts.</p> <p>Local community leaders act as representatives of their local community. Meetings with Traditional Authorities will follow local practices and be held prior to any wider communication in order to respect the political and social structure.</p>
Vulnerable groups	<p>May include:</p> <ul style="list-style-type: none"> • Women and girls; • Female headed households; • Unemployed male youth/adult men; 	<p>Vulnerable groups may be disproportionately affected by the proposed Project by virtue of socio-economic status or physical abilities and are therefore less resilient to change. Groups have been identified based on a vulnerability assessment undertaken on households impacted to date. A further assessment will be undertaken on households affected by additional land acquisition.</p>

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 51 of 121

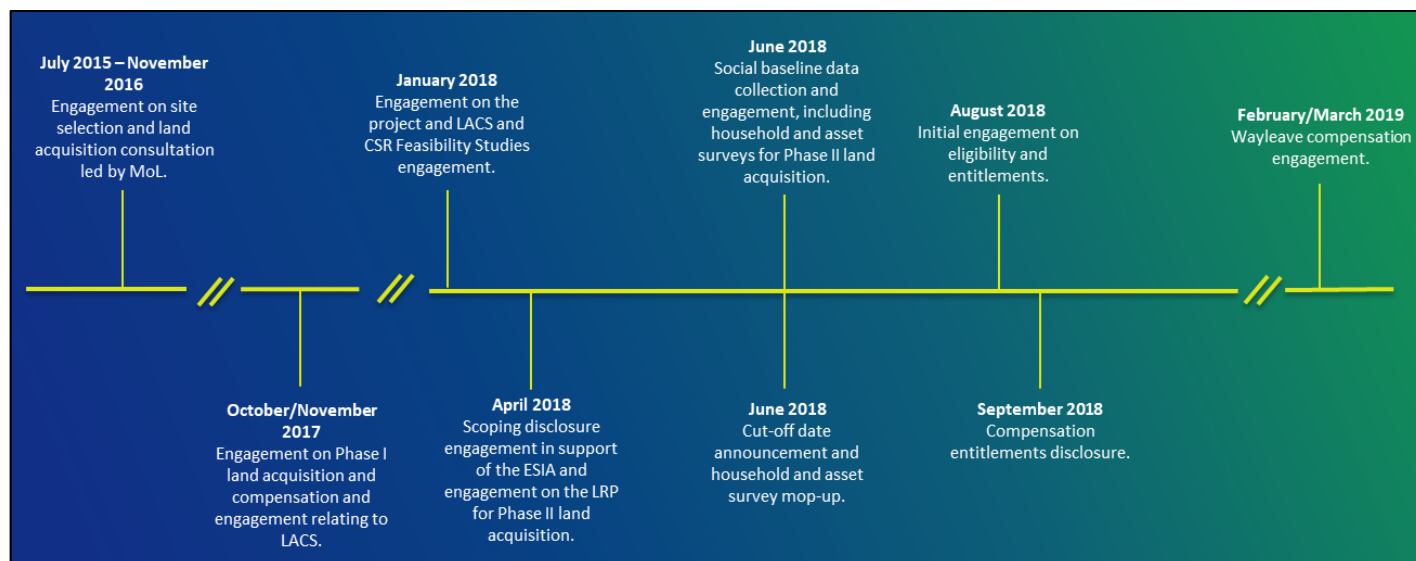
Stakeholder Category	Stakeholder	Connection to the Project
	<ul style="list-style-type: none"> • Subsistence households; • People over the age of 60; • Orphans. 	
Civil society groups	CBOs and cooperatives	Organisations that may be impacted by the Project or that the Project can work with on livelihood development activities.
Non-Governmental Organisation(NGO)/Institutions/Academics	Includes international, national and local NGOs covering biodiversity/conservation, human rights, gender and child related issues	The Project is required to identify and engage relevant NGOs and institutions to keep them informed about the Project. They may also act as a partner in implementing livelihood or community investment initiatives.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 52 of 121

4.2 Engagement Activities

As shown in Figure 6, engagement regarding the Project started in 2015 in relation to pre-feasibility studies and site selection. Since then, engagement activities have focused on Phase I land acquisition and various studies, including LACS, CSR feasibility studies, the ESIA and LRP.

Figure 6: Engagement Timeline



In addition to the above engagements, ProjectCo has consulted extensively with ESCOM and the Salima District Office regarding various aspects of Project development. With regard to Phase I site selection and land acquisition, engagement was led by the DLO and representatives from the MoL.


Full details of all engagement activities are included in Appendix B of the LRP SEP.

4.2.1 LACS Studies Engagement

In November 2017, the Consultant undertook a series of engagements with key stakeholders and Phase I affected persons in Kanzime and Mayambo GVH's. These meetings provided an update on the Project and were used as a means to obtain feedback on the Phase I land acquisition and compensation process.

4.2.2 LACS and CSR Feasibility Studies Engagement

As part of the data gathering process for LACS, communities and stakeholders were provided with an overview of the Project and asked if they had heard about it previously in January 2018. Additionally, information was gathered regarding perceptions on potential Project impacts. Most stakeholders met during the social surveys reported that they had heard about the Project; however mainly from people that had received compensation from loss of land during the Phase I land acquisition.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 53 of 121

4.2.3 ESIA and LRP Engagement

Scoping disclosure engagement in relation to the ESIA, including providing detail on Phase II land acquisition, was carried out between the 23 - 27 April 2018. Additional engagement was undertaken between 29 May - 02 June 2018, during the social baseline studies and LRP surveys. Engagement included meeting with national, district, and local level stakeholders, building on engagement that had already been undertaken in support of the Project.

4.2.4 Cut-Off Date, Asset / Household Survey Mop-Up & Verification and Establishment of the Grievance and Livelihood Restoration Steering Committee/Working Group Engagement

Following data collection activities, a verification process and mop-up of outstanding households and asset surveys was undertaken in June 2018 to capture those that were not present during the initial survey period. Additionally, at this time the cut-off date was announced. The announcement included submission of a formal letter to the Salima District Commissioner, which was then circulated to the TA and GVHs. Additionally, notifications in Chichewa were placed in key meeting areas such as shops, maize mill, schools, churches and trees.


The cut-off date announcement stated that last day of surveys and the cut-off date for claims to land in the Phase II affected area for the Project was 01 July 2018. All members of the community that use land in the area were encouraged to meet with the Project team members on the site in Kanzimbe, Mayambo, Waya, Santhe and Sadzu Villages to finalise the survey process between 24 June - 01 July 2018. The announcement stated that after the cut-off date of 01 July 2018, no fixed assets within the demarcated area such as structures, houses, shelters, animal sheds, buildings, crops or trees established after the cut-off date would be eligible for compensation.

Additionally, information was provided regarding selection and establishment of the grievance and livelihood restoration steering committee and working group in order to provide clarity on the various means by which affected persons can report grievances and how they would be represented during LRP implementation.

4.2.5 Eligibility and Entitlements Engagement

Following completion of asset surveys in June 2018, a compensation report and database was issued by MoL representatives. In addition, assessment of potential replacement land sites was undertaken. Further engagement was undertaken in August 2018 with steering committees established for the Project and affected persons to present detail on the draft eligibility and entitlements established and to gather feedback to feed into the final matrix.

Overall the meetings were positively received, and the communities were pleased with the approach raised with regard to compensation disbursements into bank accounts and provision of financial literacy training. With regard to the values of land and crops presented during the meetings, there was some discontent as the price of land has increased in the Project area resulting from inflation since the last revision of the rates

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 54 of 121

established by the MoL in 2010, and Phase I land acquisition. Also, yields from mango trees was not included in the compensation packages established by the MoL.

As a result of identified issues, and to align the entitlements with international good practice, ProjectCo undertook to conduct a gap analysis and payment of possible compensation shortfalls, following establishment of the site lease agreement.

4.2.6 LRP / Entitlements' Disclosure for Phase II Project Affected Persons

Following engagement on the draft eligibility and entitlement matrix, updates were provided to affected persons covering Kanzimbe and Mayambo GVH's affected by the planned solar plant, to provide an update on the review of compensation values for land and crops as well as explain the individual entitlements disclosure discussion and agreement process. The meeting, held in September, 2018, was led by the MoL with the support of representatives of ProjectCo and their LRP consultants.

Engagement included community / group meetings and individual negotiations with affected persons. The MoL representative gave an overview of activities to date and then explained how the individual entitlement disclosure meeting would be carried out.

The role of the Village Grievance Redress Committee (VGRC) and Livelihood Restoration Working Group (LRWG) was also highlighted in the entitlement disclosure meetings. During the meeting ProjectCo committed to ensuring that the livelihoods of affected persons will be restored or improved and noted that some would be eligible for additional in-kind support through livelihood restoration initiatives.


	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 55 of 121

Figure 7: Photos of the Entitlements Disclosure Opening Meeting




Photos. Left - MoL representative giving opening remarks about the entitlement disclosure process. Right - WWEC giving additional remarks and identifying members of the VGRC

Over the course of the disclosure period, 25 objections were raised by affected persons at the objections/grievance station. The objections were logged and were resolved with MoL, WWEC, ERM, and JCM to the satisfaction of the affected persons.

4.2.7 Wayleave Compensation Engagement

The MoL was engaged to undertake the survey and acquisition with additional support from ProjectCo for the Transmission Line wayleave. The initial disclosure to affected persons for the wayleave was undertaken on 11 February 2019 with approximately 45 people present (19 women and 26 men) at the initial opening meeting. After the opening meeting individual entitlement disclosures took place on 12 February 2019. During the individual meetings PAPs were called up one by one to meet with a member of the MoL to review their entitlements. Alongside the individual disclosures, the MoL ran an objections desk, where a total of 16 people made an objection over the course of one day. Those PAPs who made objections were invited to meet again with the MoL and JCM on 13 February 2019 to review their objections. The objections were logged and resolved with the MoL and ProjectCo to the satisfaction of the affected persons.

One land dispute has been reported, which involves five people from Sadzu Village illegally using land falling within the transmission line wayleave corridor. As the developer JCM did not form part of this particular dispute but nevertheless still received a grievance which was logged in the grievance database. The dispute arose between a landowner (holding a court confirmed valid title deed for that particular plot of land) and ‘encroachers’ who have been using this particular piece of land for a period of time with the approval of the respective Chief. The title landowners and the encroachers are related extended family members. The issue was that both parties claimed entitlement to the compensation JCM was to pay. The grievance was escalated to the Salima District Council (DC) where the role of JCM was to verify and ensure that the compensation was to be paid to the correct recipient. As the landowner holds a valid title deed while the ‘encroachers’ have previously been barred by Malawian court to claim ownership of this land, the DC and Ministry of Lands indicated that the compensation was to be paid to the landowner holding the valid title deed. A hearing was conducted by the DC, including members of the police and responsible chiefs where a decision was made to compensate the title owners.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 56 of 121

This presents a complex situation for JCM as IFC PS 5 indicates that *“Economically displaced persons who are without legally recognizable claims to land (see paragraph 17 (iii)) will be compensated for lost assets other than land (such as crops, irrigation infrastructure and other improvements made to the land), at full replacement cost.”* JCM is therefore looking into how the ‘encroachers’ can be accommodated in line with the Principals of IFC PS5 whilst respecting the laws of Malawi at the same time.

4.3 Grievance Mechanism

An effective grievance mechanism allows stakeholders to lodge complaints and/or concerns at no cost, without retribution and with the assurance of a timely response. For the LRP and implementation, a grievance model has been established that includes the involvement of a grievance committee comprising representatives of affected communities and the district government. Grievances can be reported through the committee or directly to ProjectCo.

Detail on the grievance mechanism is provided in Section 6 of the LRP SEP.

4.4 Monitoring and Reporting

In order to assess the effectiveness of the LRP SEP and associated engagement activities, ProjectCo will implement a data management and monitoring process as part of the overall monitoring of ESIA commitments and performance.


All engagement activities, throughout the LRP and the life of the Project, will be documented and filed in order to track and refer to records when required and ensure delivery of commitments made to stakeholders. The strategies for documenting and recording ongoing stakeholder engagement are detailed in the LRP SEP.

5 Socio-Economic Baseline

This section of the LRP provides socio-economic baseline information on affected persons and households. Data included in this section has been drawn from the following documents prepared by the Consultant for ProjectCo in 2018, that were developed using a combination of primary and secondary data specifically:

- Environmental and Social Impact Assessment (ESIA) covering Phase I and Phase II affected persons;
- LACS Report, prepared in relation to Phase I land acquisition; and
- CSR Feasibility Study Report, also based on data gathered from Phase I affected persons.




Further supplementary data was gathered on Phase II affected persons to ensure representation in the baseline for monitoring purposes.


	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 57 of 121




The socio-economic baseline data was considered in the formulation of this LRP to better understand current livelihood strategies and how the Project land acquisition would affect them. In addition, the baseline data allows for analysis of particular vulnerabilities amongst Project-affected households that might make them more vulnerable to the impacts related to economic displacement or otherwise limit their ability to take advantage of livelihood restoration support offered by the Project (as described in Section 5.5). With this information at hand, such factors could be taken into consideration in the planning and development of compensation and livelihood restoration initiatives (as described in Section 8).

The primary data collection activities that were undertaken for the Project are described in Table 9 below. A full list of data collection activities is provided in Annex B.

Table 9: Corrective action required based on event severity

Activity	Description	Photo
Focus Group Discussions (FGDs)	11 FGDs with women, men and youth separately to gather gender differentiated information on gender roles, livelihoods, quality of life, access to public services, health issues, livelihoods and community needs etc.	
Participatory Rural Appraisal (PRA)	Four gender focused PRA sessions during FGDs with women and men separately in Kanzimbe and Mayambo, including; <ul style="list-style-type: none"> a gender matrix to capture the daily activities of men and women, resources required for activities and associated socio-cultural factors/challenges; an access and control matrix to understand what assets and resources men and women have or can access; and a seasonal calendar to capture monthly land-based activities that men and women undertake. 	
Household Surveys (HHS)	60 household surveys relating to Phase I and 130 household surveys relating to Phase II land acquisition to capture quantitative data using mobile tablets (total 190 surveys).	

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 58 of 121

Activity	Description	Photo
Key Informant Interviews (KIIs)	23 KII's were undertaken in relation to health, education, security and livelihoods with government institutions, non-governmental organisations, health workers, teachers and community police.	
Village profiles and observations	Four village profiles in Kanzimbe, Mayambo, Waya and Sadzu to capture village level data on demographics, public infrastructure, livelihoods, cultural heritage etc.	
Transect Walk	A transect walk of the Phase I land acquisition site was carried out for CSR studies to gather information from the community and from other stakeholders to understand historical land use practices and the material conditions of the land affected by project development.	

Pictures: From top to bottom – FGD with youth in Sadzu, PRA with women in Kanzimbe, household survey with woman, KII with teacher at Namanda School, a grain mill in Waya, transect walk map.


5.1 Geography and Administrative Structure

Malawi has three regions; northern, central and southern. It is divided into 28 districts, which are further divided into constituencies that are represented by Members of Parliament (MPs) as well as wards represented by local councillors⁽¹⁾. Each district is further divided into Traditional Authorities (TA), and subdivided into Group Villages, each with its own leader, known as a Group Village Headman (GVH).

The Project is situated in the central region of Malawi, approximately 30 km from the Salima District Centre, and within Kalonga TA.

The District Commissioner (DC) is the head of the District Government and has overall authority regarding land, development, and infrastructure. The DC is the first point of call for all project developers requiring land, and to date has been instrumental in the land acquisition and compensation process undertaken for ProjectCo.

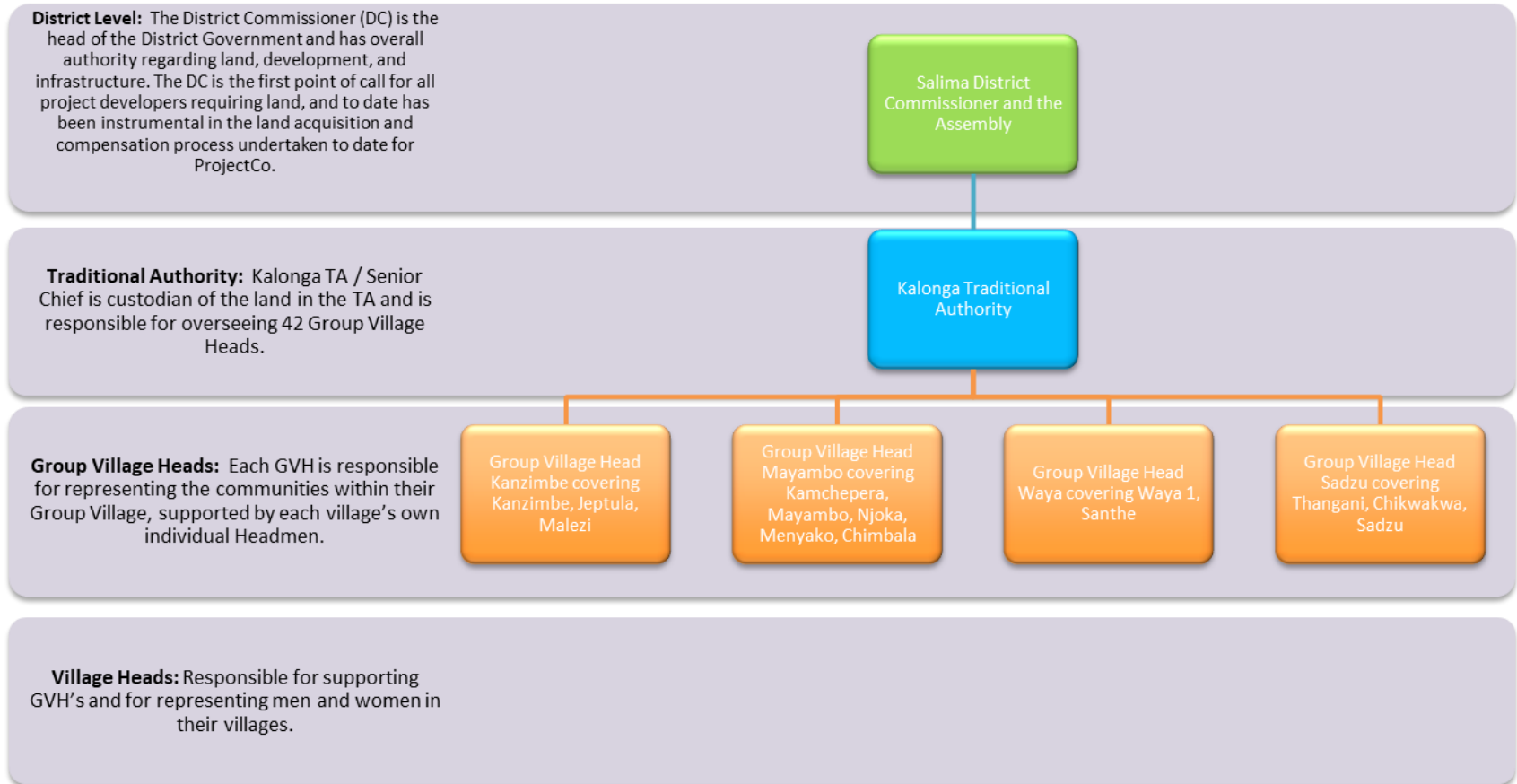
(1) Government of Malawi, Health Sector Strategic Plan 11 (2017-2022). Available at http://www.nationalplanningcycles.org/sites/default/files/planning_cycle_repository/malawi/health_sector_strategic_plan_ii_030417_smt_dps.pdf (accessed March 2018)


	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 59 of 121

The Kalonga TA / Senior Chief is custodian of the land in the TA and is responsible for overseeing 42 GVH's. Each GVH is responsible for representing the communities within their Group Village, supported by each village's own individual Headmen. Women are only represented through the Village Development Committees (VDCs) and other Community Based organisations (CBOs), and not in the institutional structure.

Figure 8 shows the institutional structure and the key representatives for each level in communities affected by land acquisition.

Figure 8: Institutional Structure



	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 61 of 121

5.1.1 Committees and Community Based Organisations

At the District, TA, and at village level there are development committees:

- District Development Committee (DDC) – comprises district departments who make the overall decision regarding development projects;
- Area Development Committee (ADC) – comprises TAs and other senior representatives that report development needs to the DDC; and
- Village Development Committee (VDC) – comprises the GVH and senior community representatives, including elders and women, who report development needs to the ADC.

The VDC and ADC result from government decentralisation structures to ensure that there is a bottom up approach to achieving community development goals. At the community level, a number of Community Based Organisations (CBOs) have been established, as shown in Table 10 below.


Table 10: Community Based Organisations

Village	Village Water Committees	Community Policing	Village Savings and Loans/Finance Related	Health	Women's Group
Kanzimbe	√	√	√	-	-
Mayambo	√	-	√	-	-
Waya	-	-	-	√	√
Santhe	-	-	√	√	-

Of the households surveyed, 50% reported that one or more member(s) of their household is a member of a CBO. Of those, 74% are members of only one CBO, 23 are members of two CBOs, and 3% are members of three CBOs. A list of CBOs is provided in Table 11.

Table 11: Types of Community Based Organisations in the Project Area

<p>Village Water Committees</p> <p>Both Kanzimbe and Mayambo have water committees that were established during the installation of boreholes. In Kanzimbe, the borehole was donated by a local politician in 1998. In Mayambo, the borehole was installed in 2015 by a non-governmental organisation called Assemblies of God. Both committees comprise a chair, secretary, treasurer, and community members. Kanzimbe Water Committee comprises two men and four women, while Mayambo comprises 10 members with an equal gender distribution.</p> <p>Other than managing the borehole, the water committee is responsible for encouraging the community to maintain high levels of sanitation and hygiene in the villages.</p> <p>Kanzimbe Group Village Community Policing</p>

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 62 of 121

The committee comprises 10 male members drawn from KGV, including Mayambo, Kanzimbe, Dzoole, Mbezela, Chenda, Nanjoka and Sikweya.

The role of community police is to:

- Ensure mutual respect between communities;
- Protect the communities from harm; and
- Maintain law and order.

The committee have received training from the Malawi Police Service.

Village Savings and Loans / Finance Related

Kanzimbe, Mayambo and Santhe have established Village Savings and Loans (VSL) committees, which enable men and women to save income and invest in small businesses.

Mayambo also has the 'Tivhekane Kitchen Top Up Group', comprising of 10 women that collectively finance the purchase of kitchen utensils, as well as meet to discuss issues relating to nutrition and hygiene.

Other CBOs

Waya has a health committee that works with local health-based NGOs to support health campaigns, including water and sanitation in the community. Waya also has a women's group that acts as a support network for women in the community, such as meeting and sharing ideas related to business, cooking, childcare and health.

Additionally, Santhe a community health group to support the provision of health services in the community. Santhe also has a Katawa Youth Club that focuses on a range of issues including sexual health.

5.2 Demographics

5.2.1 Population

At the time of the 2008 census, the population in Salima District was 337,895 people and on average there were 4.4 people per household⁽²⁾. According to the 2015-2016 Malawi Demographic and Health Survey (MDHS), the fertility rate in Salima was 5.6 births per woman for the three-year period prior to the survey⁽³⁾, in comparison to 3.8 in the capital of Lilongwe. This is attributed to the rural context of the district, in combination with high levels of poverty and low levels of formal education. The MDHS explains that average births per woman tends to decrease as wealth of the household increases⁽⁴⁾.

(2) Malawi Statistics. Available at <http://malawi.opendataforafrica.org/#> (accessed March 2018)

(3) Government of Malawi, 2015-16 Demographic and Health Survey. Available at <https://dhsprogram.com/pubs/pdf/SR237/SR237.pdf> (accessed March 2018)

(4) Government of Malawi, 2015-16 Demographic and Health Survey. Available at <https://dhsprogram.com/pubs/pdf/SR237/SR237.pdf> (accessed March 2018)

Table 12: Reported Population in the Project Area

Community	Reported Population	Reported Number of Households	Average Household Size	Gender Ration (%)	
				Male	Female
Kanzimbe	2 160	360 (108 FHH)	6-7	40	60
Mayambo	475	95 (15 FHH)	5	48	52
Waya	680	100 (25 FHH)	6-7	45	55
Santhe	222	37 (FHH not available)	6	40	60
Sadzu	2 000	400 (30 FHH)	5	40	60

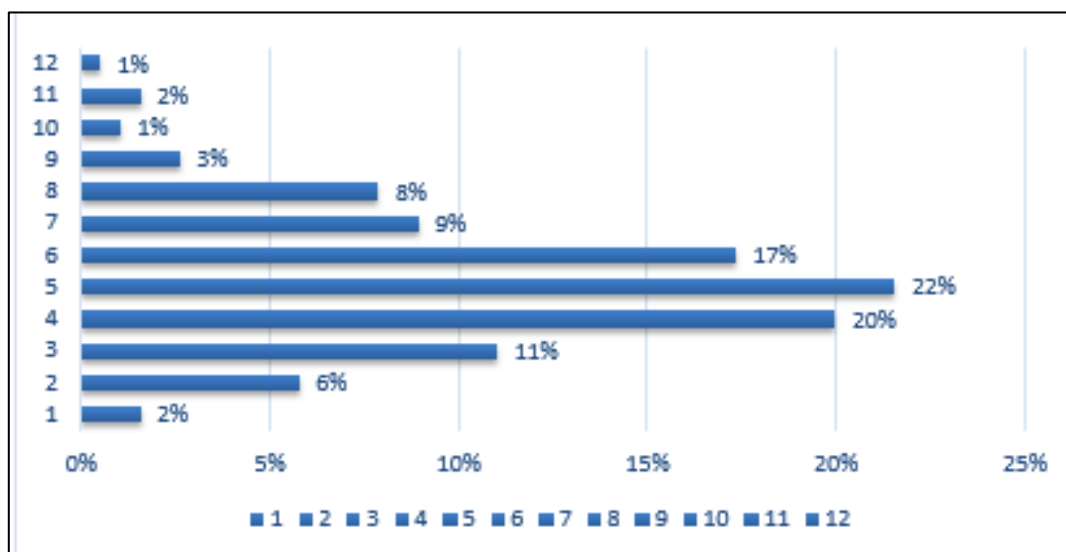
Notes:
The reported population is from the GVH's and the VHs.
FHH refers to female-headed households.

Source: ERM Social Surveys, 2018

As illustrated in the table, the average household size is slightly above the district average, primarily due to the rural context and low level of contraceptive use. It is understood that there are more women than men in the villages due to the traditional matrilineal system, whereby men move into the village of their wife, in combination with women having a higher life expectancy than men. As reported by women during ERM's social surveys, separation and divorce also contribute to higher numbers of female-headed households in the Project Area.

Surveyed households have between one and 12 household members. The majority of surveyed households (59%) have between four and six members.

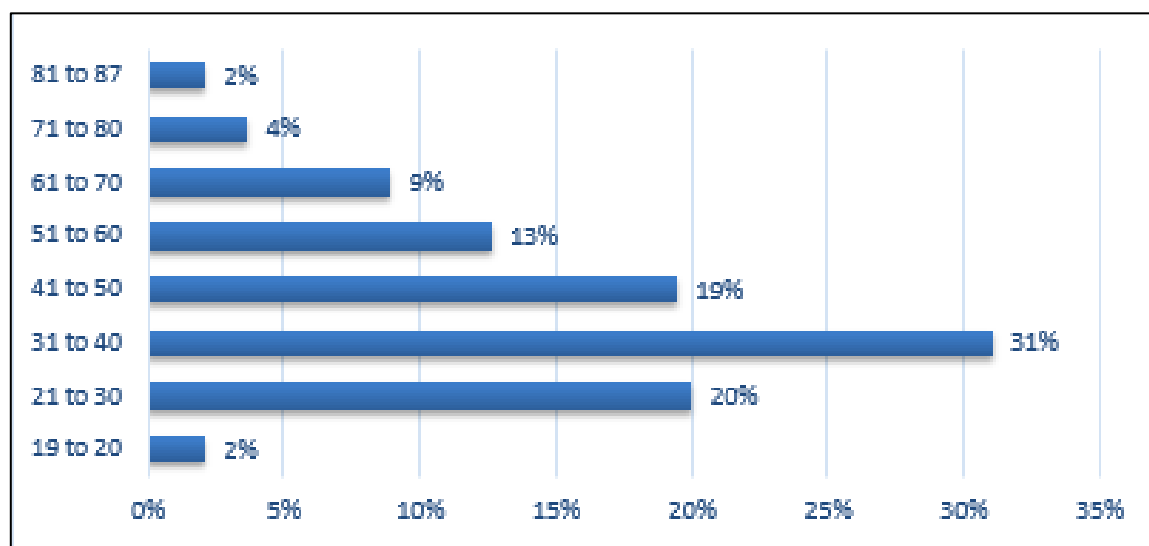
Figure 9: Number of Household Members



5.2.2 Age Distribution

The average age of the head of household (HoH) of surveyed households is 43. The majority of HoHs (70%) are between the ages of 21 and 50. As shown in the figure, in total 15% of surveyed households are over the age of 60, which is considered elderly in Malawi, since the average life expectancy in 2016 in Malawi for men was 61 for men and 67 for women ⁽⁵⁾.

Figure 10: Head of Household Age



Of the surveyed households, 84% are male-headed households and 16% are female-headed households.

5.2.3 Religion, Ethnicity and Language


Although English is the official language in Malawi, Chichewa is the language spoken by 57% of the population ⁽⁶⁾. There are six languages that are spoken in the Salima District. According to the 1998 Population and Housing Census (the latest data regarding language), 80% of the people of Salima speak Chichewa, 10% Chiyao, 8% Chitonga, and 2% Chinyanja, Chitumbuka and Ngoni ⁽⁷⁾.

The primary religion in the area is Christianity. Chewa is the primary ethnicity, with Chichewa the main language spoken.

(5) World Health Organisation. Malawi Country Profile. Available at <http://www.who.int/countries/mwi/en/> (accessed October 2018).

(6) The language spoken in Malawi.-study country.com. Available at <http://www.studycountry.com/guide/MW-language.htm> (accessed November 2017).

(7) Salima District Assembly. Salima Socio-Economic Profile 2006. Available at http://www.malgamw.org/SalimaDistrict_SEP.pdf (accessed November 2017).

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 65 of 121

5.3 Gender Context

High levels of poverty and traditional structures have created high levels of gender inequality and discrimination in Malawi. Additionally, customary law has legitimised practices such as polygamy, early marriage and wife inheritance in both matrilineal and patrilineal communities. These practices have reinforced stereotypes that consider women inferior to men⁽⁸⁾.

Consequently, Malawi is close to the bottom of the Gender Inequality Index GII with value of 0.614⁽⁹⁾, ranking it 145 out of 159 countries in the 2015 index⁽¹⁰⁾. Key indicators are detailed in Table 13.

Table 13: Gender Indicators

Indicator	Statistics
Parliamentary seats are held by women	16.7%
Secondary level of education	14.9% of adult females compared to 24.2% of adult males
Labour force participation	81.2% females compared to 80.8% males
Maternal mortality	For every 100 000 live births, there are 634 deaths
Adolescent birth rate	136.2 births per 1 000 women of ages 15-19

Source: UNDP, 2015

Regardless of these figures, Malawi has made steps to address gender inequality and promote women's rights, including ratifying the main gender conventions, including Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and the Protocol to the African Charter on Human and Peoples Rights on the Rights of Women in Africa. Malawi also adopted a National Gender Policy in covering the period 2007-2011, focusing on eight key areas including reproductive health, governance and human rights and gender-based violence.


5.3.1 Division of Labour based on Gender

In the villages, women are generally responsible for childcare, farming, domestic responsibilities (cooking and cleaning), caring for the sick, gathering and pounding maize meal. Men primarily engage in income generating activities, such as bicycle taxis, selling farm produce or other grocery items and fish trading.

(8) FAO (2011) Gender Inequalities in Rural Employment in Malawi. Available at <http://www.fao.org/docrep/016/ap093e/ap093e00.pdf> (accessed March 2018)

(9) The Gender Inequality Index refers to the inequality in achievement between women and men in three dimensions: reproductive health, empowerment and the labour market.

(10) United Nations Development Programme, 2016, Human Development Report Summary. Available at http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/MWI.pdf (accessed March 2018)

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 66 of 121

5.3.2 Access and Control of Resources

Under the matrilineal system practiced in some parts in Malawi, including the Project area, women are the custodians of the land and land is inherited and passed on through the females of the family. Although the Project is being implemented within a predominantly matrilineal community, men still play an important role in influencing the daily land use. In general, women have greater access to credit as they are usually considered to be more responsible financially. Men generally have greater access and opportunity to pursue an education due to their historical responsibility as ‘bread winner’. Men have more control over finances and marketing/sale of produce. This is because women are limited to their domestic role. Additionally, jealousy was reported as an issue in relation to women leaving the house to access the market and in access to technology; in particular, women accessing mobile phones.

Anecdotal evidence points to the fact that the Phase I land acquisition and compensation process may have resulted in a number of divorce cases and/or separations, all to do with the right over spending of compensation money. The alleged occurrences could not be verified. It will be included in future monitoring activities.


5.3.3 Challenges faced by Men and Women

The key challenges raised during surveys were related to lack of access to finance for farming inputs in order to maintain productive crop levels. Additionally, access to water was raised as a challenge for women as they endure queues at the boreholes resulting in long waiting times. Moreover, domestic arguments and associated violence are common and are caused by financial strain, infidelity, jealousy and alcohol consumption. This issue is seemingly more common in Mayambo; however, the reason for higher prevalence is unknown.

One of the main challenges faced by women and girls in both villages is gender-based violence (GBV), rape and early marriage. This impacts on girls’ education as they are forced to leave school due to early pregnancy. Additionally, in Kanzimbe, reportedly girls and women are enticed by men with money and other valuables such as mobile phones in exchange for sex, leading at times to unplanned pregnancies and spread of sexually transmitted diseases, such as HIV/AIDS. Women also reported that they are sometimes abused by their husbands if they spend too much time fetching water or at the maize mill. They also stated that they face early marriage and pregnancy, forcing them to leave school, compromising their education and access to employment.

Moreover, women in Kanzimbe stated that they have more work than men. While women are doing domestic chores, men are enjoying leisure and resting.

Challenges raised by men were more economic, in particular lack of customers for their bicycle taxi service. This is particularly the case during the wet season as it affects their bicycle business, when farmers are engaged in farming and there is minimal movement. They also complained about the time women spend fetching water.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 67 of 121

Observations suggest that Mayambo has higher poverty levels and is further than Kanzimbe to public services, which could be the reason for increased domestic arguments. A higher number of young children were also observed in Mayambo.

Generally, domestic violence is a major problem in Malawi. According to the MDHS survey, 47% of women experienced spousal violence in the Central Region ⁽¹¹⁾. Additionally, the survey suggests 60% of married women report that their husband insists on knowing where they are at all times ⁽¹²⁾, reflecting the situation in the Project affected communities.

5.4 Vulnerable Groups


Vulnerability is dependent on the level of resilience of individuals to cope with socio-economic or bio-physical change or shocks. Resilience is based on having access to the necessary resources (e.g. financial credit, assets such as crops, shelter, etc.) and physical/mental capacity (e.g. strength to relocate, skills to rebuild a business, etc.) to cope and adapt to change. Vulnerable groups are consequently more susceptible to negative projects impacts and are more likely to have a limited ability to take advantage of positive project impacts.

Based on the information gathered during the social surveys, the following groups are considered to be vulnerable:

- **Women and girls:** Greater lack of financial capital and influence in decision making than men. They also suffer domestic violence and abuse, creating impacts on health (e.g. mental disabilities, sexually transmitted diseases and physical constraints), as well as high rates of teenage pregnancy.
- **Female headed households:** Higher levels of poverty than men due to more pressure balancing domestic and livelihood activities.
- **Unemployed male youth/adult men:** Due to financial pressure as their role as the ‘bread winner’, they are vulnerable to alcoholism and depression.
- **Subsistence households:** Households where there are very high levels of poverty and food insecurity creating significant household pressures and health issues.
- **People over the age of 60:** More limited in terms of their physical ability to engage in livelihood and income generating activities. They also endure high levels of poverty due to low levels on income. Additionally, some may require additional care and support.

(11) Government of Malawi, 2015-16 Demographic and Health Survey. Available at <https://dhsprogram.com/pubs/pdf/SR237/SR237.pdf> (accessed March 2018)

(12) Government of Malawi, 2015-16 Demographic and Health Survey. Available at <https://dhsprogram.com/pubs/pdf/SR237/SR237.pdf> (accessed March 2018)

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 68 of 121

- **Child headed households and orphans:** Rely on carers to take responsibility for their economic situation and general wellbeing. Due to high levels of poverty in the project villages, orphans are more vulnerable to change.

For the purposes of livelihood restoration, the vulnerability framework is based on the sustainable livelihoods approach which is divided into five main areas based on the sustainable livelihoods approach ⁽¹³⁾:

- Human capital (knowledge, skills, health);
- Social capital (networks, relationships, associations);
- Natural capital (land, soil, water);
- Physical capital (infrastructure including roads, water and schools); and
- Financial capital (savings, income from employment, credit).


Table 14 below will be applied to identify those households that qualify for additional support measures. It includes information on vulnerability receptors and relevance within the project context.

More information on vulnerable support measures is presented in *Section 7.3.3.4 (Eligibility and Entitlements)*.


(13) Department for International Development, Sustainable Livelihoods Guidance Sheets. Available at <https://www.enonline.net/attachments/872/section2.pdf> (accessed October 2018)

Table 14: Vulnerability Framework

Capital	Consideration	Vulnerability Description	Relevance
Financial	<ul style="list-style-type: none"> Diversity of livelihoods; Productivity of livelihoods; Income generation. 	<ul style="list-style-type: none"> Household is dependent on a single livelihood activity; Low level of income (under \$1.90 per day /1,381.51MWK); Unproductive livelihoods and poor food security; Subsistence farmers that have limited ability to support household and pay for food, resources and services; Limited number of employed/economically active adults in each household; Female-headed households. 	<ul style="list-style-type: none"> Individual or household livelihood activities is going to be completely removed as a result of project land-take; Subsistence farmers solely dependent on the land for their livelihoods; Households generating \$1.90 per day / 1,381.51MWK or less per day.
Natural	<ul style="list-style-type: none"> Land; Timber; Water; Non-Timber Forest Products. 	<ul style="list-style-type: none"> Heavy dependence on land with few alternatives available; Limited access to land. 	<ul style="list-style-type: none"> Subsistence farmers; Households losing all of their land as a result of the Project; Households that have 1ha or less outside of the affected area.
Social	<ul style="list-style-type: none"> Social networks and connections; Ability to participate in economic and social systems; Rights/ability to participate in decision making. 	<ul style="list-style-type: none"> Gender inequalities that limit women’s participation in decision making and representation in the community; Heads of households over 60 that are dependent on others for support. Child headed households that have a limited role in decision making in the community. 	<ul style="list-style-type: none"> Female-headed households that are responsible for balancing domestic and economic activities; Heads of households over 60 years with few or no income earning household members; Child headed households – under the age of 18 years old.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 70 of 121

Human	<ul style="list-style-type: none"> • Knowledge & skills; • Access to education; • Level of education; • Health and nutritional status. 	<ul style="list-style-type: none"> • No access to education / skills; • Lack of literacy; • Poor health in communities, including disabilities. 	<ul style="list-style-type: none"> • Households that are subject to poor health as a result of their living standards; • Heads of households with a disability.
Physical	<ul style="list-style-type: none"> • Education facilities; • Health care facilities; • Household goods and equipment. 	<ul style="list-style-type: none"> • Poor access to education facilities; • Poor access to health facilities; • Lack of community infrastructure such as access to water and sanitation facilities. 	<ul style="list-style-type: none"> • All the households have access to basic public services and are therefore not considered vulnerable as a result of lack of physical capital.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 71 of 121

5.5 Education and Literacy

5.5.1 Education System

Malawi has an 8-4-4 education system, which is organized around eight years of primary school, four years of secondary school and four years of tertiary education ⁽¹⁴⁾.

There are many technical colleges and training centres throughout Malawi. This is partly because a branch of the national government, the Technical, Entrepreneurial and Vocational Training Authority (TEVTA) is mandated to promote and facilitate such training in order to promote the country's economic growth ⁽¹⁵⁾. Additionally, there are five main universities in Malawi, including the Catholic University, Mzuzu University, Lilongwe University of Agriculture and Natural Resources, Malawi University of Science and Technology and the University of Malawi.

5.5.2 Access to Education


Within the Project area the main primary schools are Namanda and Mbwezera. Children in Sadzu also go to Makande, situated approximately 2 km from the village. For secondary education, students in Mayambo and Waya access Kaphirimtiwa Secondary School. Sadzu has the closest Secondary School to the village, located approximately 4 km away. Salima Technical Collage is over 30 km from all the villages in the Project area. See Table 15 for details.

Table 15: Access to Education

Village	Education Facility	Approx. Distance from the Village (km)
Kanzimbe	Pre-school at Nazarene Church	1
	Namanda Primary School	2
	Mbwezera Primary School	3
Mayambo	Nazareth pre-school	2
	Namanda Primary School	3
	Mbwezera Primary School	1.5
	Kaphirimtiwa Secondary School	7
	Salima Technical Collage	35
Waya	Mbwezera Primary School	1
	Kaphirimtiwa Secondary School	7
	Salima Secondary School	8
	Salima Technical Collage	35
Sadzu	Makande Primary School	2
	Kaphatenga Secondary School	4

(14) UNESCO-UNEVOC International Centre for Technical and Vocational Education and Training (August 2012). Available at http://www.unevoc.unesco.org/wtdb/worldtvdatabase_mwi_en.pdf (accessed March 2018)

(15) Education System in Malawi. Available at <http://www.sdn.org.mw/Education2010/Edu-system.html> (accessed March 2018)

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 72 of 121

Village	Education Facility	Approx. Distance from the Village (km)
	Salima Technical Collage	30

Source: ERM Social Surveys, 2018

Namanda School is the oldest primary school in the Project area and was established in 1962. At the time of the social surveys, the school served approximately 1000 children; approximately 550 male and 450 female students, with a reported attendance rate of 90% and 65% respectively. This is reflected in the completion rates where 70% of males; complete primary education, compared to 60% of females at the school. At the time of the surveys, 14 teachers working at the school and the main subjects taught included maths, English, Chichewa, life skills (sexual health, puberty etc.), science and technology and arts.

Mbwezera School is a new primary school and was established in 2016. There are 21 villages in the catchment area. Reportedly, in 2016, there were a total of 236 students (124 girls and 112 boys) and at the time of the social surveys the number had almost doubled to 528 students. The school has three blocks, each comprising two classes. The school has seven teachers and the children’s ages range from six to 16 years.

In relation to secondary education, according to the SDSEP, there were 84 boys and 53 girls enrolled at Kaphirintiwa Secondary School and 182 and 203 boys and girls respectively enrolled at Salima Secondary School⁽¹⁶⁾. Even though the gender ratio differs at both schools, overall at the district level, as mentioned above, in 2006 there were less girls than boys enrolled at secondary school (46%)⁽¹⁷⁾.

At Salima Technical College the main subject taught include mechanics, carpentry/joinery, brick laying, administration, Information and Communications Technology (ICT), business studies, accounting, human resource management and community development. Males comprise 70% of technical courses and 50% of business/administrative courses, with females accounting for the remainder. The enrolment rate for the college is not available.


According to the household surveys, 64% of residents of Kanzimbe and Mayambo over the age of 20 have completed primary education; 7% of men and 6% of women have completed junior secondary school; and 2% of residents have completed senior secondary school.

Barriers to formal education in the Project Area include:

- **Access to school and quality of facilities** – specifically the distance required to travel to schools, ability to access schools during the rainy season, and access to water and sanitation facilities at schools;
- **Gender issues and cultural barriers** – boys’ education is prioritised over girls’ due to traditional household responsibilities and the likelihood of early marriage and pregnancy; young women are

(16) Salima District Assembly. Salima Socio-Economic Profile 2006

(17) Salima District Assembly. Salima Socio-Economic Profile 2006

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 73 of 121

discouraged from attending secondary school as the distance to the school requires them to reside on-site where they are vulnerable to sexual abuse and exploitation; and

- **Parental attitude** - education is not highly valued, and parents’ attitude contributes to absenteeism and a lack of encouragement for pupils.

When asked if there are any factors limiting household members from attending school, 53% of surveyed households answered yes. Of those, 43% identified cost as a barrier to education.

Of the surveyed households, 82% have children attending school. The majority of children attend school in the community (34%) and/or in a neighbouring community (83%). 4% of surveyed households reported having a child in school in another district and none reported having children attending school overseas.

5.5.2.1 Literacy Levels

Household survey data suggests that the literacy rates in Salima reflect those in Kanzimbe and Mayambo in households surveyed. In Kanzimbe, 40% of females and 55% of males surveyed are literate. In Mayambo, a female and males literacy levels are almost equal; 53% and 50% respectively. However, as males are more educated than women in Mayambo, this may not reflect reality. In other villages in the Project area, the reportedly literacy levels are lower. In Sadzu village, 86% of men and 38% of women are literate. In Waya and Santhe Villages, females’ and males’ literacy levels are not equal; majority of men in the village are literate with only 10% of women literate.

Low literacy levels are due to limited access to secondary and further education from teenage pregnancy, financial constraints to pay for uniform and materials, as well as distance and lack of access more generally.

5.6 Economy, Livelihoods and Income

Malawi has a per-capita Gross National Income (GNI) of \$320 USD in 2016, one of the lowest in the world⁽¹⁸⁾. In recent years, the country’s development has been negatively affected by both climate-related shocks and governance challenges.

The national economy is predominantly based on agriculture, with this sector contributing 28% of Gross Domestic Product (GDP) in 2015. Informal employment is high (89%) and it is estimated that 52% of the population live below the poverty line. Poverty rates are generally higher in rural areas relative to urban areas⁽¹⁹⁾ in Malawi.

(18) Malawi Economic Development document- IMF Country Report. July 5, 2017. Available at

<https://www.imf.org/en/Publications/CR/Issues/2017/07/05/Malawi-Economic-Development-Documents-45037> (accessed March 2018)

(19) Government of Republic of Malawi (2017) Health Sector Strategic Plan II, 2017-2022. Available at

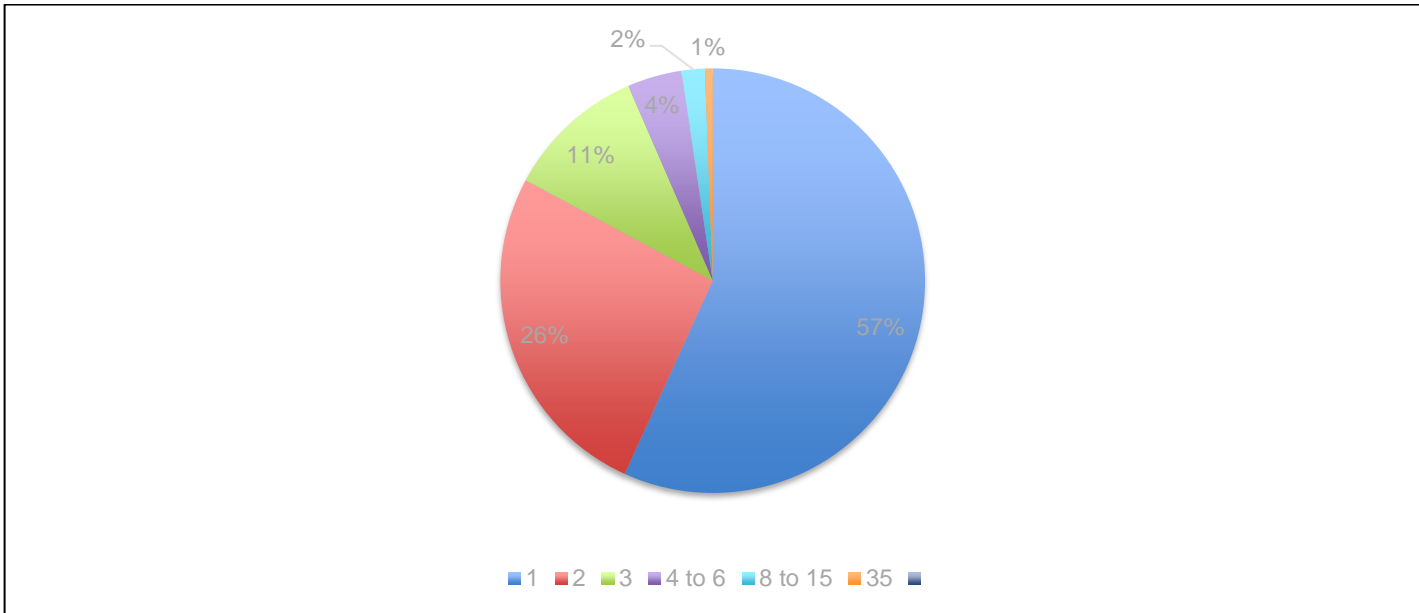
<http://www.health.gov.mw/index.php/policies-strategies?download=47:hssp-ii-final> (accessed March 2018)

5.6.1 Land Tenure

Approximately 78% of the land in Salima District is governed by the customary land tenure system ⁽²⁰⁾. This land is mainly used for subsistence farming. The remaining land is privately or publicly owned; 18% and 4% respectively. These plots are used for commercial development, such as agricultural estates, hotels, hospitals etc.

The surveyed households reported having access to between one and 5 plots, including land that is owned, used or not used, borrowed, rented, or sharecropped. The majority of surveyed households (57%) reported having access to only one plot.

Figure 11: Number of Plots accessible by Affected Households

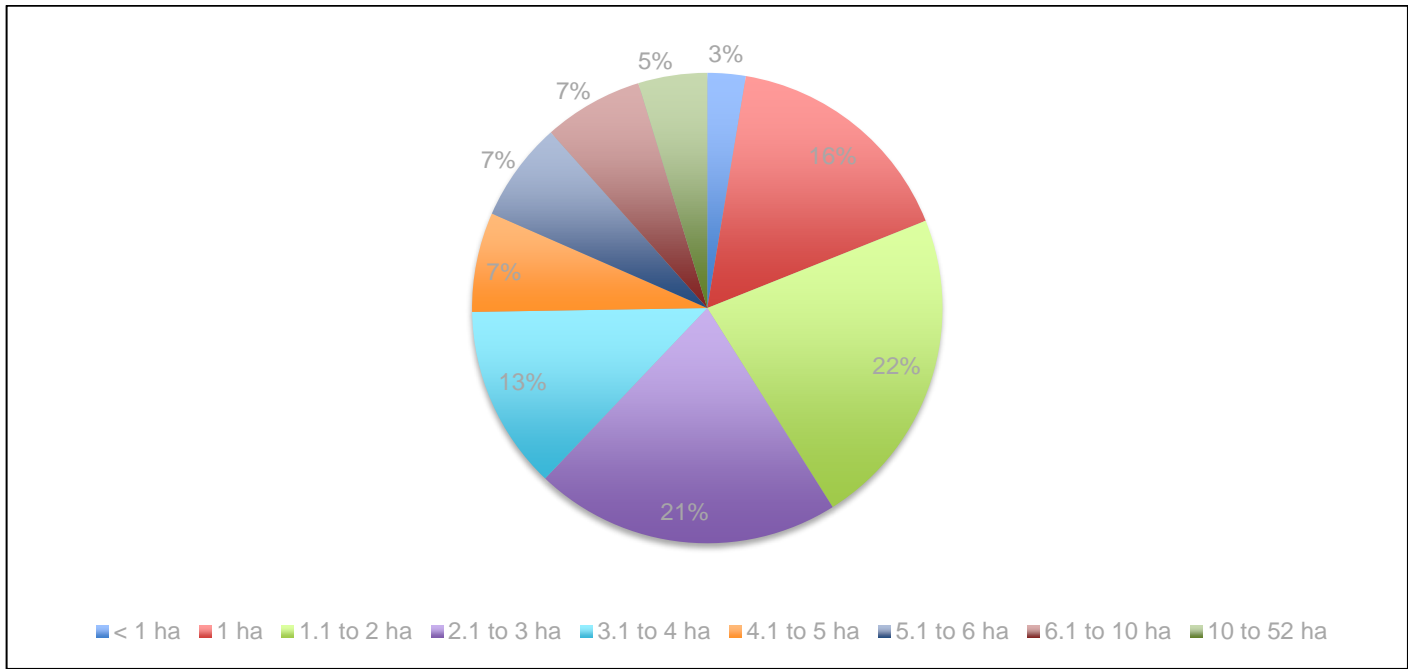


Source: ERM Social Surveys, 2018

The size of plots accessible to the surveyed households range from 0.45 ha to 52 ha. The average size of accessible plots is 3.9 ha.

(20) Salima District Assembly. Salima Socio-Economic Profile 2006

Figure 12: Number of Plots by Size



Source: ERM Social Surveys, 2018


Ganyu labour practices are common in the Project Area. This leads to individuals and families engaging in shared labour, predominantly during times of peak activity in labour-intensive work, such as land-clearing, land-preparation, and harvesting. The Consultant’s data collection process identified *ganyu* labour as a significant factor in household livelihoods strategies in the Project Area, involving predominantly men, though in some cases women and children as well.

5.6.2 Agriculture

In Salima District, the economy is primarily agriculture-based, engaging approximately 93,397 families over 107,377 ha of land ⁽²¹⁾. The main agricultural activities carried out in the district include crop production, livestock production and marketing of agricultural produce. Common crops cultivated in the Project Area are maize, cotton, cowpea, groundnuts, beans, soya, rice, vegetables and tobacco. All of the surveyed households reported nsima (maize) as their most common staple food.

The majority of surveyed households (82%) reported a decrease in agricultural yields over the last two years; 11% of surveyed households reported an increase and 7% reported no change. The primary reasons given for decreased yields were climate change and poor rainfall. The major challenge identified by surveyed households related to agriculture is a lack of farm inputs, such as fertilizers, pesticides, and equipment, and erratic rainfall.

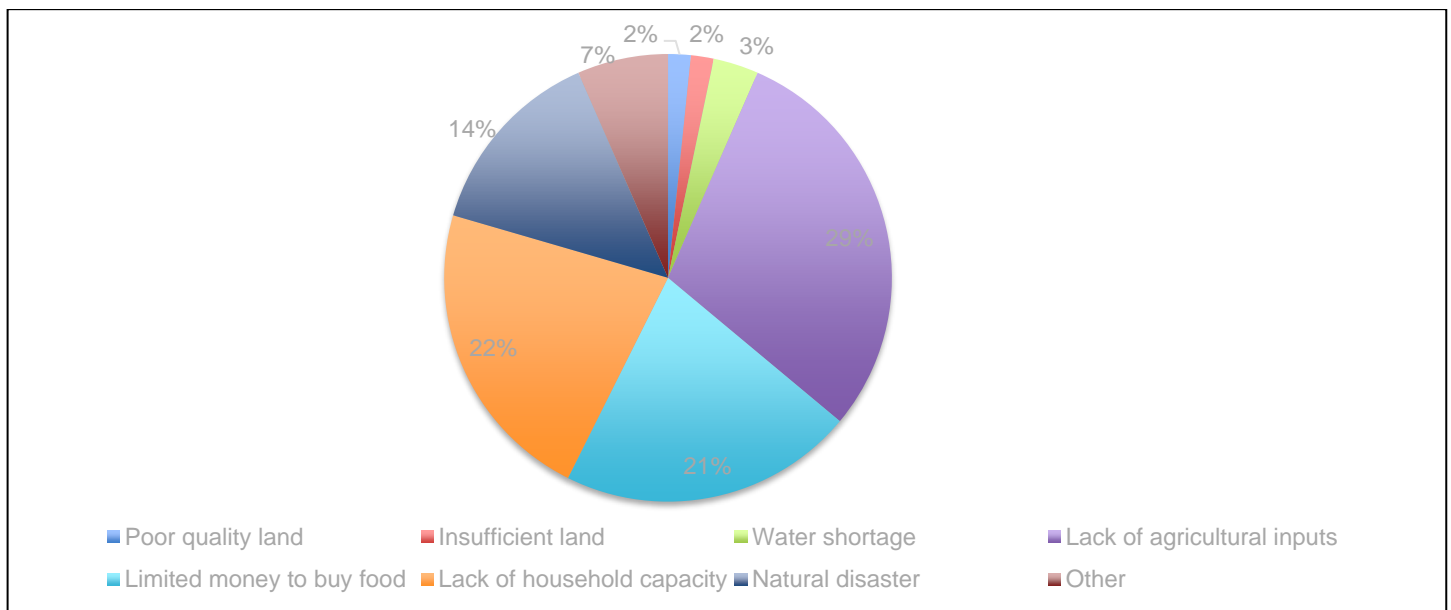
(21) Salima District Assembly. Salima Socio-Economic Profile 2006

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 76 of 121

Food shortages are common in the communities in the Project Area. 57% of surveyed households reported that in the two weeks leading up to the survey, one or more household member ate less than three times a day. One or more household member felt hungry and had nothing to eat in 39% of the households, and one or more household member had a limited variety of food in 66% of surveyed households.

64% of surveyed households reported experiencing food shortages at some point during the year, with the primary reasons being lack of agricultural inputs (29%), lack of household capacity (22%), and limited money to buy food (21%).

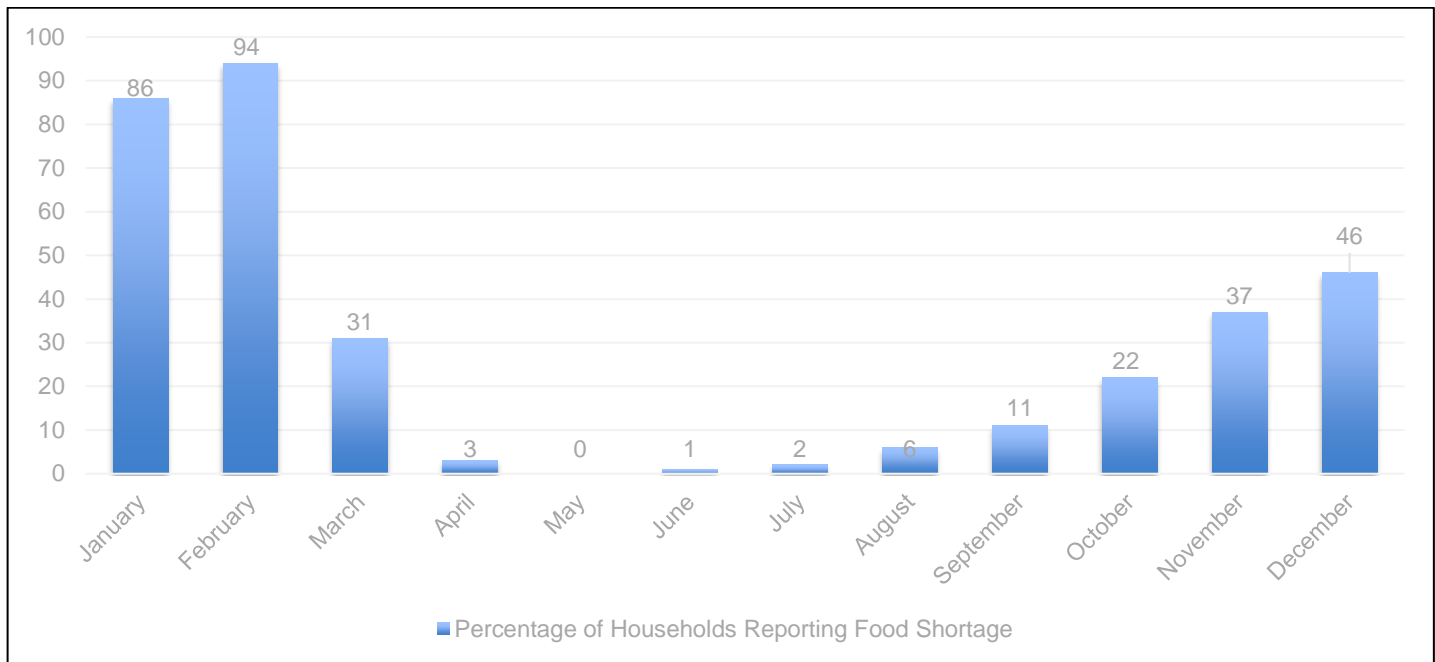
Figure 13: Reasons for Household Food Shortages



Source: ERM Social Surveys, 2018

Of the surveyed households reporting having experienced a food shortage during the year, the majority experience the food shortage during January (86%) and February (94%).

Figure 14: Food Shortages by Month



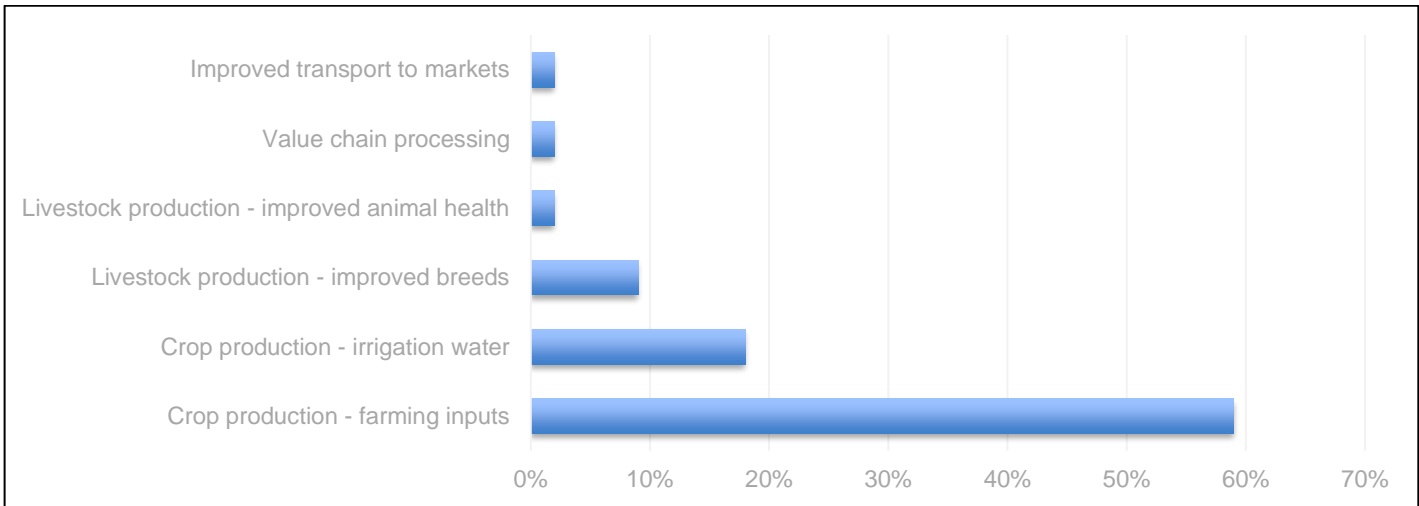
Source: ERM Social Surveys, 2018

Due to an extended dry season in January 2018, many farmers reported having lower crop yields than previous years. The District Office suggested that farmers in other areas had been much more successful in their planting this year, particularly with maize. This may be attributed to the fact that farmers in the Project Area do not generally practice intercropping, the use of cover crops, effective rotation or any other measures to improve soil fertility, retain water and improve yields. This reflects a lack of farming knowledge, but also the absence of effective extension support by the government or development agencies.

Households were asked to identify their priorities for livelihood improvements. The majority of surveyed households (59%) identified farming inputs, such as seeds and tools, for crop production to be their top priority.

These priorities have been considered in the livelihood restoration initiatives identified in this LRP.

Figure 15: Priority Livelihood Strategies



Source: ERM Social Surveys, 2018

5.6.3 Income and Poverty

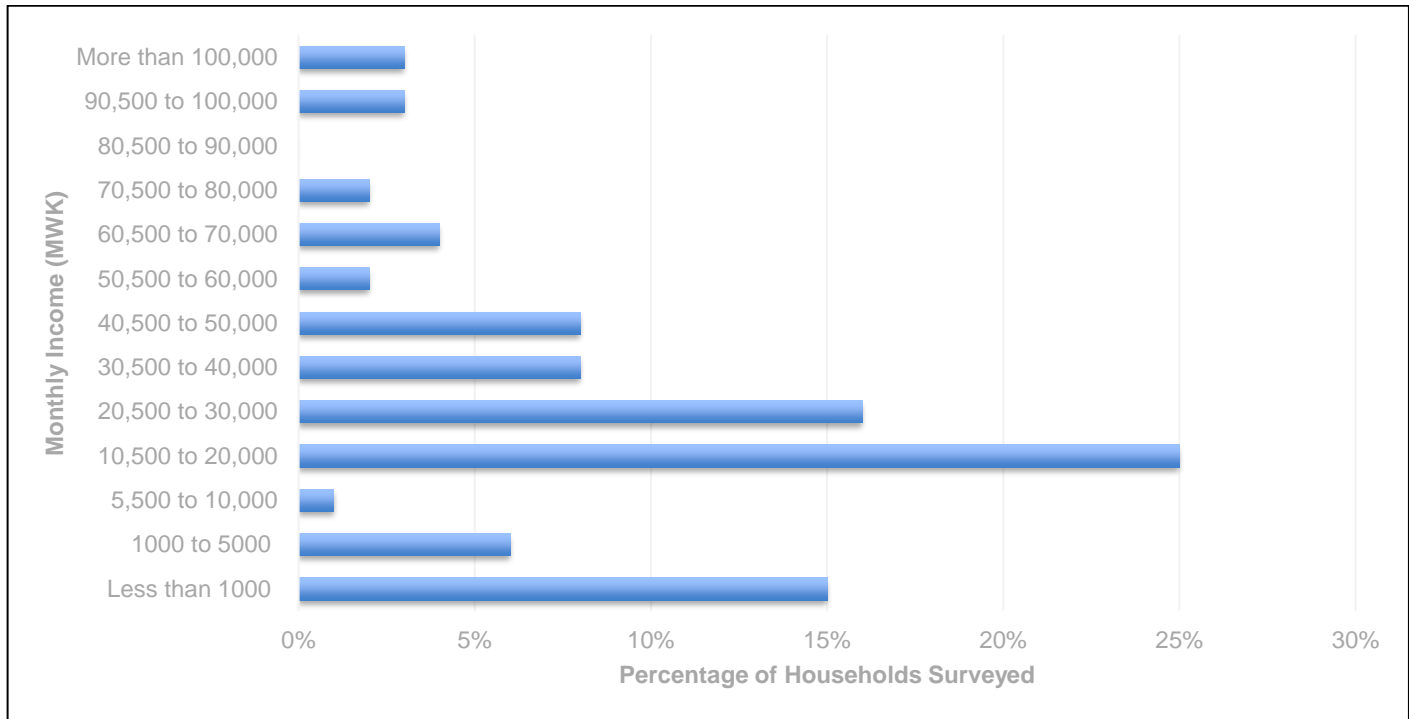
Household income levels vary significantly in the Project Area. Surveyed households reported monthly household income ranging from less than 1,000 MWK (approximately \$1.38 USD) up to 800,000 MWK (approximately \$1,100 USD).

Applying the international standard for extreme poverty of \$1.90 USD per day⁽²²⁾ (approximately 40,000 MWK per month), 71% of surveyed households live in extreme poverty.

Of surveyed households, the majority find it difficult (63%) or very difficult (15%) to make ends meet on the basis of their household income. This means that affected households do not generate enough income or struggle to cover the cost of living e.g. for food, school fees, clothing, health care etc.

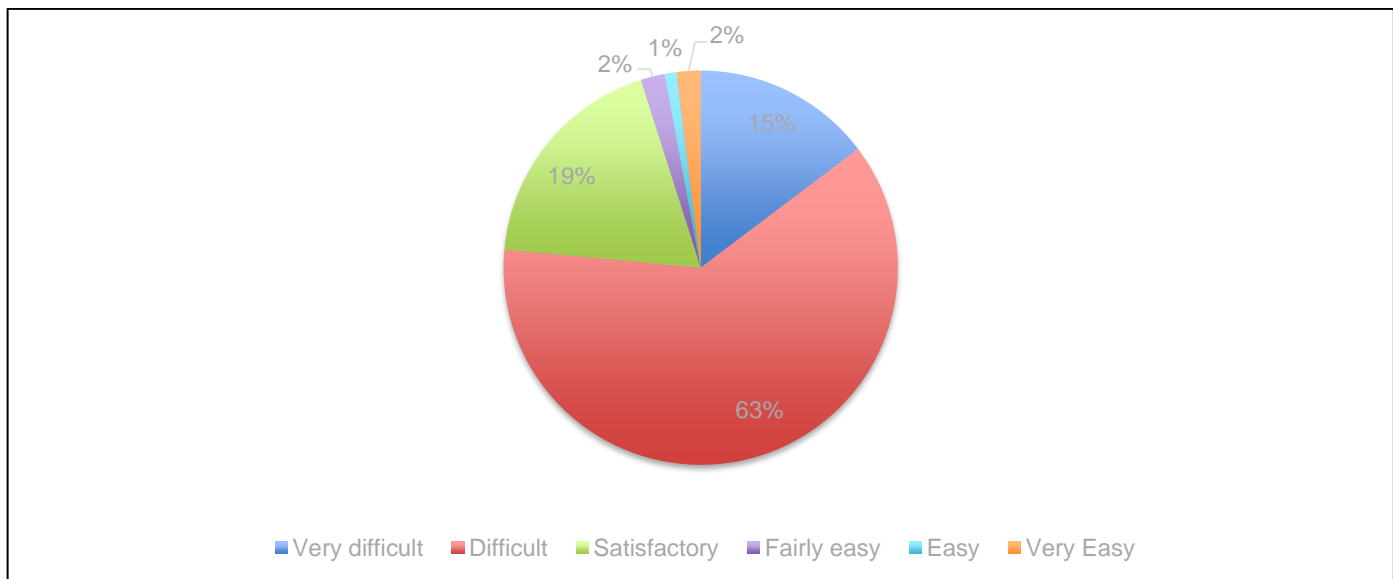
(22) World Bank, 2015


Figure 16: Income Levels



Source: ERM Social Surveys, 2018

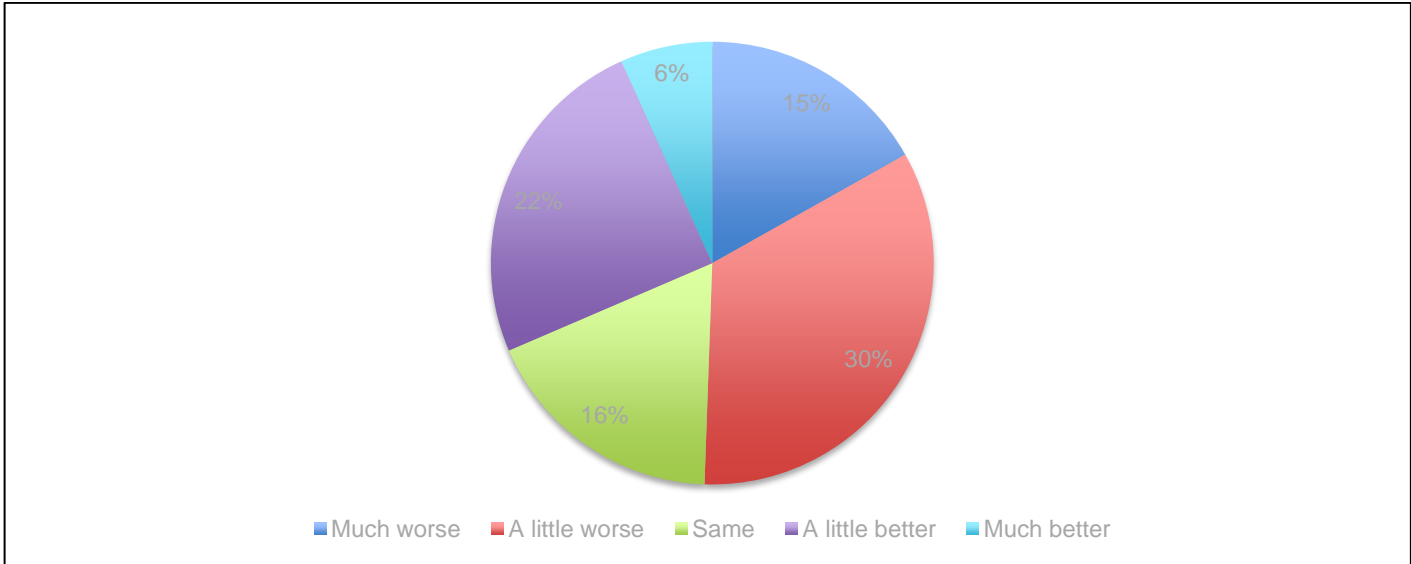
Figure 17: Ability to Make Ends Meet



	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 80 of 121

Compared to their economic situation in 2016, 45% of surveyed households reported their current situation to be worse, 16% reported it to be the same, and 28% reported it to have improved.

Figure 18: Household Economic Situation



The main reasons given by survey respondents for worsened household situations were decreased agricultural yields (typically due to poor rainfall) and an increased number of dependents. The central reason provided by survey respondents for improved household situations was increased revenue from business activities.

Of surveyed households, 13% reported that one or more member of the household has a bank account and 51% reported that one or more members of the household have some sort of savings – primarily in the form of cash or livestock. 46% of surveyed households reported that they had accessed credit or borrowed money in the last 12 months.


When asked whether they believed there was anything else their household could do to improve income generation or livelihoods, 87% of respondents said yes. Suggestions for what they could do related primarily to small-scale business focused on the transformation and sale of agricultural or food products.

5.7 Access to Public Services and Infrastructure

5.7.1 Water

Households in the Project Area access water from a variety of sources. Community water points include:

- One borehole in Kanzimbe;
- One borehole in Mayambo;

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 81 of 121

- Three boreholes in Waya;
- Four boreholes in Sadzu; and
- Two boreholes in Santhe.

Water yields at public boreholes are insufficient to meet the population’s needs in all cases except Santhe, where residents report having access to clean water throughout the year.

Of the surveyed households, the majority (66%) use a borehole with hand pump as their primary source of drinking water; 32% use a hand-dug shallow well, and 2% use piped water. Residents in the Project Area report that the available water is of good quality and taste, and do not believe they are affected by water-related ailments.


The primary source of domestic water (e.g. for bathing and cleaning) is a borehole with hand pump (96%); 2% of surveyed households use piped water, 1% using a hand-dug shallow well, and less than 1% use a community tap or draw water from a river or stream.

Figure 19: Boreholes in Kanzimbe and Mayambo Villages



Source: ERM Social Surveys, 2018

52% of surveyed households report experiencing challenges with water supply at some point during the year. The primary challenges reported by households are water shortages (42%), difficulties in accessing water sources (46%), and an overwhelming demand for the community boreholes specifically (17%).

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 82 of 121

In 93% of surveyed households it was reported that adult women are responsible for collecting water; children collect water in 5% of households and adult men collect water in 2% of households. Women in the Project Area report spending up to four hours per day collecting water.

With regards to agricultural livelihoods, rain water harvesting is the primary source of water for crops among surveyed households (61%; 21% reported drawing water from a river or stream, 6% use a borehole with hand pump, 1% use a hand-dug well, and less than 1% use a community tap or piped water.

The primary source of water for livestock are a borehole with hand pump (46%) and the river or stream (43%); 2% of households harvest rain water, 1% uses piped water, and less than 1% use a community tap or hand-dug well.

5.7.2 Sanitation

The majority of surveyed households (92%) reported having household pit latrines, either ventilated (55%) or non-ventilated (37%). Other households reported having shared pit latrines (5%), using the bush (2%), and having a western-style toilet (1%).

Typically, private latrines are not well-built; households often lack access to latrines while they are conducting repairs or building a replacement, typically during or after the rainy season. During this time, households use the bush or their neighbors' facilities.


The majority of surveyed households (87%) report having handwashing facilities next to the latrine, though only 13% report having soap.

Figure 20: Latrines in Kanzimbe and Mayambo Villages



Covered pit latrine in Mayambo

A mud wall latrine in Kanzimbe Village

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 83 of 121

5.7.3 Waste

Waste generated in the Project area includes food waste. The majority of the households have their own waste disposal pits (all waste). However, in Kanzimbe, Mayambo, Santhe and Waya there are still some people who do not have their own waste disposal pit and either dispose of waste using their neighbour’s facility or throw the trash anywhere. In Sadzu, the sanitation committee encourages the community to have their own waste disposal pits.

5.7.4 Energy

Access to on-grid energy in the Project Area is limited. Surveyed households reported their primary sources of household lighting to be a battery-powered torch (77%), solar panels (11%), and portable solar lamps (6%).

When asked how they charge their mobile phones, 18% of surveyed households reported charging it outside the home, primarily at a shop or market, 19% reported charging their phones using a solar panel at home, and 3% reported using an electric socket at home. 52% of surveyed households reported that one member of their household owned one or more mobile phones.

The main sources of fuel for cooking are wood and charcoal. Among surveyed households, 86% report using wood as their main source of fuel for cooking and 14% report using charcoal. Access to these resources has become a challenge in the community due to deforestation. Women also report suffering from respiratory illness as a result of inhaling fumes from these sources. During the wet season, kerosene is added to burn firewood and the use of charcoal as a fuel source increases.

45% of surveyed households report using an open fire as their cooking device; 41% use a traditional stove, 9% use a charcoal burner, and 5% use an improved stove.


5.7.5 Transport

Transport infrastructure in the Project Area is limited to the M14 national highway that runs from Lilongwe to Salima. This road is paved and has a single lane in each direction. The remainder of the roads in the Project Area are dirt roads. These roads are often impassable in certain sections during the rainy season and communities struggle to access basic amenities such as health care and schools.

The main means of transport in affected communities is walking, bicycles/bicycle taxi and motorcycle. Children from surveyed households attending school typically travel to school on foot (98%).

5.8 Health

Malawi’s health system is organized at four levels: community, primary, secondary and tertiary. These levels are linked to each other through an established referral system. Broadly, the most basic level of care is provided at the community level, with more specialist services at subsequent levels.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 84 of 121

Katawa Health Clinic is the nearest health centre to all the villages in the Project area and Salima District Hospital is the nearest emergency facility. The distance to the facilities is provided in Table 16 below.

Table 16: Distance to Healthcare Facilities

Village	Distance to Katawa Health Clinic (km)	Distance to Salima District Hospital (km)
Kanzimbe	1	15
Mayambo	2	15
Waya	1,5	9
Sadzu	4	8

Source: ERM Social Surveys, 2018

Katawa Health Clinic is a NGO-run facility that services 110 villages and 12,000 people. Services at the clinic include an outpatient's department, anti-natal services, Anti-Retroviral Therapy, family planning, youth friendly health services, outreach services, nutrition and provision of water treatment.

Although the clinic can provide basic services, it is in need of renovation. The clinic does not have a maternal health unit and renovation; pregnant women are required to travel to Salima district hospital to access maternal care, which requires walking long distances or transportation costs.

The average life expectancy in 2016 in Malawi for men was 61 for men and 67 for women⁽²³⁾. This is in line with other countries in the region, but low compared to the rest of the world. Malaria is the most common cause of death among children under the age of 5. HIV/AIDS is the leading cause of death among adults⁽²⁴⁾.

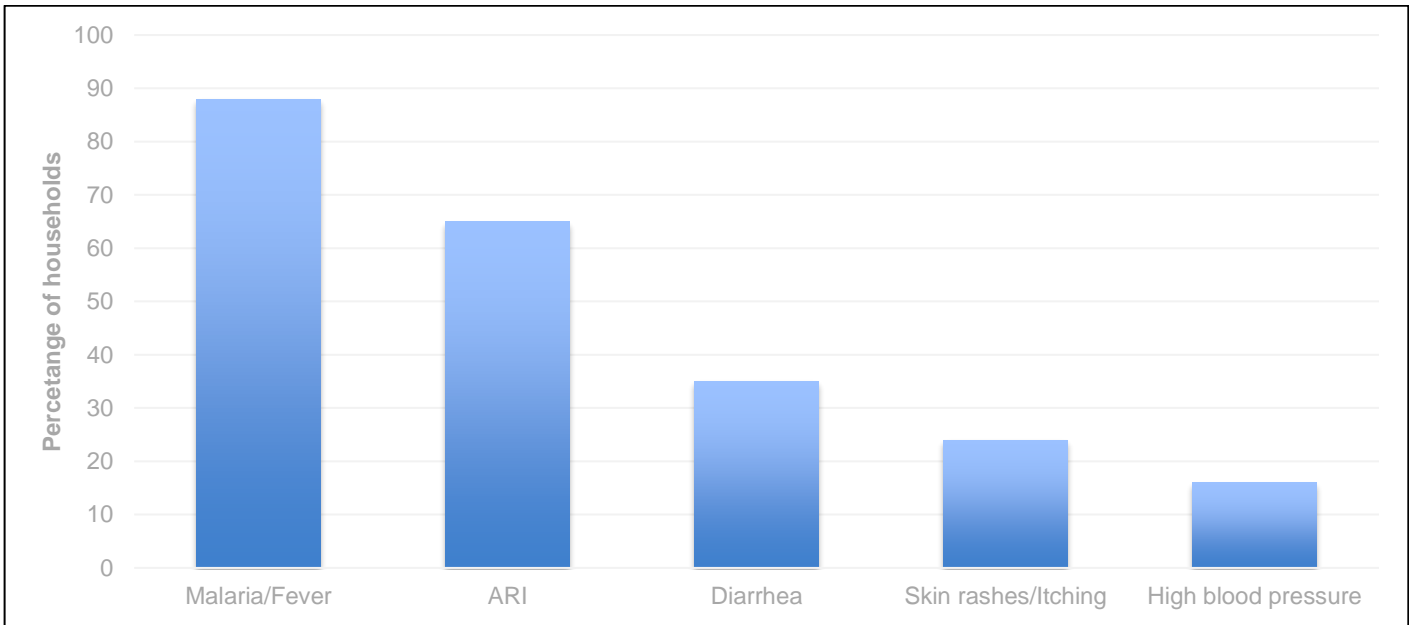
Of surveyed households, women are reported to be more commonly affected by health issues (83%) than men (17%), with malaria/fever as the most common health issue reported by surveyed households.

The most common health issues reported by households in the three months preceding the surveys are shown in Figure 21 below.

(23) World Health Organisation. Malawi Country Profile. Available at <http://www.who.int/countries/mwi/en/> (accessed October 2018)

(24) World Health Organisation 2018. Available at <http://www.who.int/countries/mwi/en/> and <http://www.who.int/gho/countries/mwi.pdf?ua=1> (accessed March 2018)

Figure 21: Reported Health Issues



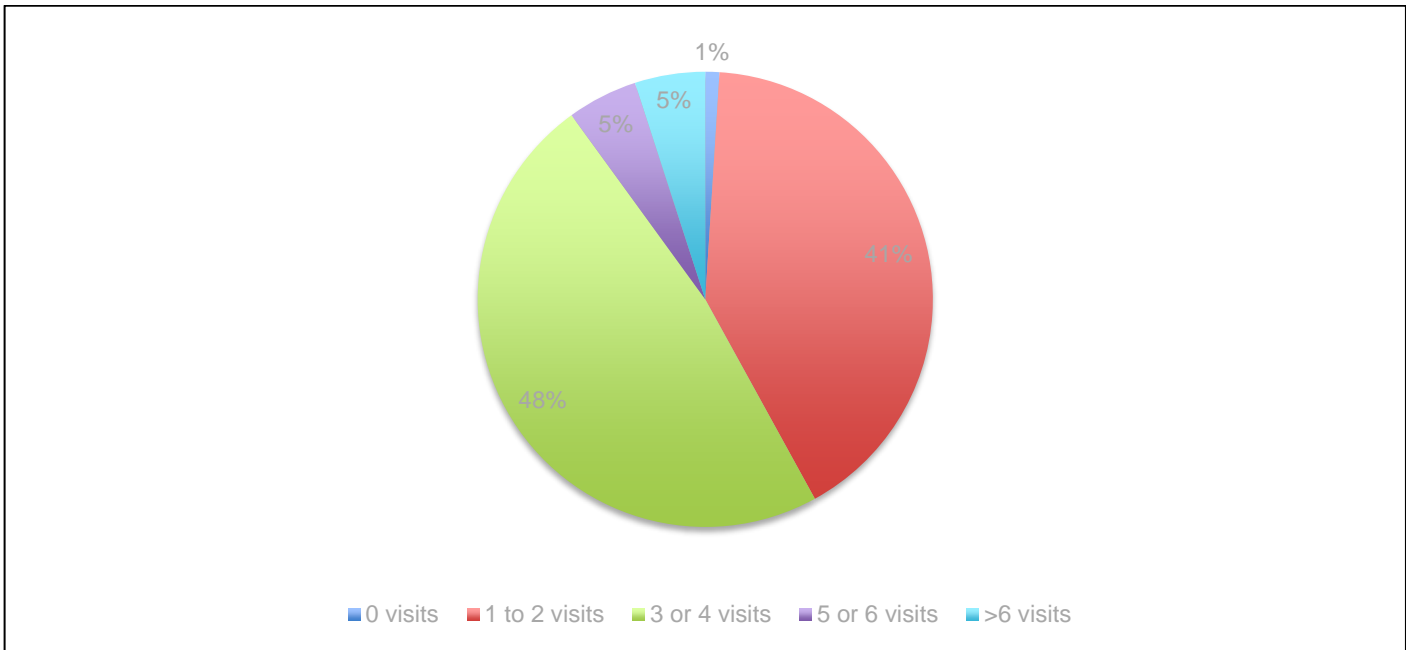
Source: ERM Social Surveys, 2018

During household surveys, 49% reported using community health clinics or dispensaries most frequently, 37% use private hospitals or clinics, and 24% general hospitals.

Of surveyed households, the majority (58%) reported that a member of the household had visited a health facility more than twice in the three months preceding the survey.

47% of surveyed households reported facing barriers to accessing healthcare services. Primary barriers were identified by surveyed households as being lack of finances (72%) and distance (26%).

Figure 22: Households Visiting a Health Facility

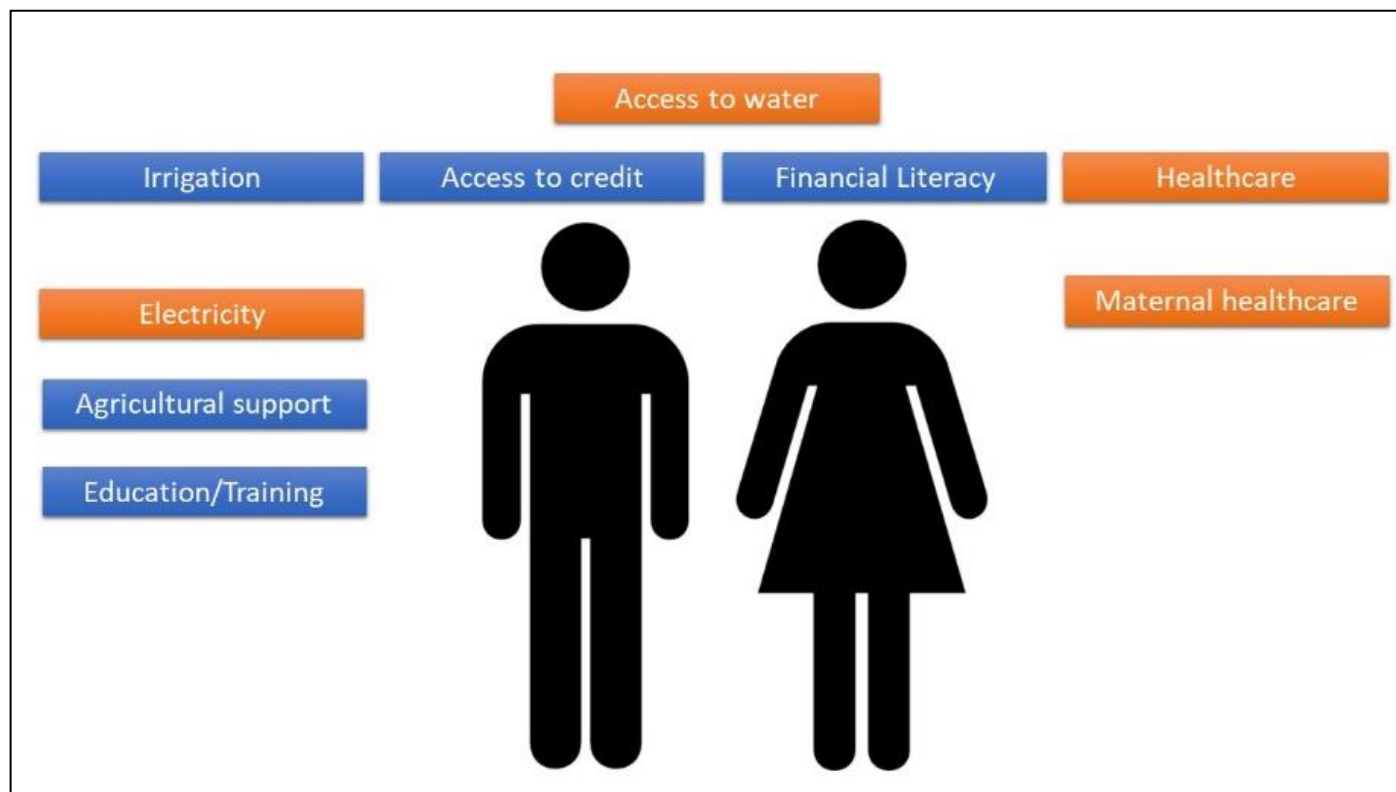


5.9 Community Development Needs and Priorities

Community development priorities were identified by men and women through the social survey process through PRA and focus group discussions. The results are reported here as they form part of the baseline scenario in the community and synthesize the aspirations and livelihood priorities of the communities affected by the Project. The ProjectCo plans to support CSR initiatives that are separate by nature from the objectives of this LRP. Nonetheless, the LRP leverages some of this information to tailor livelihood restoration measures to meet project-affected households’ desires in terms of strengthening their capabilities surrounding agricultural practices, enhancing food security and diversification of livelihood strategies beyond agriculture.

The top priority of all groups was identified as access to water. Village headmen identified additional priorities to be irrigation, access to credit, financial literacy training, and improved healthcare as priorities. As illustrated in the figure below, specific priorities identified by men were access to electricity, agricultural support, and improved access to education and training. In addition to the priorities identified by others, women also identified improved access to maternal healthcare as a priority. The figure below highlights initiatives to be supported by the LRP in blue, while other priorities marked in orange are being explored as possibilities for the ProjectCo to support through its CSR initiatives.

Figure 23: Community Development Priorities




Source: ERM Social Surveys, 2018

5.10 Summary of Key Quantitative/Qualitative Data

Table 17 below lists the key indicators that the ProjectCo will be monitoring which relate to both LRP and CSR initiatives. Those which related to the effectiveness of the livelihood restoration support are shaded in blue, while those related to CSR are in orange. A monitoring and evaluation framework is outlined in Section 10.

Table 17: Summary of Key Quantitative Indicators

Area	Indicator	Number of Households	
Financial	Monthly household income	< 40,000 MWK	151
		41,000 – 80,000 MWK	27
		81,000 – 150,000 MWK	6
		151,000 – 200,000 MWK	2
		201,000 – 300,000 MWK	1
		> 300,000	2

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 88 of 121

Area	Indicator	Number of Households
	Number of households with one or more member having a bank account	22
	Number of households with one or more member having savings	96
	Number of households that have accessed credit/borrowed money in last 12 months	87
Agriculture	Number of households that report an increase in annual agricultural production levels	14
Assets	Number of households with one or more members owning a mobile phone	98
	Number of households with one or more bicycle(s)	130
Energy	Number of households using battery-powered torches as main source of lighting	98
	Number of households using an improved stove as cooking device	3
Health	Number of households identifying cost as a barrier to accessing healthcare	40
Education	Number of households identify cost as a barrier to education	35
Food	Number of households experiencing food shortages during any part of the year	121
	Number of households in which a member of the household has felt hungry but had nothing to eat within the last two weeks	46


6 Impacts

6.1 Introduction

This section provides a detailed description of the impacts of land acquisition resulting in economic displacement on affected persons and households. The information presented in this section is based on baseline data presented in Section 5. Additionally, it is important to note that during the Phase I land acquisition there was one case of physical displacement related to the home of GVH Kanzimbe. This is described separately in specific detail as relevant in this section and Section 7.

This impact assessment considers the following:

- the type of land being acquired for the Project and its current use (customary land that was used for subsistence farming);

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 89 of 121

- the number and type of people affected, with consideration for vulnerability (including gender considerations, food insecurity, unemployment, elderly, and orphaned children);
- their ability to access alternative land (availability of suitable land and compatibility in terms of productivity with land to be acquired by the Project);
- the level of disturbance to livelihoods (priority livelihood activities versus those affected by the Project, number of plots affected by the Project versus total plots held, ability of households to make ends meet, etc.); and
- the duration and severity of impacts (including effects on food security).

This section considers the following impacts:

- Types of loss: including details of land and assets that will be lost as a result of the Project land take; and
- Other impacts: considers impacts related to restricted access through existing pathways transecting the solar plant site, loss of the footpaths may affect community dynamics.

6.2 Summary of Affected Assets

This section provides an overview of the various types of assets that were affected as a result of land acquisition. A list of all types of affected trees is included in *Annex F*.


	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 90 of 121

Table 18: Summary of Affected Assets

Asset Class	Number of Assets Affected
Phase I Land Acquisition	
Affected persons	60 persons (including Kazimbe Community Land)
Land	80,7 Ha
Fruit trees	44 trees
Exotic trees	666 trees
Indigenous trees	216 trees
Dwellings	166 m ²
Phase II Land Acquisition	
Affected persons	165 persons
Land	104,9 Ha
Fruit trees	148 trees
Exotic trees	3 180 trees
Indigenous trees	3 172 trees
Dwellings	0 m ²
Total Assets Affected	
Affected persons	225 persons
Land	185,6 Ha
Fruit trees	192 trees
Exotic trees	3 846 trees
Indigenous trees	3 388 trees
Dwellings	166 m ²


Affected land users reside in Kanzimbe and Sadzu Group Villages, covering Mayambo, Jeputala, Malezi, Waya, Njoka, Kachepera, Menyako, Chishasa, Santhe, Chikwakwa, Thangani and Sadzu.

All the villages in the Project area rely on subsistence farming for their household food consumption, with some households generating a small cash income from selling crops. Additionally, livestock rearing, particularly of goats and poultry is common. Livestock use the Project area for grazing of crop residue after harvesting.

Farmers generally have land plots that are under one hectare (Ha). Small rainfed land plots contribute to communities experiencing food shortages during the dry season, especially December to February, locally referred to as the 'hunger season'. Additionally, malnutrition of children is reportedly common in the villages, which impacts on the wellbeing of children and their ability to attend school.

In relation to crops, the most common crop grown in the affected area is maize. Other crops grown include cotton, cowpeas, groundnuts, beans, soya, rice, vegetables and tobacco.

Due to food shortages in communities, the impact of land acquisition and economic displacement has the potential to exacerbate food insecurity and heighten poverty levels. Lack of employment and low literacy levels means that communities rely on subsistence farming and petty trading for their income. As such, land acquisition has the potential to increase vulnerability.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 91 of 121

In addition to crops, trees were impacted as a result of the Project. With the exception of fruit trees (mango), trees are used as a source of firewood and to produce charcoal. Firewood is a major source of energy for local communities. Mangos are a major livelihood in the area and a source of income while the sale of charcoal also provides some income.

6.2.1 Mitigation Measures

The mitigation measures included in this LRP are as follows:

- Affected persons will be entitled to cash compensation at replacement value of the affected assets, for all asset losses associated with the land acquisition process. At the time of writing this LRP, both Phase I and Phase II compensation had already been disbursed by ProjectCo. Phase I and II compensation payments have been taken through a due diligence process to make sure that valuation and compensation for the two phases were aligned and if not, taking the necessary corrective measures. Additional support will be provided to vulnerable groups as necessary.
- As detailed in Section 7.5.2 below, ProjectCo have supported affected persons in identifying replacement land. Where requested, ProjectCo provided support to affected persons who wanted to register their replacement land in order to have security of tenure, though registration of customary land by way of lease is not common since it requires payment of land tax on an annual basis to government.
- Further livelihood restoration initiatives will focus on enhancement of agricultural productivity as well as other skills that may contribute to improved livelihoods/ and income levels of affected households. This is discussed in Section 8 of this LRP.

6.3 Impacts related to Loss of Traversing Rights

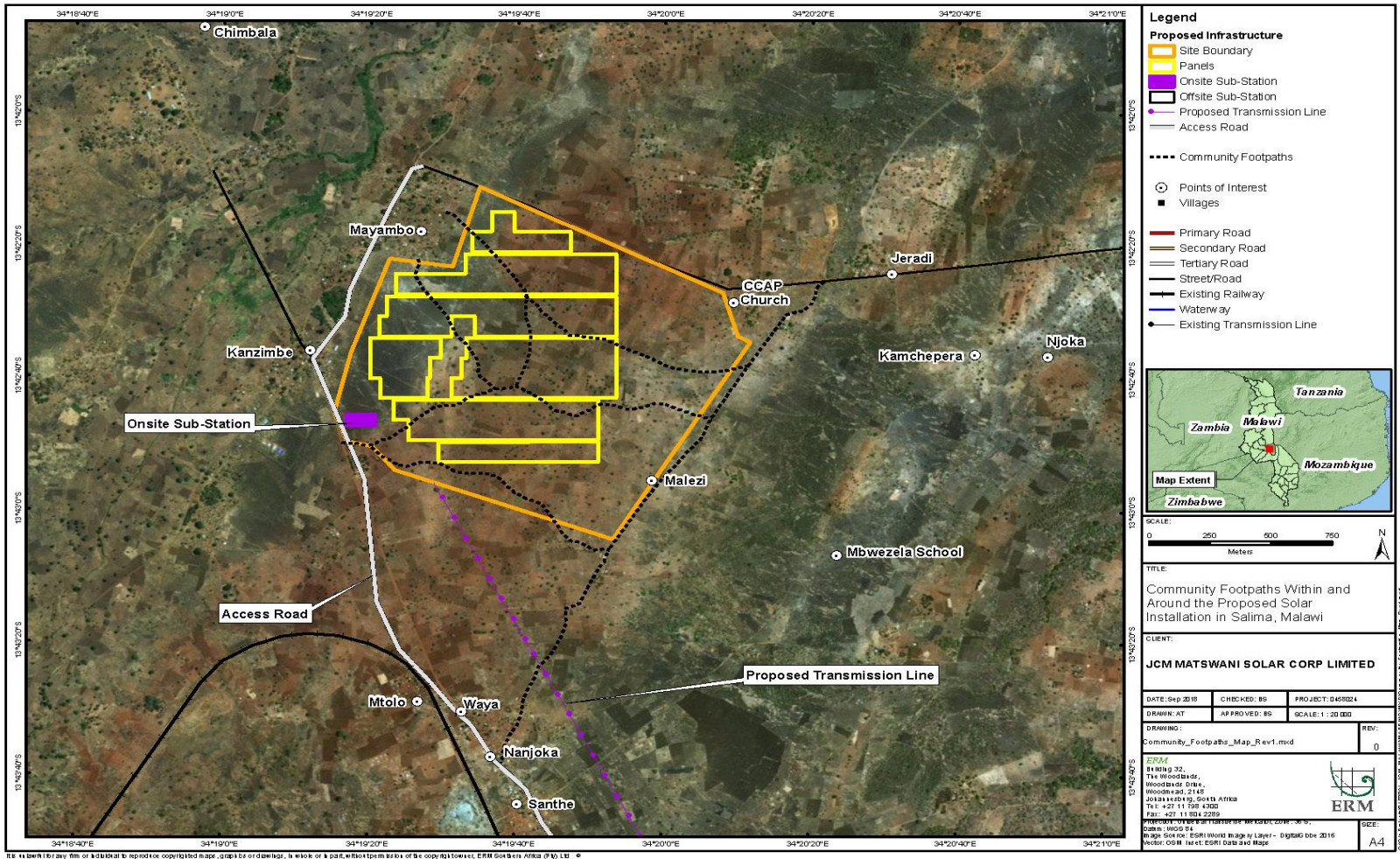
The villages in and around the Project area have close ties and bonds through familial ties, livelihood activities, social events as well as religious ceremonies such as weddings and funerals. There are a number of footpaths that transect the Project site that will be cut-off starting from construction through operation, increasing travel time to surrounding villages and farmland.


A map of access routes and pathways (indicated with a black dotted line) transecting the site are shown on Figure 24 below.

6.3.1 Mitigation Measures

JCM will track grievances through the grievance mechanism. If it becomes apparent that the change to access routes is a material issue for the community JCM will engage with the community to devise alternative routes.

Figure 24: Map of Access Routes



	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 93 of 121

7 Eligibility and Entitlements

7.1 Introduction

An entitlements framework presents the legal principles based upon which affected persons’ or communities must be compensated for loss of assets (permanent or temporary) as a result of project establishment. The entitlements framework contextualizes eligibility to compensation and or mitigation measures in terms of the affected persons’ ownership or user rights (freehold, leasehold, right to occupy, etc.) to affected assets (land, house, fruit trees etc.).


Entitlements vary by interest and severity of loss, but generally fall into the following broad categories:

- **In-kind compensation**, which involves the planning, design and development of replacement assets to compensate those lost to the Project, which can include land, housing, community facilities, and infrastructure;
- **Cash compensation**, which involves the payment of cash to compensate for assets lost to the Project, calculated at full replacement value of those assets;
- **Disturbance fees or transitional allowances**, which are additional cash payments to cover some or all of the costs incurred during the period between displacement and re-establishment of livelihoods;
- **Right of salvage**, which provides the opportunity to affected individuals or households to collect assets, such as crops or building materials, prior to displacement;
- **Livelihood restoration initiatives**, which are specific activities designed to support affected individuals or households in restoring their livelihoods/income through improved or alternative livelihood activities; and
- **Vulnerability assistance**, which can be a combination of cash, in-kind, and livelihood restoration initiatives tailored to support those individuals or households deemed to be particularly vulnerable to the impacts of the Project.

This section summarizes the eligibility criteria and specific entitlements for the Project and provides an overview of activities undertaken to establish them.

7.2 Identification of Eligible Groups

This section focusses on entitlements for the loss of agricultural land. No distinction was made between Phase I and Phase II affected persons in determining eligibility for entitlements.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 94 of 121

With the exception of one title holder (discussed below) all persons affected by Phases I and Phase II land acquisition are customary owners of the impacted land, meaning they do not possess registered land title but have probably inherited the land or been allocated the land by the traditional authority and GVHs.

One landowner, located on the transmission line wayleave, holds a court confirmed valid title deed. This same portion of land was claimed by ‘encroachers’ which includes five people from Sadzu Village illegally using land falling within the transmission line wayleave corridor. These so-called ‘encroachers’ fall within the IFC categorization of ‘Displaced Persons’ under paragraph 17, item (iii) namely, *“Displaced persons may be classified as persons...(iii) who have no recognizable legal right or claim to the land or assets they occupy or use.”*(IFC PS5, 2012).

Further to the above the Project has not identified any other asset users.


The Project has not identified any communal or commonly held assets, such medicinal plants or cultural heritage resources that will be affected. If any such resources are identified during Project development or operations – regardless of the cut-off date - the Project in consultation with the local and district authorities and other stakeholders will develop and implement adequate mitigation measures to deal with such impacts.

It is important to note that during Phase I, GVH Kanzimbe was compensated with cash at full replacement value for the affected structure. As Chief, GVH Kanzimbe was involved in negotiating and finalizing the site location on behalf of the affected communities. Seeing that only one uninhabited homestead structure was impacted, and the owner was willing to accept a cash compensation offer, it was not considered necessary to prepare a separate RAP but to include the physical displacement case in the LRP.

During the LACS study, his post displacement status was assessed, and it was found that he was able to construct multiple houses with his compensation, with improved building materials compared to his previous dwelling. He reported overall satisfaction with the process and compensation, noting that he had been able to improve his living situation. Given that he also lost agricultural land in the land acquisition process, his household was included in the same general entitlement determination and support offered by ProjectCo as other PAPs, and like other PAPs, his situation will be monitored to ensure that the household is not negatively impacted as the Project evolves.

7.3 Determination of Entitlements

The Project has defined a range of entitlements to compensate eligible landholders for affected assets, while also considering the number and characteristics of their household members who also depend on such assets. As outlined in the matrix in Section 7.4, this includes a combination of in-kind and cash compensation measures.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 95 of 121

7.3.1 Valuation Process

An assessment of compensation values payable to landholders affected by the Project was conducted by the MoL between June and September 2018 and was based on desktop research as well as field data. The assessment included valuation for compensation of land, trees and structures in the Project area.

The assessment was conducted based on information obtained primarily from the Salima District Council, especially for additional information on land and fruit trees, with additional input on fruit trees from the Chitedze Research Station in Lilongwe as well as from local markets. The 2010 Malawi Government Gazette provided the basis for determination of the values for indigenous trees and exotic trees. The 2010 Gazette provides different approaches for assessment of indigenous and exotic trees based on their purpose – either “commercial” or “domestic”. For the purposes of this assessment, the MoL considered the trees impacted by the Project to be commercial purpose trees.


The assessment confirmed that all land in the proposed Project Area is customary land under the jurisdiction of the Kalonga TA in Salima District. It was confirmed that all affected land is held by individuals from surrounding villages and is being used for cultivation of crops and animal grazing. The assessment noted that fruit trees are also being grown for “commercial purposes” to sell the fruit in order to augment their income.

Regarding the valuation of the land, according to MoL, the “direct comparison method” was employed to establish a market value for the affected assets. The value considers recent registered land transactions in the area, as well as information given firsthand by people and businesses in the area, given that many sales are not registered. As such, the market value represents the amount a willing seller could reasonably expect to obtain for their land if sold in an open market.

Valuation of exotic and indigenous tree varieties was calculated based on type and size in accordance with the values set forth in the 2010 Gazette, and the MoL established that a 100% mark-up should be added on to account for current market conditions. Valuation of fruit trees was calculated based on the average annual yield per tree, the average current market price for fruit, and the tree’s expected productive life span. Unlike exotic and indigenous tree varieties, the compensation rate for fruit trees was a flat rate and did not consider size rather it incorporated an “establishment” concept to reflect the time required for a new tree to reach full productive value.

In addition to compensation for assets (land and trees), the assessment recommended that payment of a disturbance allowance be paid, calculated at 30% of the total compensation to be paid for affected land and trees. The allowance is intended to provide for:

- Costs related to identification of replacement land;
- Bush clearing on the identified alternative land;
- Cost of transportation of salvaged items; and

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 96 of 121

- Loss of business, including revenue lost during the transitional period from the time of displacement to relocation.

The assessment also recommended a vulnerability assistance payment of 10% of the total amount of compensation for affected land and trees be made to those individuals whose livelihoods may be particularly vulnerable to disturbances created by the Project. Households classified as vulnerable were identified as those who may, by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage or social status be particularly vulnerable to Project implementation and changes induced by the Project.

Finally, for the one case of compensation for the dwelling of the GVH Kanzimbe, according to the Phase I MoL compensation report (Annex A) (the MoL’s valuation was based on a “Contractor’s Method” by which the costs of building materials, labour, transportation and any other expenses incurred during construction are analyzed. This method included market research to gather costs per square meter, and validations with local labourers and suppliers.


7.3.2 Cash Compensation

PAPs for the Phase I and Phase II land acquisitions were compensated with cash for their lost assets. Though cognizant of risks associated with cash payments, ProjectCo opted for cash for several reasons. First, cash compensation is the standard approach in Malawi for government projects, and the valuation and methodologies used by the MoL are exclusively focused on a cash-based approach. Second, cash was preferred by PAPs, who understand this to be the legitimate local approach, and expressed during stakeholder engagements that cash was more transparent and made sharing the compensation with other family members easier. Risk management measures for cash payments were implemented by ProjectCo, (described in Section 7.3.3 and Section 8).

Cash compensation rates that were paid for each asset in each Phase are presented in the table below. A full list of the affected trees and class type according to the 2010 Malawi Government Gazette, as relevant, are included in Annex F.

Table 19: Cash Compensation Rates (amounts provided in Malawian Kwacha)

Asset	Type Affected	Amount (MK)	
		Phase I	Phase II
Customary land	Agricultural (farmed or fallow)	1 500 000 per hectare	2 000 000 per hectare
Fruit trees	Mango	8,000 per tree	17,000 per tree
Exotic trees	Acacia, Gmellina, Moringa, Acacia faidherbia albida (Msangu) and India	Ranging from 2,000 to 8,000 depending on type and size	Ranging from 6,000 to 20,000 depending on type and size
Indigenous trees	Approximately 59 types	Ranging from 1,000 to 6 000 per tree, depending on type and size	Ranging from 1,000 to 20,000 depending on type and size

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 97 of 121

Asset	Type Affected	Amount (MK)	
		Phase I	Phase II
Structures	Man-made farming structures; dwellings	Full replacement value, assessed on a case by case basis	
Additional Allowances			
Disturbance allowance		30% of amount of compensation provided for affected land and trees	
Vulnerability allowance		An additional 10% of amount of compensation for lost assets (land and trees) provided to account for vulnerability	

7.3.3 Other Entitlements

In addition to the cash compensation for affected assets, ProjectCo offered the following other forms of support:

7.3.3.1 Salvaging of improvements such as crops and other materials

Eligible affected persons had the right to remove existing moveable assets from their affected land prior to commencement of construction. This included existing crops including fruit and wood from affected trees and construction materials of existing improvements/structures. ProjectCo inform PAPs of the date by which salvageable materials must be removed, after which access to the affected land was not possible.

7.3.3.2 Support in Identifying and Securing Replacement Land

Affected persons were supported, if required, in identifying and securing alternative replacement land (refer to Section 7.5). ProjectCo will not provide additional financial compensation beyond that described in this Section, but will assist affected persons through facilitating:

- Information on available land (which has already been carried out, as described ahead in Section 7.5.1)
- Engagement with relevant authorities; and/or
- Witnessing and documenting replacement land purchase transactions to according to local customs, if required.

7.3.3.3 Proposed Livelihood Restoration

ProjectCo proposes to identify and implement a range of livelihood restoration initiatives in support of affected households that lost all or most of their productive land as well as for those losing fruit trees, and others as may be identified on a case by case basis as part of Project monitoring activities or as a result of grievances presented. The objective of the livelihood restoration initiatives will be to provide restoration support to households with significant livelihoods impacts, as well as those identified through an ongoing monitoring process as unable to restore their pre-project livelihoods as a direct result of the Project.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 98 of 121

Only those affected persons experiencing significant impacts on their livelihoods will be eligible for the livelihood restoration initiatives, as detailed in Table 20 below.

A framework of proposed livelihood restoration initiatives is provided in Section 8 of this document.

7.3.3.4 Vulnerability Support Initiatives


In addition to receiving a vulnerability assistance payment, affected persons meeting at least one of the Project vulnerability criteria will be eligible for the vulnerable support initiative. Such criteria included factors established in the baseline data such as: elderly, homeless, physical or mental disabilities, and female headed households. Vulnerability support will primarily consist of household level monitoring, to be carried out on a regular basis following land acquisition. Based on any critical situations identified in the household-level monitoring (i.e. situations like food insecurity or increased poverty), ProjectCo will determine in consultation with the affected persons and other relevant local stakeholders whether additional livelihood support is required to address the situation. In such cases, tailored measures will be provided to affected persons by ProjectCo.

7.4 Entitlements Matrix

The following table presents the eligibility and entitlements for affected individuals.

Table 20: Eligibility and Entitlements Matrix

Impacted Asset	Eligibility	Entitlements
Land	Customary land owner	<ul style="list-style-type: none"> • Cash compensation at full replacement value • Disturbance allowance payment • Right of salvage of crops prior to displacement • Assistance in identifying and securing replacement land
	Customary land owner losing land	<ul style="list-style-type: none"> • Livelihood restoration support (e.g. training and inputs for improved agricultural practices)
Structures	Farming structures or dwellings	<ul style="list-style-type: none"> • Cash compensation at full replacement value
Fruit trees	Owner	<ul style="list-style-type: none"> • Cash compensation at replacement value • Right of salvage of fruit prior to displacement • Right to salvage wood
	Owner losing 1 or more fruit trees	<ul style="list-style-type: none"> • Livelihood restoration support (e.g. distribution of seedlings, training on planting and care)
Exotic Trees	Owner	<ul style="list-style-type: none"> • Cash compensation at full replacement value on the basis of size and type
Indigenous Trees	Owner	<ul style="list-style-type: none"> • Cash compensation at full replacement value on the basis of size and type
Other	Affected persons meeting one or more of the vulnerability criteria	<ul style="list-style-type: none"> • Vulnerability assistance (10% of amount of compensation to be provided for affected land and trees) • Regular monitoring of households following land acquisition

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 99 of 121

Impacted Asset	Eligibility	Entitlements
		<ul style="list-style-type: none"> Additional tailored measures to be provided on a case by case basis in consultation with the PAP

Recognizing that affected households are not accustomed to managing large sums of cash, and the risks (such as safety) that can come with physical cash payments, it was agreed as a result of iterative discussions with PAPs that bank transfers would offer better security to facilitate payments. Affected persons receiving more than one million MWK (\$1,300 USD), were supported with opening a bank account to receive their compensation. This amount for bank transfers was discussed and agreed with the PAPS. Financial literacy training was also provided in advance of the payments (described in Section 8.2.1.1).

7.5 Support in Identification of Replacement Land

This section of the LRP describes preliminary investigations that were conducted to assist affected persons to identify potential replacement land and if required, measures available to enable formalized and documented security of tenure thereof.

7.5.1 Preliminary Investigation of Potential Replacement Land

A preliminary assessment was undertaken in July 2018 to identify potential replacement land (extent and quality) available for affected persons displaced as a result of Phase II land acquisition²⁵. The identification was conducted by representatives of the newly established Livelihood Restoration Committee (LRC) as well as GVH Kanzimbe and GVH Sadzu, the Salima District Lands Officer and the Resettlement Specialist from the Consultant.

Figure 25: LRC Representatives

²⁵ The same effort was not carried out for Phase I PAPs, given that at the time of the LACS report most people who wanted replacement land had identified and obtained it on their own without assistance.



Picture: From Left Chief Kanzimbe), Mrs Idah Nakutepa (Vice Chair-LRC), Mrs Kanthuzi (Salima Lands Office Representative), Chief Sadzu (Member – LRC)

The representatives identified areas situated close to the Project site and the affected communities. Co-ordinates were taken to plot potential areas using a GPS to determine the extent of the potential replacement land. See potential areas illustrated in Figure 26 below.

Figure 26: Potential Replacement Land

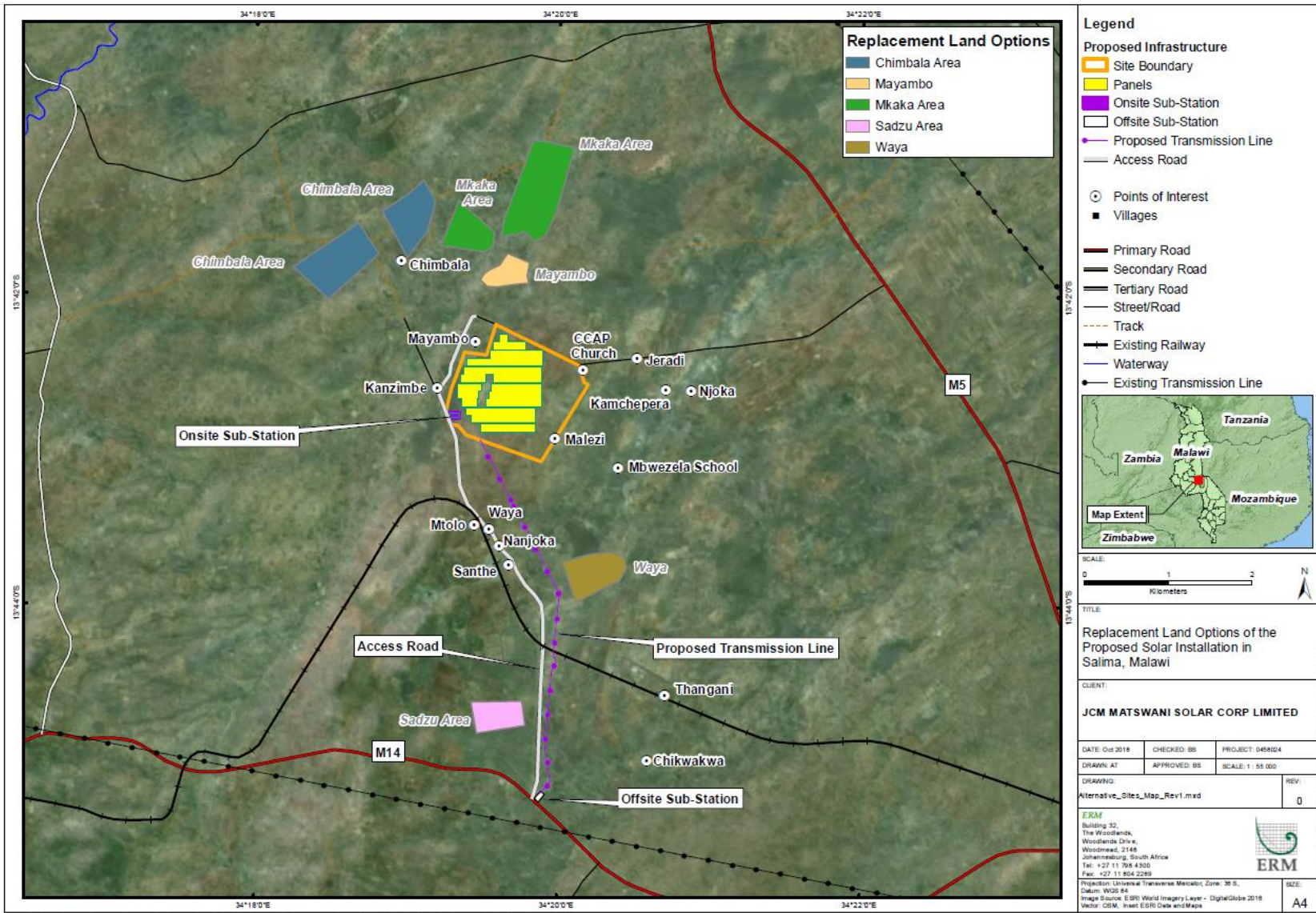


Table 21 shows the extent of potential replacement land per GVH.

Table 21: GVH and Extent of Potential Replacement Land

GVH	Location of Potential Replacement Land	Approximated Extent of Potentially Available Land (Ha)
Kanzimbe	Chimbala	78.040
Kanzimbe	Mkaka	86.532
Mayambo	Mayambo	15.259
Waya	Waya 1	29.594
Sadzu	Sadzu	20.614
Total extent of potential replacement land		230.039

All identified land is situated between 0.5km – 3km from the affected communities. Current land use is a mix of fallow, cultivated and undisturbed land, refer to Figure 27. The identified land is accessible via existing gravel/unsurfaced roads.

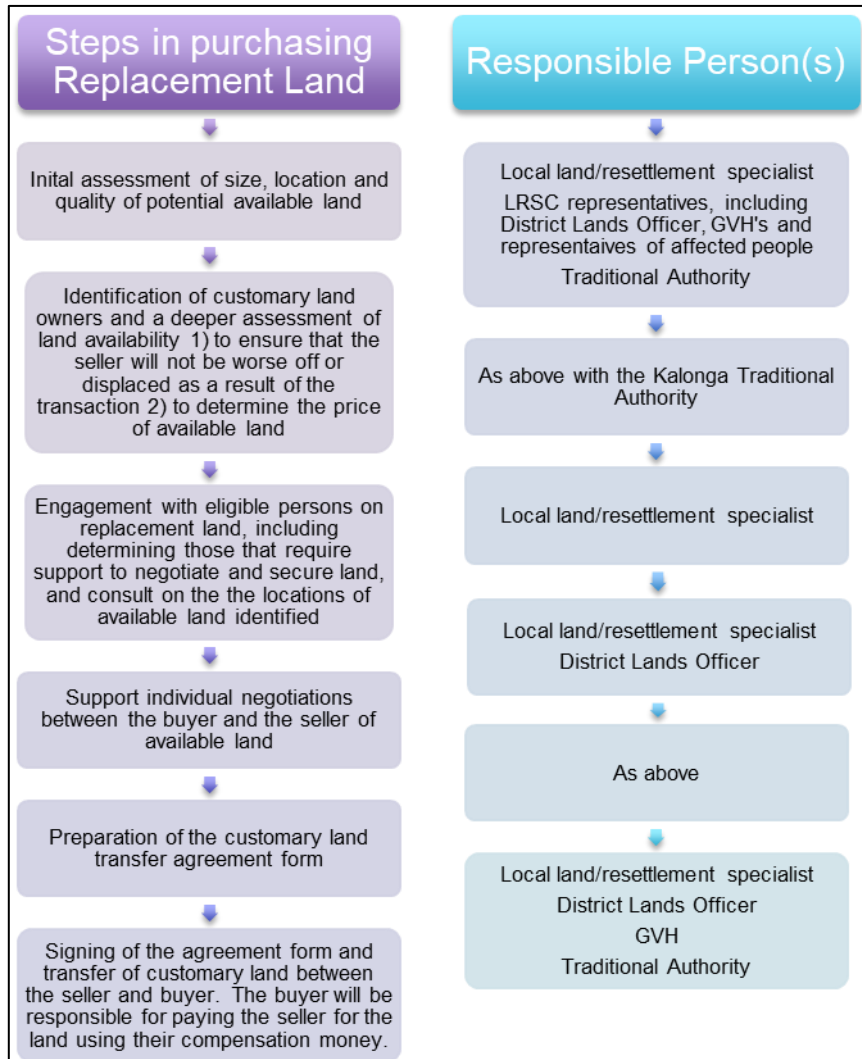
Figure 27: Potentially available Replacement Land



7.5.2 Securing Replacement Land


In the eventuality that affected landowners decide to purchase replacement land, Figure 28 illustrates the required steps.

Figure 28: Purchasing of Replacement Land



Where required, ProjectCo will facilitate the drafting of a standard customary land sale agreement providing for:

- The names of both the seller and buyer;
- National identification (ID) numbers of both the seller and the buyer;
- The purchase price;

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 104 of 121

- Size of the land plot;
- Location of the land plot (GPS point/shape file); and
 - Signature placeholders for:
 - The buyer (plus witness, if not the GVH);
 - The seller (plus witness, if not the GVH);
 - GVH (as delegated by the Traditional Authority); and
 - ProjectCo Representative / local land/resettlement specialist (as an independent third party) as a witness.

The purpose of the land sale agreement will be to have proof that the affected landowner purchased replacement land, either under customary tenure (same as impacted land) or under leasehold (registered right as opposed to unregistered) as may be chosen by some. Though leasehold offers advantages in terms of full security of tenure, it also requires payment of land tax on an annual basis to government. It is likely affected persons will opt simply for customary tenure as this is the predominant land use regime in Malawi and affords them the same status with regard to land as they had before the Project.

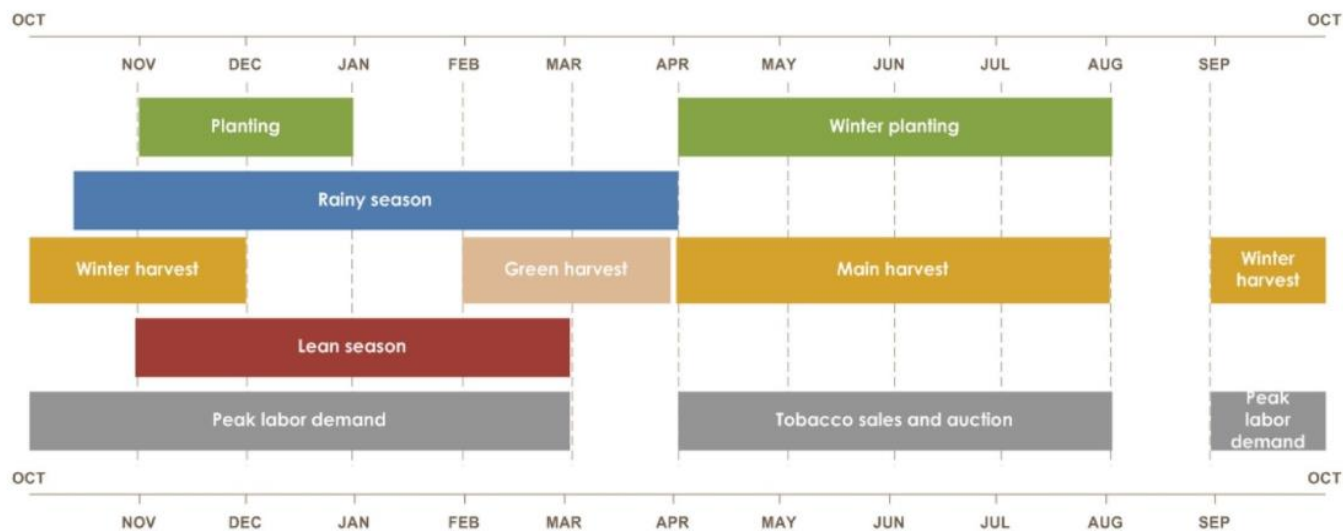
7.5.3 Timeframe for Securing Replacement Land

Figure 29 below shows the planting and harvesting seasons in Malawi. It is important that where needed replacement land is identified and secured prior to the planting season (April – August and November – January) to minimize disruption to food production as far as possible.

The ability to cultivate or not (as a direct result of the Project) will be a key focus area of the monitoring process. Based on the monitoring findings, ProjectCo will decide on possible mitigation measures if required.

Figure 29: Malawi Crop Calendar

SEASONAL CALENDAR FOR A TYPICAL YEAR



Source: FEWS NET (<https://demeterseed.mw/2018/09/29/malawi-crop-production-calendar/>)

8 Livelihood Restoration Initiatives

8.1 Introduction


This section of the LRP proposes sustainable solutions for supporting the restoration of livelihoods of affected persons. The proposed measures are based on insights from the social baseline, social survey findings, the needs assessment and discussions with the affected community and other stakeholders.

The options presented in the LRP considers the time required to replace acquired land and the process required once replacement land has been acquired. The options presented herein focus on capacity development in agriculture and sustainable agricultural practices to enhance food security and include various training initiatives to diversify livelihoods of affected persons.

All options will be further developed in consultation with affected communities, ensuring that they address the needs of both women and men.

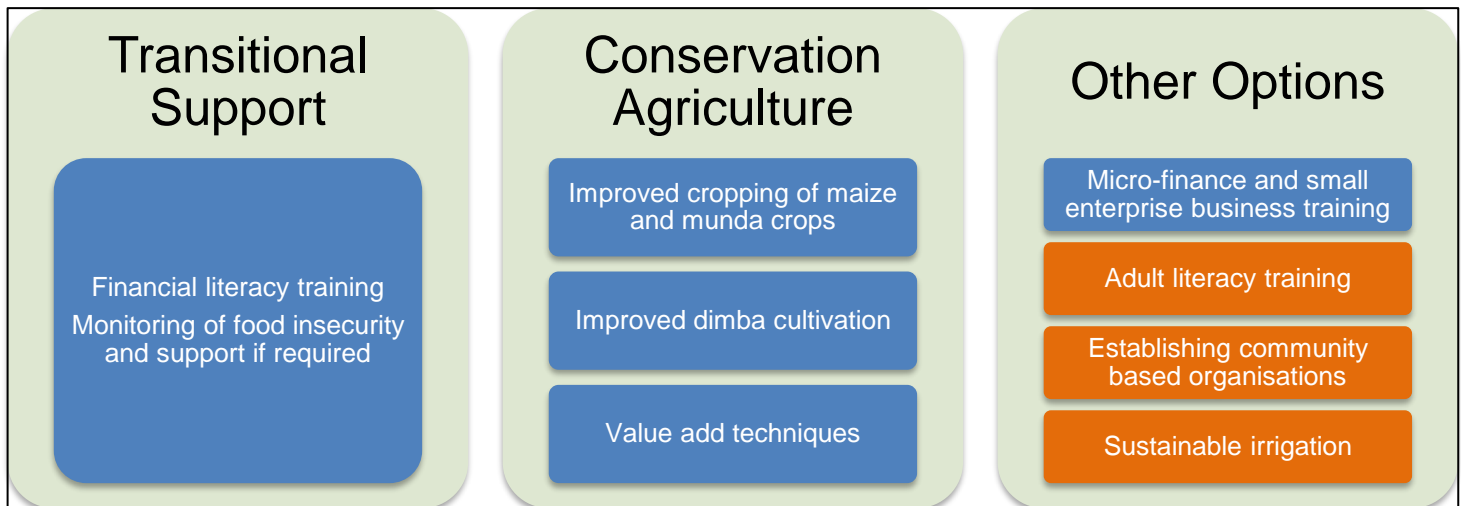
8.2 Livelihood Restoration Initiatives Options

The options set out in Figure 30 below include:

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 106 of 121

- Transitional support, where required, to enhance food security while affected persons are establishing replacement land;
- Conservation agriculture; and
- Other options that would strengthen human and financial capital to enable increased income and may be implemented either through this LRP or through ProjectCo’s CSR budget.

Figure 30: Livelihood Restoration Options



Options shaded in blue are activities contemplated as part of this LRP while those in orange are under consideration by the ProjectCo as CSR initiatives to be available to a broader set of community members.

8.2.1 Transitional Support

ProjectCo will monitor the land replacement process through ongoing engagement with affected persons and the LRSC and WG. In the event that a missed planting season results in food insecurity, ProjectCo will provide appropriate transitional support.

8.2.1.1 Financial Literacy Training

The NFB Bank based in Malawi supported affected persons with establishing bank accounts and undertook financial literacy training. The training comprised of the following elements:

- Budgeting tools and financial planning
- Importance of good spending habits
- Developing a savings culture

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 107 of 121

- Introduction to debt management
- Needs versus wants
- Understanding banking in Malawi
- Basic banking products and services

ProjectCo will continue to provide financial literacy training to both Phase I and Phase II PAPs.

8.2.2 Conservation Agriculture

Together with the Salima District Agriculture Office which has ongoing programs to increase maize yields, the initiative will be targeted on agriculture intensification and addressing issues regarding low productivity and food insecurity. Agricultural issues in affected communities currently include constraints such as erratic seed supply, unsustainable land preparation practices, burning, reliance of in-organic fertilizer and vulnerability to disease and pests exacerbated by declining soils and poor plant health. Initiatives to create improved cropping are outlined below.

8.2.2.1 Improved Cropping of Maize and Munda²⁶ Crops

This initiative includes introducing affected communities to conservation agriculture techniques and crops to conserve labour, increase resilience to extreme weather, intensify production, reduce dependence on expensive inputs and improve food security. This includes:

- Facilitating the introduction/ access to selected seed types (such as hybrid seeds) and set up a mechanism whereby farmers participating in a full CA initiative would be able to access seed at advantageous rates.
- Undertaking a consultative process with the those families/individuals who lost land to identify those with access to arable land (either replacement land or other land not impacted by the Project) who are willing to participate in an initiatives to intensify maize production through the introduction of new varieties and improved planting/cropping techniques. It is suggested that the mobilisation process include training in the various available varieties based on the evidence gathered from other organisations that are working with maize improvement in the Central African region.

ProjectCo will investigate these options further in consultation with affected persons during LRP implementation to define the most suitable options to implement.

²⁶ Gardens owned and/or cultivated by household members during the rainy season. Accessed from:
file:///C:/Users/Lisa%20Muller/Downloads/malawi_integrated_household_panel_survey_2016_basic_information_document.pdf

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 108 of 121

8.2.2.2 Soil Management and Improved Cropping Initiatives

This initiative plans to include components such as the following (which will be refined in consultation with intended beneficiaries and experts in this field):


- Undertaking land preparation including improved planting techniques, in contour line cultivation and the advantages of drainage as well as in the incorporation of “green manure” in addition to animal waste into cropping fields. Provision should be made for the medium to long term incorporation of agro-forestry components into this cropping system.
- Enhancing soil management and conservation practices through demonstration and extension services.
- Encouraging farmers to plant trees along the boundary lines of cropping fields must be a medium-term objective, the integration of crops like Vetiver Grass or Napier Fodder in lines to stabilise slopes and drainage areas should be actively encouraged by extension services provided by the implementation organisation. It may be necessary to construct a tree nursery to provide planting material.
- Initiate planting of leguminous cover crops for soil enhancement, to stabilise top soils, to increase humus content in soils and to protect soils from solar radiation and desiccation during the dry season should be actively built into all agricultural extension initiatives in the community needs to be central to the envisaged initiative.

8.2.2.3 Soil Conservation and Improvement Initiative

This initiative will include:

- An extension and training initiative to encourage farmers to embark on soil management and conservation practices that contribute to the long-term improvement of agricultural productivity.
- An agricultural extension and intensification initiative for dimba²⁷ cultivation. This initiative should focus on the extension of best practice techniques in soil and watershed management to minimise further degradation of the dimba areas.
- An initiative to address peak labour shortages to encourage the intensive planting of leguminous cover crops for weed control, soil enhancement, to stabilise top soils, to increase humus content in soils and to protect soils from solar radiation and desiccation during the dry season must be central to the extension initiative. Cumulatively, these measures will reduce the amount of labour required for effective cropping of maize.

²⁷ A dimba refers to a river floodplain, generally away from the house, which is used for cultivation. Accessed from: <http://www.kusamala.org/about/permaculture-in-malawi/>

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 109 of 121

- An initiative to encourage intercropping of crops that contributes towards soil improvement.

8.2.2.4 Improved Processing and Value Addition to Agricultural Products

The technological limitations of the traditional processes currently used pose direct constraints on the processing of crops in the impacted communities. As such, the introduction of value adding techniques have the potential to significantly enhance income related to land-based livelihoods. During engagement undertaken, the communities expressed an interest in groundnut processing. This would involve the identification of a groundnut processor supplier that could provide training to affected persons that are interested in groundnut processing and that can also provide training on the management of such a facility. Potential suppliers will be required to provide a budget for such a facility and training. However, a provisional budget for this is included in Section 11.1. It should be noted that all equipment obtained should be of a sufficiently high standard to facilitate sustainability of the initiative.

8.2.3 Other Initiatives


8.2.3.1 Micro-Finance and Small Enterprise Business Training

ProjectCo will support affected persons in obtaining access to micro-credit. This will enable affected persons to invest in and grow their small businesses, making them more sustainable, as well as support enhanced diversification of livelihoods. Micro-credit may be used to purchase inputs and start-up equipment.

Additionally, communities in the Project area are actively involved in a range of micro-businesses. Men are typically involved in businesses such as charcoal production (although considered illegal), bicycle taxis, mat weaving, brewing of beer, grinding dried maize kernels to flour, fish trade, livestock trade, baking, and vegetable sales. Women are more actively involved in vegetable sales, tailoring, brewing, poultry rearing and childcare. As such, they would benefit from business management / acumen training to support them with developing a business plan supporting growth and development of small enterprises. This would likely stimulate the expansion of micro-businesses in the community and lead to an increase in the range of non-agricultural livelihoods activities. Additional money from these businesses could raise capital to pay for field preparation, seed and inputs to increase agricultural production.

Other initiatives will be carried out by ProjectCo in order to enhance skills and business acumen in affected communities. Options may fall under the livelihood restoration plan or as part of a broader community investment that ProjectCo are planning to undertake approximately four months into construction.

The costs for the above initiatives are detailed in Section 11.1 (Implementation Costs).

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 110 of 121

9 Institutional Arrangements

A functioning and effective institutional framework is central to the smooth preparation, implementation and monitoring of the LRP, and more generally to achieving an efficient land acquisition and livelihood restoration process.

The institutional framework described in this section will be the interface for all stakeholders involved in LRP implementation, allowing for close cooperation between ProjectCo, key stakeholders and affected persons. ProjectCo will be responsible for the implementation of the livelihood restoration activities, with the support of livelihood restoration experts, NGOs / implementation partners, CBOs, government authorities and other groups.

This section of the LRP includes the following:

- A description of the two-tier management structure that underlies the Project’s institutional framework.
- The institutional structure of the LRP implementation team.
- A table summarizing the key roles and responsibilities of each of the different functions (internal and external) within the Project’s institutional framework.
- A summary of the capacity building requirements necessary to equip the Project’s institutional framework for its important role.

The proposed framework incorporates local structures (District Commissioner, TA, etc.) and incorporates additional stakeholders that have been identified through stakeholder engagement activities.

9.1 Two-Tier Management Structure

The LRP institutional framework is a management system that comprises two levels with distinct roles:

- **Livelihoods Restoration Steering Committee (LRSC):** the higher-level advisory/supervisory, strategic body which enables the crucial involvement of senior Project management and Government figures to steer the overall process, ensure governance checks and balances and resolve key problems.
- **LRWG:** the hands-on implementing body which facilitates the intense involvement of implementers, including on the ground Project staff to action the process and ensure that practical progress is made.

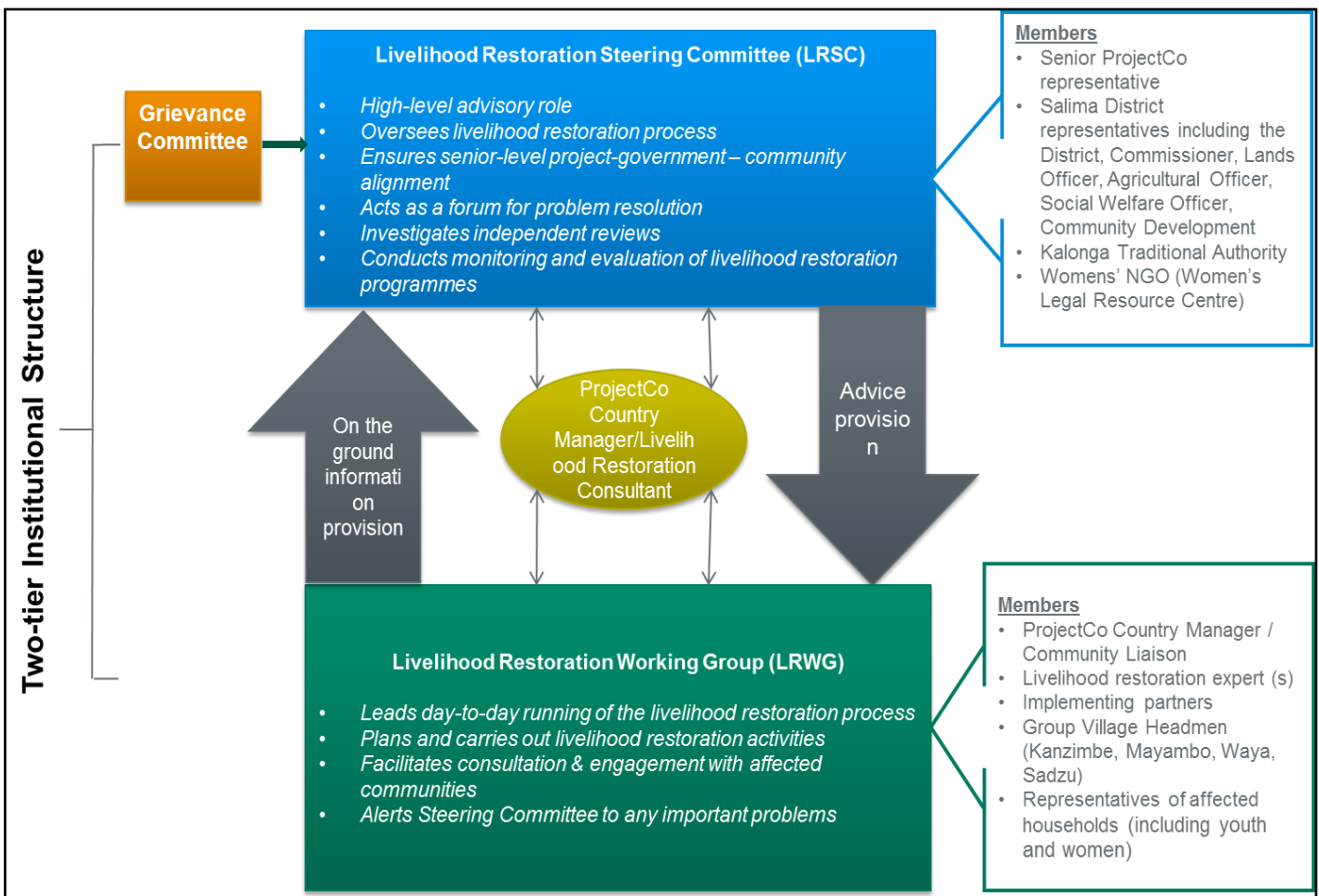
This two-tier management system allows for an effective governance structure whereby the bodies are separate from one another, but also interdependent. This form of governance is conducive to reciprocal monitoring, and therefore tends to result in quality delivery and mutual attentiveness to operational and other issues and concerns, as and when these arise.


Ultimate responsibility for overseeing the livelihood restoration process will be vested in the LRSC, under which the LRWG will be responsible for day to day implementation of the LRP. Together these institutions will help to ensure that implementation of the livelihood restoration process is undertaken in a transparent, responsible and sustainable manner.

Additionally, there will be a Grievance Committee which will be responsible for seeking resolution of grievances that cannot be resolved locally by the Country Manager in Lilongwe. The Grievance Committee will comprise: The District Commissioner, District Lands Officer, Kalonga Traditional Authority; Traditional Leadership Representatives, and community representatives.

The management structure that has been established by ProjectCo to date is illustrated in Figure 31 below.

Figure 31: Institutional Structure



	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 112 of 121

9.1.1 Livelihood Restoration Steering Committee

The LRSC is the primary oversight function in livelihood restoration planning, implementation, monitoring and funding. It also represents all the institutions and agencies responsible for facilitating the LRP process.

The LRSC is the primary platform for managing sensitive and complex issues, including grievances, strategic and reputational issues. The key responsibilities of the LRSC are outlined below:


- ensuring alignment between ProjectCo, project lenders, the Government, traditional leaders, land affected people and other community members;
- overseeing ethics compliance and governance issues and ensuring that the livelihood restoration process is managed fairly and transparently and is free of corruption or bribery etc.;
- ensuring alignment of LRP with regional and local development plans and initiatives;
- providing an advisory role to the LRWG, which includes resolving internal and external livelihood restoration issues, monitoring the budget etc.;
- reviewing monitoring report provided by the LRWG ensuring that any issues are addressed in an efficient and effective manner;
- instigating independent external livelihood restoration reviews, when necessary;
- responding to implementation problems identified in internal and external monitoring reports;
- ensuring adequate information sharing with the LRWG on processes and decisions taken.

9.1.1.1 Composition of the LRSC

The LRSC is composed of Project senior management including ProjectCo representatives, representation from the MoL and District Assembly, in particular lands and social welfare to ensure that the needs of land affected people and vulnerable groups are addressed. In addition, the Kalonga Traditional Authority represents the traditional leadership in order to coordinate with GVH's and community representatives in the LRSC. To foster further transparency, representativeness and accountability as well as focus on needs of most vulnerable among those affected, a women's NGO, from the Women's Legal Resource Center sits on the LRSC to ensure that women are meaningfully represented and considered during any decision-making process.

ProjectCo will invite observers to attend LRSC sessions such as institutions, academics or other NGOs on an ad hoc basis. Other LRSC representatives may also invite observers, where required.

The ProjectCo CLO will sit on the LRSC and the LRWG to ensure adequate information and coordination between the two management groups. To date the consultant role has been filled by social specialists from ERM and WWEC.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 113 of 121

9.1.2 Livelihood Restoration Working Group

The LRWG will be the face of the compensation and livelihood restoration process for the affected people and communities. The LRWG will be primarily responsible for ground level coordination of the LRP implementation.

Land acquisition, compensation and livelihood restoration processes are complex and successful implementation requires a diverse range of skills and experience. Bringing key members of the implementation team and community representatives together on a regular basis will enable challenges to be quickly identified and for any required adjustments to be agreed and implemented. The key responsibilities of the LRWG include the following:

- establishing and overseeing eligibility and entitlements criteria for livelihood restoration measures;
- providing oversight of all activities within the LRP including implementation of livelihood restoration activities and engagement activities with land affected people and households;
- building trust among stakeholders;
- discussing emerging issues as they arise including reviewing trends and the nature of grievances; and
- discussing the results of monitoring and evaluation activities and agreeing modification / corrective measures as required.

9.1.2.1 Composition of the LRWG

The LRWG is composed of those that are responsible for undertaking the day-to-day activities of LRP implementation, with the participation of land affected people and community representatives.

Project affected/community representatives comprise youth and women in order to their needs and views are included in implementation. Community members elected candidates for the LRWG based on the following criteria:

- They must be resident, reasonably educated (can read and write) and well known in the community.
- They must be affected by the displacement process.
- They must be well respected.

If a representative is unable to fulfil their role in an adequate manner, they must be replaced through a fair election process.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 114 of 121

Each community representative should be provided with: (i) a daily cash allowance for assistance with the livelihood representative process, when required as scheduled by ProjectCo; (ii) training on their role and responsibilities; and (iii) specific minimum targets / requirements against which they will be assessed.

9.1.3 Livelihood Restoration Delivery Team

The livelihood restoration delivery team play a key role in ensuring that the livelihood restoration initiatives are effective. In addition to the consultation already undertaken, the team will work with affected persons in selecting the most appropriate initiative to invest in and then provide oversight to each of the livelihood restoration activities. They will furthermore manage and provide oversight to each of the Implementing Agencies (to be determined) that will be contracted to plan in detail and deliver each livelihood restoration option.

9.1.4 Additional Requirements

In order to continue the transparency around the livelihood restoration process during LRP implementation, the following documents are required:

- A memorandum of understanding between all parties outlining the composition and decision-making processes of the LRSC; and
- Minutes of each LRSC meeting which will be shared with the LRWG. In the event confidential items are discussed, these items can be specifically withheld from the shared minutes but retained in confidential minutes.

The LRSC are required to meet quarterly with an option of holding emergency meetings if required. A record of meetings and minutes will be prepared, held and distributed to the LRWG by the LRSC secretary.

At the commencement of LRP implementation, the LRWG shall meet regularly. It is proposed that the frequency of meeting intervals be needs-based, but initially it should be no less than once every two weeks. Meeting frequency can be re-assessed every quarter to provide for changes. Minutes must be kept for all meetings and distributed to all members of the LRWG and ProjectCo.

10 Monitoring and Evaluation

Monitoring and evaluation of the LRP is necessary in order to measure the success or failure thereof and the changes on livelihoods of affected persons. Additionally, it enables the identification of corrective measures where required.

Specifically, monitoring should include key performance indicators (KPIs) to monitor and report on the adequacy of compensation disbursements for replacing lost assets, the effectiveness of the livelihood restoration initiatives and the sufficiency of consultation and participation throughout implementation.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 115 of 121

Monitoring results will be documented and corrective actions / enhancement measures, implemented where necessary. The main objectives of monitoring are:

- Actions and commitments described in the LRP are implemented fully and in a timely manner;
- Affected persons understand their rights in regard to entitlements due to them by law and additional support offered by the Project;
- Affected persons receive their full compensation entitlements or other mitigation measures within the agreed time;
- LRP compensation and livelihood restoration measures are effective in enabling affected persons to at least restore their livelihoods;
- Complaints and grievances expressed/submitted by affected persons are followed up and resolved and that, where necessary, corrective actions are implemented;
- If necessary, changes in LRP procedures are made to improve delivery of compensation/assistance to affected persons.


ProjectCo has overall responsibility for ensuring that monitoring activity is undertaken and achieves the above objectives. Monitoring will be performed by internal or external staff who will receive training with regard to monitoring techniques and recording of monitoring results. Additional experts may be included in monitoring activities on an as-needed basis.

Monitoring and evaluation will be the responsibility of ProjectCo for the duration of construction and one year, post completion of construction. Both internal monitoring and external evaluation by a third party will be carried out to ensure comprehensive oversight of the effectiveness of LRP implementation. Internal monitoring allows for structured and consistent data analysis and adaptive management where appropriate, whereas external evaluation allows for an objective review of the implementation of the LRP and of whether livelihood restoration has been achieved.

10.1 Internal Monitoring

Internal monitoring requires gathering and analysing data against the indicators provided in the socio-economic baseline (Table 17) as well as responding to monitoring findings by adapting existing measures where required.

ProjectCo will undertake both performance and impact monitoring. Performance monitoring will primarily assess whether ProjectCo is meeting its commitments in terms of implementation of the LRP, while impact monitoring assesses the effects of the land acquisition and compensation as well as livelihood restoration initiatives.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 116 of 121

ProjectCo intends to carry out regular monitoring during construction and commissioning (expected to last 18 months) and annually thereafter. ProjectCo will develop a detailed monitoring plan prior to construction, which will be a dynamic document allowing changes to adapt to changing project conditions as needed.

10.2 External Evaluation

It is proposed that a Mid-term monitoring study and a Completion Audit be undertaken by an independent consultant to assess implementation progress and the sustainability of the LRP implementation process. Some of the main objectives include:


- Assessment of the LRP implementation process;
- Evaluation of LRP sustainability, particularly with regards to development of diversified income generating opportunities upon loss of agricultural land; and
- Determine whether affected livelihoods had been restored.

The external evaluation will require primary and secondary data gathering from affected persons and key stakeholders (such as the District government and implementing partners).

The Completion Audit must assess whether ongoing monitoring of the LRP implementation process can be concluded, or whether an extension is necessary, if livelihood restoration objectives have not been satisfactorily achieved.

It is proposed that the independent evaluation and audit process will focus on the following:

- Progress with general implementation – resource adequacy, data management, progress achieved according to schedule, etc.
- Compensation process – entitlements delivery, spend and usage of cash compensation, etc.
- Livelihood restoration initiatives – review of implementation of livelihood restoration measures, overall livelihood restoration status, etc.
- Monitoring and evaluation – verification that internal monitoring is being carried out in conformance with the LRP/monitoring plan, assess adequacy of monitoring to catch recurring or systematic issues.
- Vulnerable people – review whether vulnerable households have been adequately monitored and supported or whether additional support is needed.
- Grievances – review of records with a view towards effectiveness of the grievance mechanism.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 117 of 121

11 Indicative Cost Estimate and Implementation Schedule

This section of the LRP sets out an indicative LRP cost estimate and implementation schedule in order to support planning and management of Project finances and construction schedule.

11.1 LRP Implementation Cost Estimate

This section sets out actual and indicative costs for LRP implementation based on preliminary discussions with stakeholders and potential training implementation partners for livelihood restoration activities. Training service providers will be invited to submit proposals with detailed approach and budget consideration by ProjectCo which will help to further refine cost estimates. Other costs that will need to be considered include recruitment of staff to support implementation, project management and monitoring and evaluation costs.

Table 22: LRP Implementation Costs

LRP Component	Item	Date	MWK Value	Exchange Rate	USD Value
Land Compensation ²⁸	Phase 1 Compensation	02-Oct-17	MWK 154,024,301.25	725.5	\$212,300.87
	Phase 2 Compensation	08-Nov-18	MWK 272,129,300.00	729.0	\$373,271.00
	Wayleave Compensation	05-Mar-19	MWK 49,875,600.12	729.9	\$68,332.78
Sub-total			MWK 476,029,201.37		\$653,904.65
Livelihood Restoration	LRP Initiative(s) Implementation				\$180,000.00
	LRP Monitoring and Evaluation				\$30,000.00
Sub-total					\$210,000.00
Grand Total					\$863,904.65


²⁸ Compensation value is inclusive of all assets (land, trees, structures) and allowances (disturbance and vulnerability).

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 118 of 121

11.2 Implementation Schedule

An LRP implementation schedule will need to be developed. The schedule should be organised in order to prioritise resourcing and livelihoods training requirements. It is proposed that ProjectCo integrates the LRP implementation schedule with the Construction Schedule. The following activities are to be scheduled:

- Resources:
 - Assign ProjectCo representative to coordinate LRP.
- Institutional framework:
 - Prepare memorandum of understanding for LRSC and LRWG, that includes roles and responsibilities.
 - Schedule both LRSC and LRWG meetings.
- Livelihood restoration implementation:
 - Refer to Section 12 (Recommended Way Forward).
- Ongoing stakeholder engagement.
- Monitoring and evaluation:
 - Internal performance monitoring and internal impact monitoring.
 - External monitoring.
 - Completion audit at the end of year three.

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 119 of 121

12 Way Forward

This Section sets out a recommended way forward for livelihood restoration. The way forward consists of four key steps that will be elaborated on in the sections below:

- Verification that the compensation payments made are in line with the principals of IFC Performance Standard 5;
- Assess the current status of the PAPs since compensation;
- Design and implement livelihood restoration initiatives;
- Conduct monitoring of the livelihood restoration initiatives.

12.1 Compensation Payment Verification

As the ProjectCo is committed to meeting the principals of IFC PS 5 a verification process of the compensation that was undertaken for Phase I, Phase II and the wayleave will be undertaken. This verification process will cover the following aspects:

- Review the compensation packages for Phase I and II (including the wayleave). This includes recruiting a suitably qualified third-party valuator to review the asset prices paid in the various compensation rounds against asset prices that would meet IFC Performance Standards.
- Based on the outcomes of the assessment, develop a strategy to address any identified gaps between the actual payments made and the that which would meet IFC PS 5.
- The strategy above should be linked to the assessment of the current status of the PAPs and the design of the livelihood restoration initiatives.

12.2 Assessment of PAPs Since Compensation

Assess a representative sample set of the PAPs that have been compensated in all Phases to determine the following:

- A summary of the compensation paid to the PAP and what the PAPs was compensated for;
- What the PAP did with the compensation received;
- What changes have occurred in the PAPs livelihoods and what are the nature of these changes;
- What is the PAP's current status in terms of livelihood strategies and how does that compare to pre-compensation;

	Salima Livelihood Restoration Plan	Document No.	JCM-ESG-MS-LRP-1.0
		Date	2019-07-04
		Page Number	Page 120 of 121

- Are there vulnerable groups and what is their current status?

12.3 Design and implement Livelihood Restoration Initiatives

Once a broad understanding of the current status of PAPs is achieved through the assessment ProjectCo should conduct final design and implementation of livelihood restoration initiatives. This should involve the following:

- **Identification of livelihood restoration priorities:** This should focus on identifying vulnerable individuals and groups based on the outcomes of the assessment. The identification of priorities should be defined as areas where PAPs face immediate vulnerability directly or indirectly as a result of the compensation process.
- **Identification of broad-based livelihood restoration initiatives:** Also based on the outcomes of the assessment of the PAPs ProjectCo should identify livelihood restoration initiatives for all PAPs based on the options defined in Section 8; and
- **Procure services for the implementation of livelihood restoration initiatives:** Having defined the priority initiatives and broad-based initiatives ProjectCo should undertake the following general steps:
 - Develop a Terms of Reference (ToR) for each initiative;
 - Conduct a procurement process for the initiatives with suitably qualified organisations;
 - Select and contract the preferred bidder; and
 - Implement the initiatives.
 - Note: priority initiatives should be fast tracked in order to reduce the potential for hardship experienced by PAPs.

12.4 Monitoring of Livelihood Restoration Initiatives

Once the LRP initiatives have been implemented they should be monitored both internally and externally. Internal monitoring (see Section 10.1) should be undertaken on a regular periodic basis as deemed appropriate by the ProjectCo, whereas the external monitoring (see Section 10.2) should be on a mid-term (at the end of construction) and close-out basis approximately one year after the completion of the initiatives or as deemed appropriate by the external expert.



JCM POWER CORPORATION

ESG

ESG CORPORATE OFFICE

2nd Floor The WorkSpace, Unit 6
44 Melrose Boulevard
Melrose Arch
Johannesburg
Gauteng
South Africa

CONTACT:

Alan Cochran (ESG Director)
acochran@jcmpower.ca

Lisa Muller (ESG Coordinator)
lmuller@jcmpower.ca

HEAD OFFICE

21 St. Clair Avenue East
Suite 700
Toronto
Ontario
M4T 1L9
Canada

CONTACT:

Martin Ritchie (Chief Risk Officer)
mritchie@jcmpower.ca